

## **Formation of regional level of self-government in the process of transformation in Slovakia**

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### **Abstract:**

In Slovakia the reform of local government put into practise immediately after the revolution and since 1990 in every town and village citizens could freely elected municipal authorities.. The regional self-government has emerged under pressure from the European Union substantially later, up to 1. January 2002. EU supports regionalization as well as provides funds for the development of the regions. During the preparation of the legislation were discussed about the size and number of regions. After tumultuous negotiations finally there were created 8 self-government regions, co called higher territorial units (vyššie územné celky - VÚC) with their residence on the territory of which lives around 800 000 citizens; they were elected chairmen and members of the regional parliaments. Gradually realised redistribution of competencies between the State, the regional authorities and the local government, it was developed methods of financing of the regions by state. Responsibilities have been distributed between the Central, regional and local administration across all spheres of social life, for example education, health, communication, etc. The existence of the 8 counties, however, didn't prove useful, so evidenced by the lack of interest of citizens, the small turnout of voters in elections to the regional government, as well as the fact that the differences between the most developed and least developed regions of Slovakia did not get diminished. Part of the authors justify the lack of interest of citizens that the VÚC did not emerged on the territory of the natural regions and therefore they proposed to increase the number of the VÚC to 12 or even 16 subjects. The second part of the theorists argues that there is a lot districts and we should go back to the model of 3 districts.

Therefore, the starting point would be to reduce the number of regional authorities and review their competence in connection with the local government. The model of transversal division of competences has not proved. Another problem lies in the fact that the number of local authorities has not changed, unable to connect the villages to the larger units, in order to more effectively use their options, as we see in the Nordic countries.

## **The emergence of local self-government and its development**

A significant part of the democratization of the political system is the decentralisation of governance, which means shifting the decision-making competence from the central authorities to the regional and local authorities. Also, a number of the decision-making competence shall be transmitted to the self-government authorities, i.e. the authorities that were created on the basis of free and democratic elections. They represent interests and the legitimacy of the citizens in the management of administrative territory. As a result the increase the efficiency and effectiveness of investment funds.

Already in 1990, on the basis of law No 47/1990 Coll. on organization of a local government have been abolished former national committees as administrative bodies at all stages of construction, and emerged the new set of organs, which included 121 district offices as the first stage of construction, 38 the county offices and the 3 former regional authorities were abolished. In September 1990, was approved Act No. 369/1990 Coll. about local government on the basis of that was established the local self-government at the level of municipalities. There was separated the State administration and territorial self-government and introduced so called separate model of public administration.

In 1996 took place another reorganisation of local state government, as a result of which was cancelled 121 districts and again established a regional level of state administration. The Slovak Republic was divided into 8 regions and 79 counties.

In accordance with the law the municipality is a territorial self-governing and administrative unit of the Slovak Republic. It brings together people who have permanent residence on its territory. The inhabitants of the towns and villages elect in the general election their representatives, who manage administrative territory. Voters elected in a separate ballot the Mayor or the City Mayor and in a separate round of the municipal deputies. The municipality is a legal person which self-managed under the conditions of the law with its own assets and income. The authorities of the village are the municipal deputies and the Mayor of the municipality (city mayor). The executive body is the Municipal Council which ensures the organisational and administrative affairs of the Mayor.

The local self-government has undergone a difficult period, during the process of privatization when it was necessary to determine the ownership of individual municipalities; local authorities gained experience on how to manage the entrusted property. The financing of municipalities was initially chaotic and succumb to party's interests.

A major challenge has been the gradual transfer of responsibilities from the state to local authorities. Transfer of competences to the municipality has carried out in several stages, the largest movements occurred in the years 1990-1991, and then in the years 2002-2004. In the case of urban and municipal authorities, we are talking about the original competences resulting from their immediate functions and transfer competences, which transferred upon them the State (e.g., birth register, building regulations, part of the competencies in education, etc.). The municipality may, in its regional competences adopt generally binding regulations and positions binding on their territory.

The municipalities are financed largely from taxes on personal income, which state distributed on the basis of the algorithm that takes into account the size of the municipality, the structure of the population, the number of pensioners, the number of children of pre-school age, etc.). Revenue of the municipalities are made up of approximately 72% of the personal income tax from the State and 28% are local taxes. They are, therefore, objective criteria which the Government cannot arbitrarily change. Other source of income consists of the withdrawal of local taxes and their own business. The state has managed to develop such a system, which provides municipalities with sufficient financial resources for their activities and the necessary political independence.

An important task was to develop a system of financing that would have been objective and did not succumb to pressure from the party policy. Gradually in the years 1998-2002 has been drawn up system of financing, which provides sufficient funds to municipalities, which was based on objective indicators and not dependent on partisan pressures. The municipalities are financed largely from taxes on personal income, which state distributed based on an algorithm that takes into account the size of the municipality, the composition of the population, the number of pensioners, the number of children of pre-school age, etc.). Approximately 72% of the incomes comprised personal income tax from the State and 28% are local taxes. (Leška, 2011, p.165 - 166) They are, therefore, objective criteria which the Government cannot arbitrarily change. Other sources of the income consist of the collection of the locally taxes (property tax) and their own business. There have managed to develop such a system, which provides municipalities with sufficient financial resources for their activities and the necessary political independence.

Among the core competencies of local self-government are: births register (registry office); the elementary school; the protection of nature and water; social assistance; health care (medical equipment), building regulations and land-based communications , roads of the 3. and 4. class; tourism; physical culture.

To the advantages of the municipality belonged that they are financially independent, decision making is pushed closer to the citizens, and citizens have the opportunity to directly decide on matters that affect them directly. They have the opportunity to directly participate in the solution of actual problems (participation), if necessary, they can take advantage of the referendum as an act of direct democracy.

The local administration has now established in terms of financing, business assets, representative bodies are elected regularly. Citizens are gradually learning to engage in local administration matters. Nevertheless, satisfaction of citizens with local government is low as shown by opinion polls.

Despite the fact that the local self-government there are 24 years, citizens are not satisfied with their activities and satisfaction even has decreased. According to a poll of public opinion in the year 2010, one third (33, 1 %), of the respondents expressed total or prevailing satisfaction with local self-government which is the same number as four years ago. Total or prevailing dissatisfaction declared one third of the population (33, 6 %), which is an increase of nine percentage points compared to the year 2006. Less than a one third of the respondents (30, 2 %) cannot decide (they are also satisfied, and not satisfied). In comparison with the year 2006 is about eight percentage points less. (S fungovaním samosprávy je spokojná tretina Slovákov, 2010)

The problem of the local self-government is that it is too fragmented; there are currently in Slovakia 2878 municipalities. All attempts to connect small communities into larger units, to more efficient use of their resources, failed. The villages not only didn't efforts to build large units, but even they fought back when such attempts took the state administration.

## **The emergence of regional self-government**

The second level of self-government, regional self-government, which intermediate relations between the Centre and the municipalities, was created much later in the year 2002. The Government has submitted to Parliament a proposal for the creation of 12 regions. Around the number of regions was a stormy discussion, there were submitted proposals with a variety of solution. The vast majority, however, was for reduction of the number of regions and of the opinion that these higher territorial units win (VUC) will copy the boundaries of the counties of the State administration, which was eight. After a long and heated debate in the Parliament was approved eight regional self-governments (so called higher territorial units VÚC): Bratislava, Trenčín, Trnava, Nitra, Banská Bystrica, Žilina, Prešov, Košice.

Figure 1.: Division of Slovakia on regional self-govenment



In September of the same year was adopted the law No. 416/2001 on the competency on basis of that gradually in five stages moved around 300 of authorities to the regional self-government. The most important was the Act on fiscal decentralization (23.9.2004), as a result of which they have gained financial autonomy.

Regional self-government has competence in the same areas such as local self-government, only at a higher level. Its competences are: Secondary schools; the train and bus transport – adaptation the timetable; regional development and tourism; road transport; social assistance, the organizer of the home social services; construction management; roads of 2. and 3. Class; theatres, museums, art galleries; health care - the hospital of I. and II. Instance; civil protection.

Citizens who have a permanent residence in the territory of the region can elect President of the self-governing region and the Regional Parliament in the general election for a period of four years. The main bodies are: the President of the regional government, the Regional Parliament, the Office and the main auditor. The President is elected by a majority two-round electoral system. Members of the Regional Parliament are elected by a majority system in districts.

Similarly, as in the case of towns and villages was drawn up a model of the independent financing of the regional self-government. The basis is the share of taxes on personal income, tax revenue from business and from motor vehicles, property ownership, administrative fees and funds from EU.

For the purposes of structural policy and the adaptation to the methodology of the EU countries was also prepared by the territorial systemization in Slovakia according to the NUTS. This systemization has been negotiated and registered with Eurostat.

Territorial within the meaning of this measure is follows: NUTS level 1 consists of the Slovak Republic, NUTS 2 comprise Bratislava region, Western Slovakia, Eastern Slovakia and Middle Slovakia, NUTS 3 comprise 8 regions self-government (regional level), NUTS 4 represents 79 districts and NUTS 5 2878 municipalities of Slovakia(local level of self-government).

On regional development within the euro-funds in the period 2007-2013 in Slovakia was allocated a total of 11, 6 billion euros, of which 10, 9 billion euros under objective of the Convergence, 0.5 billion euro under the regional competitiveness and employment and of 0,2 billion euros under the European territorial cooperation. ([http://ec.europa.eu/regional\\_policy/atlas2007/fiche/sk\\_sk.pdf](http://ec.europa.eu/regional_policy/atlas2007/fiche/sk_sk.pdf); 5.5.2009).

Despite the existence of the VÚC, spending of EU structural funds, differences in the level of economic and social development of the various regions remain relatively large, and failing them to shrink more.

According to data published by Eurostat, EU's Statistical Office, the GDP per capita in Bratislava in 2011 reached 186% of the EU average. With the exception of Bratislava, all regions of Slovakia are below the threshold of 75% of the Union average. Western Slovakia reaches 72% of the Union average, Middle Slovakia 59% and Eastern Slovakia 51% of the Union average.

Tabel 1: Regional disparities in regional self-government

| <b>Regional disparities according selected indicators at the level of NUTS 3</b> |                              |                                           |                                             |                                      |                                               |                                 |                                           |
|----------------------------------------------------------------------------------|------------------------------|-------------------------------------------|---------------------------------------------|--------------------------------------|-----------------------------------------------|---------------------------------|-------------------------------------------|
| Region<br>NUTS 3                                                                 | GDP<br>(mil.<br>Eur<br>b.c.) | GDP<br>per<br>capita<br>(Euro<br>, s. c.) | GDP per<br>capita in PPP<br>(EÚ27=100<br>%) | Gross<br>value<br>added<br>(%<br>SR) | Labour<br>productivity<br>(s.c.<br>tausend €) | The<br>unemployment<br>rate (%) | Foreign<br>direct<br>investment<br>(% SR) |
| Bratislavský                                                                     | 14.469                       | 18.698                                    | 148,7                                       | 26,3                                 | 28,0                                          | 4,4                             | 73,5                                      |
| Trnavský                                                                         | 6.888                        | 9.696                                     | 77,2                                        | 12,5                                 | 24,4                                          | 8,7                             | 2,9                                       |
| Trenčiansky                                                                      | 5.728                        | 7.443                                     | 59,4                                        | 10,4                                 | 18,0                                          | 10,4                            | 4,2                                       |
| Nitriansky                                                                       | 6.188                        | 6.813                                     | 54,4                                        | 11,2                                 | 19,0                                          | 12,6                            | 1,8                                       |
| Žilinský                                                                         | 5.744                        | 6.450                                     | 51,4                                        | 10,4                                 | 17,2                                          | 11,4                            | 13,6                                      |
| Banskobystrický                                                                  | 4.952                        | 5.879                                     | 46,9                                        | 9,0                                  | 16,9                                          | 19,7                            | 1,5                                       |
| Prešovský                                                                        | 4.462                        | 4.359                                     | 36,7                                        | 8,1                                  | 14,0                                          | 18,3                            | 0,7                                       |
| Košický                                                                          | 6.651                        | 6.722                                     | 53,5                                        | 12,1                                 | 19,5                                          | 16,9                            | 1,8                                       |

Rajčáková, E., Švecová, A.( 2012): Regionálne disparity v kontexte regionálnej politiky SR.  
Bratislava: UK.

The lack of interest of citizens ' in activity of regional authority is demonstrated by the low voter turnout in the elections to bodies of VÚC. In 2013 were already third elections to regional self-government, the participation of citizens in elections is, however, very low and moves around 20%. It reflects either the lack of interest citizens with their activity or dissatisfaction with their activity. Citizens point to the unnecessary bureaucracy and excessive apparatus of officials. Therefore, the discussion on the need and the importance of the number of regional authorities was opened again. A part of the theorists claim that the lack of interest of citizens ' stems from the fact that they didn't emerged in the territory of the natural regions and therefore should be 12-16 regions. (Sloboda, 2006). The second part of scholars and politics, to the contrary, claims that there are is too much regions and they proposed to create only 3 regions. It would have been more beneficial also in terms of drawing from the regional funds of the EU, which considered the optimum for region NUTS 2 800,000-3,000.000 inhabitants.

This group of scholars and politicians claim that in Slovakia there are 12-16 natural regions and those should make “higher territorial units” (VÚC). In their opinion, with such regions would people identify and take part in their activities. (Sloboda, 2005, p. 34) In my opinion, however, the natural historical regions in Slovakia have not emerged. For the emergence of historical regions are important in addition to the geographical, natural, cultural, and political factors, economic factors are important. The regions were always created around the natural economic centers, taking into account all the geographic and natural factors. However, natural regions in Slovakia didn't emerged, because there were not appropriate historical conditions. In conditions of the Austria-Hungarian Empire Slovakia belonged to most backwoods regions of Hungary, industrialization began to do only the first steps, and the country was exposed to a harsh national and social oppression. After the collapse of Austria-Hungary and the emergence of the first Czechoslovak Republic, the situation has changed fundamentally. Slovakia gained the necessary preconditions for its development and the national emancipation, began industrialization. This development, however, interrupted by the great depression 30. years, which had very hard impact to Slovakia and the commencement of fascism in Europe. Germany annexes the cross-border area of Czechoslovakia, later occupied the Czech Republic and proclaimed protectorate Bohemia and Moravia. In Slovakia got to power reactionary forces and declared the formation of an autonomous pro-fascist Slovak State.

So, paradoxically, the industrialization of Slovakia has begun in the conditions of socialism, with all the negatives consequences that resulted from it. In addition to the positive aspects of the building of the industrial centers in the so-called starve valleys, around which create natural regions were problematic that industry focused primarily on heavy industry, metallurgy, engineering and armaments industry (Korec, 2005).

After the revolution of 1989, the industrial production in these regions has not been able to compete with Western Europe and often bankrupted and armament production was prescriptive stopped. As a result, the regions that have begun to develop promising again unraveled. Therefore I argue that the natural regions in Slovakia historically did not have policies for its origin in Slovakia didn't historically conditions for its origin. What are the authors mentioned are micro-regions, which are characterized by a specific culture, traditions, and customs. They are sufficient for the folklore and ethnography, but cannot provide the conditions for a viable region. The existence of micro-regions is also important for the life of the country, need to be taken into account, promote their development, however, it is something other than the modern regions.

J. H. Mittelman distinguishes two kinds of regionalism: traditional and neo-regionalism. Neo-regionalism consider region as a implement that allows to participate in the European region, as well as in global political and economic networks. The region has been developing as a functional aspect of the boundless, urban and highly technologically developed society allowing the European integration. Region represents rather the concentration of political and economic competition in the global economy with a diversity of inter and intra-regional streams. ((Mittelmenn, J.H. (1996): Rethinking the „New Regionalism in the Context of Globalization. In: Global Governance, Vol. 2, No. 2, p. 190)

For this reason, I find the argument about the existence of 12 or 16 regions for unsubstantiated. Whereas the natural regions do not exist it seems logical to create a smaller number of regions and to prepare the distribution of responsibilities between the regional and local authorities.

Figure 2: Division of Slovakia on micro-regions



## Conclusion:

- 1) Therefore, the starting point would be to reduce the number of regional authorities from 8 to 3 and review their competence in connection with the local government.
- 2) In Slovakia it is too a large number of small towns and local governments, which have not changed since 1989. The municipality will prevent mergers small villages to larger municipalities though often budget need only on the payroll of the administration and the missing resources for the development of the municipalities. It is necessary to create larger municipalities by the model of Nordic countries and to give them greater competence.
- 3) The model of transversal division of competences between regional and local self-government has not proved. Competences between them should be divided on the basis of sectors.

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