



SOUTH-WEST
UNIVERSITY
·NEOFIT RILSKY·

BLAGOEVGRAD, BULGARIA

VOLUME 5
2007



SCIENTIFIC
Research

ISSN 1312-7535

ELECTRONIC
ISSUE

ANALYSIS OF TERRITORY STRUCTURE OF PUBLIC ADMINISTRATION IN EC MEMBER COUNTRIES RELATING TO THE REGIONAL DEVELOPMENT AND VALIDITY OF ITS ACHIEVEMENTS IN BULGARIAN CONDITIONS

Radoslav Radoslavov – PhD student on individual study to the Department of Public Law Sciences and Public Management at Law – History Faculty, South West University “Neofit Rilski” Blagoevgrad

On the current stage of social-economic development of Republic of Bulgaria more than ever, it is necessary to be implemented in theoretic and practical plan the dialectic integrity between local, regional and national principles. Local and regional self-government should be a form and evidence of national management and vice versa.

Local and regional authorities in European countries are considered as a base of democratic state system. The rights and obligations of local communities in most European countries are legally regulated by constitution as well as by special legislation.

For unitary countries is typical the united regulation of main principles for local governing.

These are the countries as Bulgaria, Greece, Denmark, Iceland, Luxembourg, Norway, Slovenia, Finland etc.

Legislative regulation as on the part of the state, so on the part of its autonomous entities is characteristic for federal countries as Germany, Italy, Spain, France etc.

Some member countries have effective Local self-government Codes.

With a view to avoid ambiguities and vagueness in terms, it is necessary to specify that under the term “local self-government” will be considered the local self-government on first level, but under “regional self-government” –the local self-government on second and third level.

The alternation of characteristics and structure of local and regional authorities is extremely dynamic and intensive, and its trends are outlined explicitly.

The basic characteristics and structure of local and regional authorities in Europe in 1992 are as follows:

Country	Territory Sc. km	Population Thou.	Administrative Territorial structure	Administrative divisions	Number	Note
1. Austria	83 857	7 913.9	Two-level	States Municipalities	9 2301	
2. Belgium	30 528	9987.0	Three-level	Regions Provinces Municipalities	3 9 589	
3. Bulgaria	110 062	8 976.0	Two-level	Provinces Municipalities	28 255	
4. Germany	357 000	79 400.0	Three-level	States Districts Municipalities	16 320+174 8506+7984	
5. Greece	131 961	10 262.6	Three-level	Regions Prefectures Municipalities	13 51 5922	
6. Denmark	43 092	5 150.0	Two-level	Regions Municipalities	14 275	
7. Iceland	102 829	258.0	One-level	Municipalities	197	

8. Spain	504 750	38748.0	Three-level	Autonomous communities, Provinces, Municipalities	17 50 8082	
9. Italy	301 263	57 746.0	Three-level	Regions, Provinces, Municipalities	20 95 8100	
10. Luxembourg	2 586	381.0	One-level	Municipalities	118	
11. Norway	323 895	4 256.0	Two-level	Counties Municipalities	19 439	
12. Poland	312 700	35 900.0	Two-level	Voivodeships Municipalities	49 2449	
13. Portugal	92 389	10 343.0	Three-level	Districts Municipalities Parishes	- 305 4027	
14. Slovenia	20 215	1 947.0	Two-level	Regions Municipalities	- 62	
15. Finland	338 145	5 000.0	Two-level	Regions Municipalities	12 460	
16. France	551 500	59 155.0	Three-level	Regions Departments Municipalities	26 100 36 763	
17. Netherlands	41 864	15 040.0	Two-level	Provinces Municipalities	12 647	
18. Switzerland	41 293	6 800.0	Two-level	Cantons Municipalities	23 3072	
19. Sweden	410 929	8 591.0	Two-level	Counties Municipalities	24 286	

Source: Information reference book – situation 1992, issued by Ministry of Territorial and Regional Development and National Centre for Regional Residential Policy

In fact the above mentioned data are not the most actual but taking into consideration the conservative and cautious approach in changing the administrative and territorial structure and the stability of administrative territorial divisions in all European countries, the picture of institutional structure of member countries is not too different up to now.

For most of EC member countries the main source of right for local and regional self-government are the respective constitutions. In them the basic issues are disposed regarding the self-government starting by governmental structure, financial independence of local communities, relations between central, regional and local authorities and finishing by method of population participation in the elections.

Local and regional self-governing in member countries is based on adopted administrative and territorial divisions of respective country.

Two-level system of territorial divisions is dominating in the countries of Community, and the municipality is the basic territorial division with a functioning local self-government, and the region is a territory unit disposed immediately under the state level having affirmed and guaranteed regional self-government.

Countries adopted two-level administrative division and having long standing traditions regarding it could be seen in Appendix No 2 – Table 1.

In countries as Austria, Belgium, Denmark, Czech, Slovakia, Hungary, Great Britain etc. there is a trend for increasing of legal power of regional authorities having a wide competence, own finance and managed by authority bodies elected directly by the population. There are countries where due to different historical, geographical and other peculiarities, a three level system of local and regional self-government was established.

The countries as France, Spain, Italy, Poland etc. may be pointed out as countries with three level administrative & territorial system having independent authority bodies of local and regional self-government.

In France the three-level system includes municipality, department and region. In Spain, the administrative territorial divisions are municipality, province, and autonomous community. In Italy the system consists of municipality, province and region and in Poland in addition to the municipality exist district and voivodeship.

Regional self-government gives much better results than the decentralized state structures at achieving of essential aims of local communities in political, economics, social and cultural aspects.

Bulgaria is one of the less countries without a second level of self-government in the form of regional self-government.

Almost all countries except Belgium (where the Mayor of municipality is assigned by the King among the elected municipal supervisors), the representatives in local self-government authorities at the first level and in the regional self-government authorities at second and higher levels are elected directly by the population which imparts the required democratic legality of those institutions.

Authorities by their character may be collective type as municipal and regional boards and one-man type (executive ones) – mayors, regional and district managers etc.

In the European Union countries the regional and local self-government are well-provided with the necessary material and financial resources by which the respective local and regional authorities could dispose easily with a view of satisfying the population necessities.

Resources of financing of local and regional authorities in summarized form are as follows:

- Revenues from activities with own property and private legal deals;
- Revenues from own taxes, fees and special receipts;
- Revenues from state taxes (entirely or partially) remised;
- Grants, subventions and credits;
- Fines and other kind of sanctions.

Availability of well-functioning local and regional self-government in whichever of the Community countries is an indirect precondition for increasing of living standard of population in the whole country as well as in its municipalities and regions expressed through the total GDP (that is a total of the general economic activity in the respective country) and GDP per capita.

Except Luxembourg and to a certain extent Ireland, this dependence (between availability of effectively functioning regional and local authorities and the GDP size) is valid for almost all EC member countries (See Appendix No 2 – Table 2).

Countries having well-developed and functioning local and regional self-government as Denmark, Austria, Finland, Belgium, Netherlands, Great Britain, Germany, Sweden, France etc. are leading in the last classification by the total size of Gross Domestic Product and Gross Domestic Product per capita.

The same important conclusion could be done regarding the United States of America, which as a country of federal structure and having traditions in the local and regional self-government, indisputably have the leading position in Gross Domestic Product classification on a world-wide scale.

A) Nominal Gross Domestic Product (GDP) 2001

Country	% of the Total	Milliard, dollars	PPA, (US dollars)	GDP – milliards (national currency)	GNI – milliards (national currency)	GNI - % of GDP
1. Australia	1.5	366	515	713	692	97.1
2. Austria	0.7	189	224	211	208	98.4
3. Belgium	0.9	230	287	254	257	101.1
4. Canada	2.8	695	887	1 049	1 021	97.4
5. Denmark	0.6	162	152	1 335	1 336	98.6
6. France	5.2	1 310	1 483	1 456	1 468	100.8
7. Germany	7.3	1 846	2 114	2 094	2 079	99.3
8. Italy	4.3	1 089	1 414	1 219	1 211	99.3
9. Japan	16.4	4 141	3 445	515 914	522 262	101.2
10. Netherlands	1.5	380	421	419	411	101.8
11. Spain	2.3	582	805	645	638	98.9
12. Sweden	0.8	200	222	2 170	2 143	98.7
13. Switzerland	1.0	247	213	417	442	105.8
14. UK	5.7	1 424	1 463	977	979	100.2
15. USA	4.3	10 143	9 907	10 171	10 166	99.9
16. EC	31.3	7 8090	9 228	6 812	66 898	98.2
17. OECD	100.0	25 196	25 307	-	-	-

Source: OECD, World Bank, ("Guide for Economic characteristics" – p. 58, issue Classics & Style Ltd, Sofia 2004)

GNI – gross national income

PPA – Parity of purchasing ability

B) Gross Domestic Product per capita, 2001

Country	US Dollars	PPA, US Dollars	National currency	Real Gross domestic product- annual % change 1995-2000	Real Gross domestic product- annual % change 2001
1. Australia	19 011	26 552	36 757	4.0	2.4
2. Austria	23 262	27 518	25 962	2.5	1.0
3. Belgium	22 156	27 912	24 760	2.8	1.0
4. Canada	21 834	28 611	33 816	3.7	1.5
5. Denmark	30 432	28 342	253 278	2.7	0.9
6. France	22 020	25 074	24 607	2.5	2.0
7. Germany	22 798	25 715	25 477	1.7	0.6
8. Italy	18 900	24 500	21 132	1.9	1.8
9. Japan	33 400	27 101	4 059 115	1.5	-0.4
10. Netherlands	23 389	26 242	26 138	3.5	1.1
11. Spain	14 621	20 374	16 339	3.8	2.8
12. Sweden	23 626	24 978	244 039	2.9	1.2
13. Switzerland	34 315	29 587	57 900	1.8	1.3
14. UK	23 476	24 421	16 308	2.8	2.2
15. USA	35 820	34 888	35 820	4.2	1.2
16. EC	20 889	26 721	22 381	2.6	1.4
17. OECD	27 875	27 997	-	3.0	0.9

Source: World Bank, OECD

OECD - Organisation for Economic Co-operation and Development

As it is well known, the United States of America is a federation that consists of 50 states plus one independent federal district – Columbia where is situated the capital of the USA.

The administrative territorial divisions of the country are as follows:

- States
- Districts
- Municipalities.

The states are self-governing legislation entities within the federation.

Each state has its own constitution establishing the structure and activities of the three powers – legislative, judicial and executive powers similar to the federal one but not repeating it.

The main state institutions and authorities of management are¹:

- Legislative authority – two chamber Parliament;
- Governor who is elected directly by the population by majority representation principle for a period of two to four years, with right of two mandates;
- Authority of executive power is the state government;
- State police and state army directly subordinate to the governor;
- State judicial authorities;
- State intelligence and other special services;
- State tax policy authorities and institutions;
- State authorities and institutions for economics strategy and development of different industries etc.

The regional self-government in the USA is performed by district level and its legal authorities are essentially related to the administrative servicing of population, building and maintaining of road infrastructure, performance of own policy in the social support sphere, healthcare, education etc. For realizing of those legal authorities the district authority bodies collect taxes, duties and fees.

District management consists of district boards whose members – supervisors in most cases are elected directly by the population².

Municipalities are the basic administrative and territorial entities where the local self-government is realized. Here, as well as in the prevailing part of EC member countries is applied two-level system of self-government.

Realization of adequate decentralization in all aspects of this term by establishing of two-level system of self-governing in Bulgaria hardly could be ignored nevertheless that some authors³ are of the opinion that for poor countries as our country, it is preferable to retain and develop centralism and holding back of decentralization for decentralization's sake.

In fact, they are poor because the decentralization level from history point of view was very low for a long time that was the main obstacle for “complete opening of floodgates” of human potential. Beside this through decentralization process stimulating the crisis in representative democracy in Bulgaria might be overmastered.

The way in the era of globalism is through a gradual transformation of national state into a new type of ‘network’ state which successfully to adapt itself ‘searching new contacts

¹ Krum Chiviev, “Beyond the Idea”, published by AIS, Sofia 2007, p. 42.

² Emilia Kandeveva, Ivona Spiridonava-Hekt. “Comparative public administration – state management and administration in other countries”, Ciela Publishing House, Sofia, 2006.

³ Magazine “Development and transition”, issue 4, June 2006, published by PROON-Europe and the London School of Economics, “Structural funds and the new member countries – Conclusions and Lessons” – article by Vasil Marinov, Hashmi Bahlul and Ben Slay, p. 2.

with the ordinary people through the way of decentralization”⁴ following the line of development of local and regional authorities as the latter might render new resources of political and social legitimization..

Today the centralized Bulgarian state despite the reported growth of gross national product within 4-4.5% for the period of 2000-2005 is on the last positions in the European Community regarding the size of work salary.

Wage hike that is a basic type of income of Bulgarian households, does not correspond with the growth of gross national product and the average annual inflation during the passed years that affects negatively the living standard of population.

“The average wage is 16 times lower than that in the EC – 25; 21 times less than the wage in Great Britain; 20 times less than the one in Germany; 18 times less the Ireland mean wage; 3.8 times less the mean wage in Poland and so on”.⁵

Below the poverty line fall more and more Bulgarian households and their number have increased from 13.5% in 2000 to 14.3% in 2005 that means 1 million and 200 thousand people⁶.

Bulgarian poor households are 13 times poorer that the poorest households in EC. The changes of nominal and real sizes of salaries and wages in Bulgaria from 2000 up to now are as follows:

Year	Mean salaries and wages, BGN	Index	Real mean salary, growth %	Net salary excluded taxes	Minimal salary	Index for previous year
2000	248	100	-	190	79	-
2001	264	106.5	101.6	207	100	126.6
2002	273	103.4	99.6	214	100	-
2003	298	109.2	103.4	234	110	110.0
2004	306	107.4	103.3	251	120	109.1
2005	326	106.5	104.0	261	150	125.0

Source: Bulgarian National Statistic Institute, Institute for Social and Trade Union Investigations to Confederation of Independent Trade Unions in Bulgaria (CITUB)

The opinion of Mr Lyuben Tomev – Director of Institute for Social and Trade Union Investigations to CITUB, Bulgaria is on the last position by labour cost among the EC countries. The mean labour cost per hour in Bulgaria is 1.45 EUR. This value is 14.6 times less than the mean labour cost in European Community, where it is 21.22 EUR/hour. The minimal salary in Bulgaria is 82 EUR that is 18 times less than the minimal salary in Luxembourg – 1503 EUR.

Such lag behind may be difficult to surmount in the near observable future if an aggressive economic growth does not achieve combined with solid support by the side of competent European institutions.

⁴ “Modern social democracy – Challenge ahead of Programme Renovation”, published by the Center for historical and politological researches and foundation “Friedrich Ebert”, Sofia, 2006 – article “Deopendence between politics and business in Bulgaria” – associate professor Ivka Tsankova, p. 303.

⁵ Article “Challenges ahead of income policy in Bulgaria – Achieving of Steady Growth at GDP growth reporting, price level stability, effectiveness of labour and economics competitiveness” by associate professor Goran Bankov, p. 215.

⁶ Article “Challenges ahead of income policy in Bulgaria - Achieving of Steady Growth at GDP growth reporting, price level stability, effectiveness of labour and economics competitiveness” by associate professor Goran Bankov, p. 153.