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THE REFORM OF ADMINISTRATIVE DIVISION IN UKRAINE: PROBLEMS OF TERRITORIAL COMMUNITIES' FORMATION IN THE POLISH-UKRAINIAN BORDERLAND

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Abstract

Issues of the administrative division in the broader context of political and administrative reforms connected with democratization and decentralization are considered. Some historical aspects of the administrative division modeling in Ukrainian borderlands are analyzed. Goals, mechanisms and the course of the current reform of administrative division at the local level in the Volyn and Lviv provinces are presented. The specifics of wealthy communities – new administrative units at the local level are outlined. Features of budget decentralization based on the example of comparing the structure of local government revenue are characterized. The problems and threats faced by the organizers at the present stage of reform are revealed, and some solutions to problematic situations in implementation of the new administrative division are proposed.

Key words

administrative division, administrative reform, Ukrainian borderlands.

1. Introduction

One of the conditions for successful political and economic transformation of a country is rebuilding its public administration both in the functional and in the spatial aspect (Izdebski, Kulesza, 2004). At the core of any reform of the administrative division there is always a fundamental reconstruction of the system of public administration. Also important is the fact that the administrative division does not

only mean a spatial form of the functioning of public administration institutions. A. Miszczuk (2003) draws attention to a trend changing the essence of the administrative division, which ceases to be merely “administrative power” and takes on the characteristics of “infrastructural power”. The territorial division is a structure by means of which specific spatial governance in the implementation of public tasks is obtained. It is not only the administration that uses such a division. It has the organizational and

ordering significance on a much wider political, economic and social scale (Kaczmarek, 2005).

Since gaining its independence by Ukraine in 1991, a rebuilding of the system of the organization of public authority has been taking place there. Similarly to other post-Communist countries of Central and Eastern Europe, Ukraine pursues a strategy to transform old, heavily centralized public administration structures towards democratization and decentralization. Unlike Poland and other countries in the region, Ukraine's transition from totalitarianism to democracy is a much longer process. In addition, this process has not yet been completed. The process of democratization of Ukraine is not linear either, and it is characterized by a frequent change in the transformation phases (Michalski, Kuczabski, 2014).

Reconstruction of the administrative division in border areas has a particular specificity, due to its impact on the social and economic development of the respective territories. Socio-economic development of the Ukrainian-Polish borderland is determined by many factors. The border, cutting through a certain area and dividing it into parts different in terms of law, nature and shape of the administration or the intensity of economic activities, is a key element of this development. The current course of the Polish-Ukrainian border was formed in 1945–1951 as a result of geopolitical aspirations of the totalitarian regime of the USSR. The historical factor in the case of the Ukrainian-Polish borderland is extremely conducive to both individual contacts and institutional forms of cross-border cooperation. Disintegration of the USSR and the emergence of independent Ukraine in 1991 did not affect the course of the border, but it changed its nature. Since that time reactivation of the pre-war social, economic and cultural ties has begun.

The issue of the administrative division of the Ukrainian-Polish borderland should be viewed from different perspectives. Firstly, the administrative division creates a territorial basis for the functioning of bodies and institutions of the public administration. Secondly, it determines the emergence and development of territorial social systems with a specific territorial identity. Thirdly, it is the spatial form of distribution of funds and designates the territorial nature of public investment. All these aspects more or less significantly influence the nature and the intensity of cross-border cooperation.

One must also realize that in the case of borderlands one of the key factors shaping cross-border cooperation is the compatibility of the administrative division. The compatibility of the administrative division is based on two fundamental elements. The first one reflects the correlation of competence of

respective territorial structures of public administration. Maintaining a certain level of such competence correlation is an important condition for entering into, maintaining and developing direct cross-border cooperation. The second element characterizes the parity of the size of territorial units on both sides of the border, which is extremely important in ensuring adequate resources necessary for cooperation. This element can be quite widely presented: from the number of the population and the size of the area of the respective administrative units to the amount of their budgets or the costs of the investment made (Kuczabski, 2017).

The question of the compatibility of administrative divisions in the Ukrainian-Polish borderland was analyzed by in detail A. Kuczabski and A. Miszczuk (2005). The analysis showed a relatively high degree of compatibility of these divisions, especially at the regional level (voivodeships and oblasts) and the sub-regional one (poviats and regions). On the Ukrainian side there have been more or less significant changes in this regard. So far they have mainly concerned the shape of the administrative units at the lowest level. A reform of regional units in Ukraine (oblasts and regions) was announced, but for various reasons, suspended. It aims to lead to a further increase in the compatibility of division units in both countries, especially at the local level (municipalities).

2. Historical premises of the reform

Still in the period of being part of the USSR, the administrative division of Ukraine at the local level was critically evaluated in scientific circles. While in most European countries after World War II, a trend to reduce the number of municipalities dominated, in the Soviet Union, after quite an unsuccessful attempt to conduct similar reforms in the late 1950s and 1960s, preservation of the existing administrative division at the local level took place. B. Choriew (Хорев, 1981) was a supporter of a broad reduction in local administrative units in the USSR and propagated the necessity to consolidate rural councils and give them some of the administrative functions from the level of regions.

The characteristic of Ukraine excessive number of administrative units at the local level significantly weakens the local government, which in small towns is unable to fulfil its basic tasks due to a lack of adequate financial resources and sufficient assets. Furthermore, the maintenance of the old administrative division only resulted in the escalation of imbalance between units of this division (Kuchabsky, 2006).

For a long time, fierce political debate on the necessity and principles of reconstruction of the system of public administration in Ukraine did not allow moving on to the relevant changes of the territorial structure of the country. Until 2014, all the changes mainly regarded maintaining a certain balance between the central and the local governments, achieved during the constitutional agreement in the mid-1990s. The basic principles and key elements of the administrative regime based on the ideas of self-government of territorial units of Ukraine were included in the Constitution (Конституція України, 1996) and laws (Про місцеве самоврядування..., 1997; Про органи самоорганізації..., 2001). After an unsuccessful attempt to reform the administrative division in 1997, the question of reorganization of the administration several times has become a reason for heated political debates.

Only after taking over power in Ukraine by pro-European political elites in 2014, did the process of implementation of reforms of the administrative division began, with a view to creating active and effective local governments.

3. Principles of the reform

The change of social relations in Ukraine and its transition to market economy requires changes in the administrative-territorial system, which now has become an obstacle for the effective regional policy, and it needs to be reformed. In connection with that, in 2014 the first stage of such a reform began. It ensures decentralization of power and optimization of powers between the state authorities and the local self-government. Decentralization of power is an important objective, included in the Decrees of the President and the Cabinet of Ministers of Ukraine (Про Стратегію сталого розвитку „Україна - 2020”, 2015; Про затвердження Державної стратегії..., 2014; Про схвалення Концепції..., 2014). Its aim is determined by the laws of Ukraine (Про співробітництво територіальних громад, 2014; Про добровільне об'єднання територіальних громад, 2015) as well as other regulations regarding amendments to the Tax and Budget Codes, strengthening the role of local authorities and self-government.

The main objectives of the decentralization policy include moving away from the centralized model of management in the country, ensuring the ability of the local government to build a system of effective territorial organization of the society. Creating viable territorial communities that would provide favorable conditions for living and ensure comprehensive economic and social development on their

territory is the first stage of the decentralization process in the country. Due to the absence of law on the administrative-territorial system of Ukraine, there is no single approach to the definition of the concept of “territorial community”.

The amendment to the law (Про місцеве самоврядування..., 1997) contains the following definition: territorial community – residents, united by permanent residence within the limits of a village, settlement, city as independent administrative-territorial units, or a voluntary association of residents of several villages with a single administrative center.

According to the present-day regulations, the powers of the territorial community should be expanded, and amendments to the Constitution of Ukraine are necessary, because it does not take into account the needs of a modern society.

Such powers are determined by Article 143 of the Constitution of Ukraine and involve “management of municipal property; approval of programs of socio-economic and cultural development and control of their implementation; approval of the budgets of the respective administrative-territorial units and control of their implementation; carrying out local referendums and implementation of their results; establishment, reorganization and liquidation of municipal enterprises, organizations and institutions, as well as control over their activities; resolving other problems of local importance, assigned to their jurisdiction by law” (Конституція України, 1996).

Formation of new territorial communities should be based on the transfer of a wide range of powers to the grassroots level of system management, which is based on the principle of subsidiarity.

According to scientists, formation of such communities should be aimed at providing citizens with the maximum number of quality services. Preschool and children's education, basic health care, culture and leisure of the citizens, domestic services (water, electricity, heating and sanitation), land use and environmental protection, transport and communications, etc. will be carried out within the community.

Scientists consider common interest to be one of the attributes of the community. The term “territorial interests” means “the dependence between the necessity and the importance of meeting the needs of local community through its direct or indirect activities aimed at ensuring the conditions for the existence and development of this society and a specific region” (Кучабський, 2010, p. 45). In order to implement this interest, it is necessary to ensure a certain resource provision (natural, financial, economic resources). The socio-economic potential of the community is one of the preconditions of its partial managerial autonomy. Such interest is part of the public

interest but takes into account the local properties of the so-called territorial conscience, similarity of belonging to the territory, the unity of traditions and culture, etc. The local self-government authorities are created on the basis of the territorial community, which together with the government and other entities of the society establish the necessary balance of its interests.

The justification for geospatial organization of territorial communities is considered to be an important issue. It is necessary to proceed from the following principles (Заставецька, 2013):

- 1) Settlement-related, i.e. the community area should be based on already existing settlement systems with simultaneous expansion of functions; communication between settlements must be taken into account in establishing the boundaries of the communities.
- 2) Territorial, i.e. the community must cover a compact territory, whose all elements have a high level of transport accessibility.
- 3) Demographic, i.e. taking into account the tendencies of population reproduction, the change in its age structure, migration flows.
- 4) Socio-economic, i.e. the community must engage in economic activities with an effective use of local resources; it should sustain people's daily needs.
- 5) Self-governing, i.e. representing the community's interests to ensure their right to self-government.

These principles also form the basis of the spatial organization of the local settlement systems, which will be established in the process of the administrative-territorial reform. The voluntary principle should also be added to them; observing this principle is mandatory in the process of merging settlements into a society.

In this case the settlements in the community will develop in close relationship with each other. Unlike modern village councils that have low economic potential, insufficiently developed production and social infrastructure, having in their structure several settlements, large territory and population, such communities must ensure the integrated development of the territory. Optimization of the geospatial organization of the region's population resettlement will be carried out; new systems of the so-called network organization with the extensive development of horizontal braces will be established on their basis.

Settlements which will be included in the community will develop according to their place and role in the community. Of course, the greatest socio-economic development should be provided for the community centers, i.e. large villages and urban

settlements. They should have important industrial and social facilities that will provide the population with jobs and various services. These centers should have good transport links with all the villages of the community and the regional center. They will be kind of „growth poles”, which will become new centers of settlement systems and the sphere of territorial administration.

Other settlements of the community must also get the social and economic impulse, as they should not become literally „peripheral”. In case of lack of development in non-agricultural activities and low transport accessibility, such villages can become uninhabited and gradually liquidated. Therefore, villages in each community should be developed according to the established functions and socio-economic potential.

Introduction of the cluster model of the territorial community will become an additional mechanism for improving the system of management in the effective use of investments from the state and local budgets, provided for the demographic development, financial and social development of rural areas, poverty reduction, education and health of the peasants, living conditions, cultural and public services.

The cluster approach to the new geospatial organization of production and resettlement will become an important condition for the optimization of the geospatial organization of society, improvement of the efficiency of its management.

Thus, the cluster model of territorial communities will be formed due to the increased production, information, social relations between individual settlements, and establishment of close managerial contacts. Collaborative work of people to strengthen local economy, attracting resources of the territory to production, and infrastructure development – these are the advantages of the cluster organization of the population life in the designated area. Because the cluster members do not depend on each other, it gives them an opportunity to use their potential and attract investments according to the designated purpose. Based on voluntary cooperation of cluster members and their cooperation with authorities, the effective use of investments from the state and local budgets for the revival of rural areas can be achieved.

Transformation of territorial communities into clusters has many advantages, in particular, the ability to provide a certain territory with integrated socio-economic development, the ability to ensure social comfort of the population throughout the same level and quality of life in all the settlements of the territorial community, and the ability to reduce

disparities between the development of the central and peripheral settlements of the community. This will facilitate the transformation of territorial communities into unique clusters and implementation of the cluster model of economic development – such a combination of business organizations that work closely with other institutions and bodies of self-government in a certain area with the purpose of organizing competitiveness and investment attractiveness of the economy ensures a high level of the quality of life of the population. The cluster model in terms of innovation-oriented economy will provide the same standards of living in hierarchically different territorial entities.

The vast majority of legislative initiatives on public administration reform came from the Government of Ukraine, especially the Ministry for Regional Development, Building and Housing of Ukraine structures. The set of projects prepared by the Ministry for Regional Development, Building and Housing of Ukraine played a key role in the issue of territorial management and the reform of the administrative division (Про співробітництво..., 2014; Про добровільне об'єднання..., 2015). Previously, contrary to the constitutional arrangements, in Ukraine there had been no mechanism for creating local government units by grassroots consolidation. The Bill of 2015 aims, among others, to create legal conditions and strengthen the guarantees of the local government functioning, to support the development of functional rural territorial clusters as well as to support a sustainable development and a rational use of budgetary resources (Про добровільне об'єднання..., 2015). The Bill gives cluster residents the right to initiate voluntary mergers of the existing clusters, and the very procedure of merging does not preclude holding a local referendum. In turn, the Bill of 2014 creates a legal foundation for cooperation of local government units (Про співробітництво..., 2014). The existing Ukrainian law provided only a general framework for inter-municipal cooperation. The new law classifies cooperation of territorial clusters as a relationship based on relevant agreements between two or more clusters to foster socio-economic and cultural development, to improve the quality of public services, and to effectively perform their tasks by the local government authorities.

4. The course of the reform in Ukraine

The process of territorial communities' formation is already taking place in Ukraine. It is carried out according to a specific procedure, according to which high-income territorial communities are the

communities of villages (towns and cities), which, as a result of voluntary consolidation, are able independently or through local governments to provide an adequate level of services, in particular in the field of education, culture, medical care, welfare, housing and public services, taking into account human resources, financial support and infrastructural development of the respective administrative-territorial units (Про затвердження Методики..., 2015).

As of the end of December 2016, there were 366 territorial communities in Ukraine (Tab. 1). However, the process of territorial communities' formation occurs uniformly in all the regions. In separate regions (Vinnytsia, Lviv, Khmelnytskyi, etc.) it has almost finished, while in such regions as Kyiv, Luhansk, Kharkiv only 2–4 communities have been established. There are significant differences in the area and population size of such communities in the various regions, and also in the number of their member-settlements. In particular, the largest community by the population size has more than 33,000 inhabitants (Odesa Region). There are several communities with the area of over 1,200 km² (Donetsk, Zhytomyr, Zaporizhia Region), while in certain regions the area of new territorial communities does not exceed 200 km² (Kirovohrad, Cherkasy, Chernivtsi Region). Generally, on average, from 5 to 18 settlements in Ukraine are united into communities. The communities, established in Zhytomyr (65), Poltava (63), Chernihiv (57), and Khmelnytskyi (53) Regions have the largest number of settlements. Usually, the union of a large number of settlements into community increases the distance between the community settlements and the center. Thus, the longest distance is recorded in Zhytomyr (53 km), Rivne (46 km), Donetsk, and Dnipropetrovsk (40–41 km) Regions (Децентралізація влади).

Creation of new, much more self-sufficient administrative units at the local level, known as “capable municipalities” is considered to be the most important element of this reform. The mechanism for the emergence of new clusters was based on decentralization of budgets through changes in the financial and tax codes of Ukraine. Changes in the Budget Code mainly regarded simplification of the relationship of the new clusters with the central budget. If the new units adhere to Government's recommendations on merging the municipalities, they are given competence and resources which until now only cities at the level of oblasts had (Практичний посібник, 2016). The need for budgetary decentralization arises from the dynamics of their revenue in the consolidated budget of Ukraine which has cemented in recent years and which is disadvantageous for the empowerment of local government

Tab. 1. United territorial communities in the regions of Ukraine (1.01.2017)

Name of the region	Before the reform				After the reform	
	total number of councils	municipal	settlement	rural	number of united communities	prospective plans
Cherkasy	556	16	15	524	6	39
Chernihiv	569	16	28	525	16	34
Chernivtsi	271	11	8	252	16	12
Dnipropetrovsk	348	20	40	288	34	48
Donetsk **	386	52	81	253	6	33
Ivano-Frankivsk	516	15	24	477	11	45
Kharkiv	458	17	60	381	4	51
Kherson	298	9	30	259	12	35
Khmelnitskyi	605	13	24	568	26	23
Kirovohrad	415	12	27	376	5	16
Kyiv	661	26	30	605	2	27
Luhansk **	194	10	25	159	3	22
Lviv	711	44	34	633	22	71
Mykolaiv	314	10	17	287	19	19
Odesa	490	19	32	439	11	14
Poltava	503	15	21	467	18	28
Rivne	365	11	16	338	18	27
Sumy	411	15	20	376	14	41
Ternopil	615	18	17	580	26	10
Vinnitsia	707	18	28	661	21	20
Volyn	412	11	22	379	15	40
Zakarpattia	337	11	19	307	3	*
Zaporizhia	299	14	22	263	16	42
Zhytomyr	631	12	40	579	32	19

* information is not available

** in areas controlled by Ukraine

Source: own study according to the information from "Decentralization of power".

units (Fig. 1). A decline in the share of own revenues with a simultaneously increasing role of transfers from the central budget indicates inconsistencies in the central authorities' actions to continue the declared policy of decentralization.

5. Implementation of the reform in municipalities of the Ukrainian-Polish borderland

A very important role of the central administration in the decision-making process is a characteristic feature of the Ukrainian administrative reform, which can be explained by a strong tradition of authoritative political and administrative decision-making, without broad public consultations. "The prospective plan of combining territorial clusters" was considered in the Bill (Про добровільне об'єднання...

2015) as the basic document setting out the shape of the future territorial administrative units. Drawing up such a plan has been foreseen at the level of each region, and it is a task for public administration in particular oblasts. Each prospective plan is then approved by the oblast's council and, finally, by the Cabinet of Ministers of Ukraine. According to the latest plan, in the area of the Lviv Region there should be 85 new clusters. 40 urban clusters (around almost all the cities of the region, apart from Dublana, Sosnivka, Stebnyk and Uhniv), 21 town clusters and 24 village clusters are expected to be created. It is assumed that the discussed project is not final, as some of the clusters approved in the project do not meet the required parameters. In the Volyn region, as a result of the reform, 52 new clusters should be created.

Already in 2015, 5 new clusters were created in the Volyn Region and 15 in the Lviv Region. Statistics

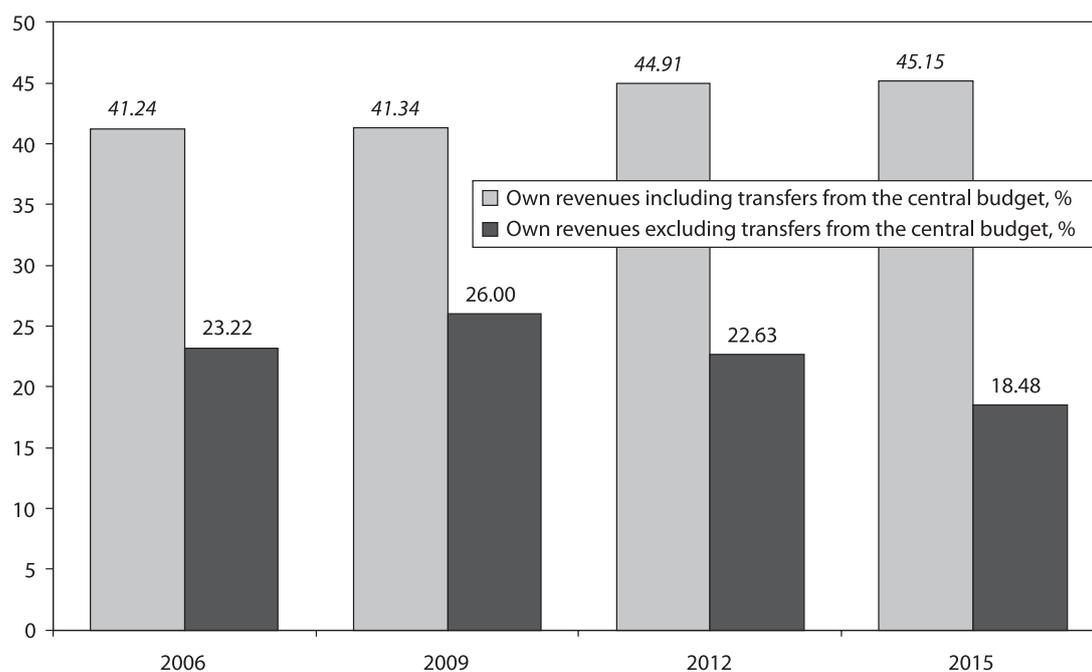


Fig. 1. The share of revenues of the local governments budgets in the consolidated budget of Ukraine

Source: Kuczabski, 2017.

Tab. 2. New clusters, created in the Volyn and Lviv Regions in 2015.

Centre of the cluster	Region	Area [km ²]	Population [thousands]	Number of municipalities
Babyna	Lviv	77.9	4.9	10
Biskovychi	Lviv	55.0	6.1	8
Chukva	Lviv	76.8	3.6	36
Dublany	Lviv	66.5	3.1	7
Hnizdychiv	Lviv	57.6	6.5	6
Holoby	Volyn	224.0	8.0	19
Hrabovets'	Lviv	65.9	4.1	6
Luky	Lviv	54.7	3.9	7
Mizhenets'	Lviv	8.8	2.4	6
Nove Misto	Lviv	18.4	6.3	14
Novi Strilyshcha	Lviv	71.9	2.8	11
Novyi Kalyniv	Lviv	108.3	7.3	8
Smolyhiv	Volyn	693.2	1.8	6
Trostryanets'	Lviv	190.0	8.1	17
Ustyluh	Volyn	43.7	7.6	26
Velyts'k	Volyn	211.5	4.1	12
Vil'shanyk	Lviv	79.1	3.1	9
Volya-Baranets'ka	Lviv	69.4	5.2	15
Zabolotsi	Lviv	105.7	2.6	10
Zymne	Volyn	175.0	6.2	17

Source: own study based on data: Від прагнень до звершень..., 2016.

of the new clusters revealed a problem with rational selection criteria for their creation. Contrary to the initial intent of the reform propagators, the new clusters very often are little different in terms of territory, population or city from most old clusters. Examples of such far too small clusters include: Smolyhiv (1.8 thousand inhabitants), Mizhenets' (2.4 thousand inhabitants), Zabolottsy (2.6 thousand inhabitants). In turn, the new collective clusters in some cases combine only 6 towns (Smolyhiv, Hnizdychiv, Mizhenets', Hrabovets') (Tab. 2).

In the following year new clusters were created. In the Volyn Region clusters were created with seats of

the authorities in: Lytovezh, Poromiv, Povors'k, Mayaky, Pavlivka, Prylisne, Shats'k, Lyublynets', Dubove, Zabolottya, and in the Lviv Region, as a result of consolidation, new clusters were created with seats of the authorities in: Khodoriv, Zhovtantsi, Mostyska, Sudova Vyshnya, Shehyni, Davydiv, Nyzhankovychi (Fig. 2). It is worth noting that the dynamics of changes in the administrative division is insufficient, as at this rate of transformations, even in the current, very conducive to the reform conditions, the process of consolidation will stretch on for years. This, in turn, will postpone the next stage of the reform at the subregional (regions) and regional level (oblasts).

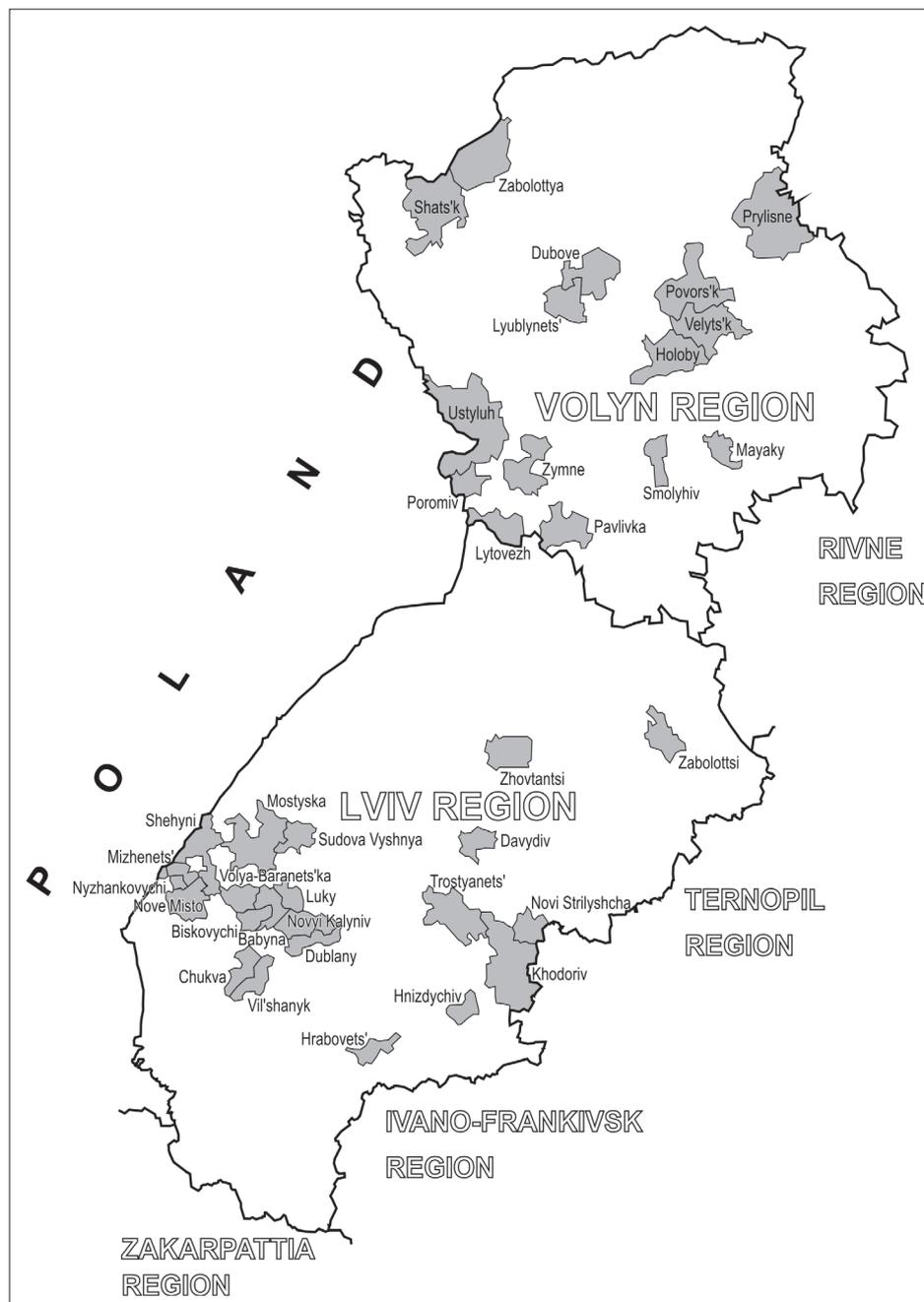


Fig. 2. Clusters created in Lviv and Volyn regions in the 2015-2016

Source: own study.

As the government expectations assumed, the decisive incentive to consolidation was based on financial benefits. Adapting to the recommendations of the reform projects on cluster mergers opens access to substantial in the Ukrainian conditions resources from the central budget provided for building the local infrastructure. Already in the first 9 months of 2016, such resources in the whole of Ukraine amounted to 667 million UAH. Also new clusters of the borderland have benefited from these resources – in the Volyn region (18 million hryvnia) and in the Lviv region (31 million hryvnia) (Децентралізація..., 2016). Unfortunately, dispersion of this subsidy to particular cluster, and even more so to municipalities, does not allow, however, for initiating more serious investments of strategic importance. Perhaps improvement in the economic situation of the country will affect more favorably the collection and spending of these funds.

As a result of the reforms there have also been considerable changes in the revenue structure of some budgets of the local government units. The share of own revenue increased to 10% in one year, which confirms the trend to empower the local government and gives basis to conclude about the steps taken towards decentralization. However, one may notice significantly lower revenue share of own budgets of new municipalities (29.7% in the Volyn Region and 31.4% in the Lviv Region) in comparison to the corresponding indicator for all clusters (44.8% in the Volyn Region and 56% in the Lviv Region). This proves that at this stage the consolidation actually concerns the weakest units in terms of financial self-sufficiency, since even after the consolidation procedures, they are on average poorer than most of the old municipalities.

6. Conclusions

The reform of administrative division in Ukraine is currently in progress. Implementation of the reform in practice allows reactivating self-government as a basic element of territorial management. This is only the initial stage of a broad political and administrative reform, which should implement the basics of local democracy and duly turn into a decentralization reform at the regional level. In general, the idea of creating new, strong clusters at the local level in place of the existing small units is conducive to local development, and hence the development of the whole region of the Ukrainian-Polish border area and activating the cross-border cooperation. What is meant by that is the emergence of a more compatible administrative division on both sides of the

border, both in the sense of competence of local authorities and in relation to the size of the territorial units. An additional factor supporting and stimulating such cooperation in the Ukrainian-Polish borderland is the pro-European orientation of the currently ruling political elite in Ukraine.

However, the hitherto implementation of the reform of administrative division in Ukraine, especially the situation in the Polish-Ukrainian borderland revealed a number of serious problems, both with organization of the new system of local authority and with the development of local economy, including the prospects for cross-border cooperation. The most important issues include, among others:

- 1) Unfavorable general economic situation in the country caused by warfare in the East, and a consistent lack of pro-market reforms. In the long run this may affect the further escalation of disparities in standards of living on both sides of the border and undermine the parity in the character of cross-border cooperation.
- 2) The cabinet nature of the reform translates into a lack of sufficient social acceptance. The acceleration in the implementation of the reform overlaps with a consistent lack of information policy on the part of the authorities. Thus the emerging administrative division units do not appear as a result of broad public debate, but they primarily arise as a result of compromises between groups of interest of the regional and local level importance.
- 3) Focusing on the issues of reorganization of rural areas. The main drawback of the hitherto administrative division of Ukraine was a heavy fragmentation of the structure of units at the local level. Therefore, the idea of the reform mainly focused on organization of rural areas, which in many cases means reshuffling of smaller villages among the newly selected centers of local development. In this way, problems of managing larger towns and agglomerations remain unresolved.
- 4) Possible intensification in degradation of remote areas. One of the key reasons forcing the central authorities to speed up the reform is an intention to rationalize the cost of maintaining administration and social infrastructure at the local level. Undoubtedly, this will result in liquidation of many unprofitable establishments so far maintained from the local budgets. This will aggravate the situation in peripheral municipalities, which may lead to the intensification of degradation of such areas.
- 5) Unfair redistribution of funds from the administrative units lagging behind the reform to new clusters. The mechanism of implementing the

reform was based on a financial instrument. By consolidating into a new structure, units obtain larger subsidies from the state budget. However, such additional resources come from cuts in the consolidated budget for other purposes and establishments. If such cuts will cause a reduction in financial support for units lagging behind the reform, this may lead to a sort of sabotage, and even worse, to consolidating and politicalizing of anti-reform circles.

These mentioned problems and a lack of or an inadequate response to their appearance on the part of the central authorities translates into certain concerns about ensuring the implementation of the fundamental objectives or the democratic principles of the reform. Special concern regards:

- increasing conflicts within clusters consolidated authoritatively as a result of a lack of a sense of sufficient identity among residents of the new administrative units;
- moving away public services from the citizens – increasing the size of clusters will cause a drastic reduction in the availability and accessibility of administrative offices, particularly in conditions of poorly developed means of transport;
- reducing peripheral social and cultural infrastructure establishments (schools, medical clinics, cultural centers), caused by a natural desire to optimize budgetary costs, but lowering the standards of living in smaller municipalities remote from the new administrative centers;
- ignorance of the reform on the part of old clusters which do not express a desire to merge with the neighboring units because of various barriers (from mental to economic ones), which poses a risk of growing marginalization of entire areas and may result in the need to complete the reforms in a decretal way;
- continued destabilization of local administration functioning through the necessary adjustments and improvements in actually unjustified and hastily approved projects of the administrative division;
- abandoning of the reform as a result of a possible change of the ruling political elite in the next elections, also due to errors related to implementation of the administrative reform.

The central government should focus on the key challenges to the current stage of the reform caused by reformers' previous errors. The most important tasks faced by the central and regional authorities include:

- encouraging the economic reform towards pro-market economy in order to improve the popula-

tion's quality of life and to create a better financial base for the functioning of local administration;

- financial decentralization, leading to an increase in the share of own revenue of municipalities in their budgets and a reduction of counting on support from the central budget;
- supporting all initiatives related to the development of cross-border cooperation to create new opportunities resulting from the benefits of the near-border geographical location (it is crucial to participate in projects which could be subsidized from the European Union funds);
- creating a mechanism for flexible adjustments to the boundaries of those new clusters that were formed authoritatively, contrary to the local community's interests, which should lower the level of distrust among citizens.

Quick and proper response of central authorities to issues that arise in the course of the implementation of the administrative reform can significantly improve the political situation and increase the level of social acceptance for the initiated changes in a broader context.

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