

Ukraine

Self Rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Ukraine has a complex multilevel territorial arrangement made up of three tiers, with asymmetric units within each tier. With a population of 48,457,100 inhabitants at the most recent census in 2001, Ukraine is the largest state both of Eastern Europe and of the former Soviet republics by a wide margin. Most of its administrative design hails from the Soviet period and has remained relatively unchanged since the mid-20th century.

Ukraine has one constitution from 1996, with reforms in 2004.

The highest tier of regional government consists of 24 *oblastey* (regions), the *avtonomna respublika* (Autonomous Republic) of Crimea, and two *mista* (independent cities), Kyiv and Sevastopol (C 1996 Art. 140). It is the only tier that meets our population criterion. Crimea, Kyiv, and Sevastopol are all considered special autonomous regions. Cities of oblast subordination would be considered asymmetric at the *raion* level (tier two), but have an average population of about 63,000 inhabitants (and in no *oblast* an average above 150,000). Crimea, including Sevastopol, has been under Russian control since mid 2014.

The second tier is composed of 721 *raion* (districts). These include 488 rural districts, 47 urban districts, and 186 *misto oblasnoho znachennya* (cities of oblast subordination)--a designation originating with the regional system in 1932, which is a status conferred by the central government. Because of their small populations, we also do not code standard districts.

A reform of local self-government took place in late 1990 creating democratic institutions at the local level, but in 1992 regional and intermediate tiers were brought back under central control. A 1994 reform extended local authority and in 1995 a provisional constitution was put in place (Navruzov 2001). The current Constitution was passed in 1996, which is when we begin coding.

General purpose government exists at all three levels in Ukraine and is protected by the constitution (Art. 7), while deconcentrated local state administrations operate alongside them at the intermediate and regional level (OECD 2016: 173). The 1996 Constitution distinguishes between delegated and exclusive competences, though most details are left to national enabling legislation. Delegated competences include education, health care, and social welfare, over which sub-central governments have very little discretion. Exclusive competences include common local responsibilities such as utilities, housing, and social protection (OECD 2016: 173).

The relationship between the deconcentrated central administrations and the local councils in particular territories determines the precise mix of what is done and by whom (Navruzov 2001: 116), which is a source of informal, complex asymmetry on top of the formal asymmetry that also exists. The institutionalized system of asymmetry in Ukraine

is unusual. The primary axis of difference is representation and the way this impacts self-governance. The municipal level in Ukraine has directly elected assemblies and executives, without the parallel, deconcentrated central state executive of the districts and regions. The source of asymmetry at the district level lies in the fact that “cities of oblast subordination” have the standard municipal structure but have no additional intermediate tier between them and the region; they lie on the same tier as the districts.

The mix of exclusive and delegated competences in the *oblastey* includes regional development programs, health, education, culture, social welfare, distribution of state budget funds, regional planning, transport and agriculture. *Raion* competences include district planning and development programs, distribution of state budget funds, natural resources, health, education, culture, social welfare, transport, and agriculture. Local competences include maintaining technical infrastructure, urban planning, energy, transport, water, heating, waste management, tourism, environment, local commerce and employment, development programs, urban development, education, social welfare, health care, etc (OECD 2016: 173). Local governments in Ukraine have fairly broad latitude in deciding how services will be provided and in many cases can choose private contracting, direct provision, or cooperative resource pooling with other local governments (Navruzov 2001: 131; Law 280/97, Art. 60).

The special status of Kyiv lies primarily in the fact that its budget is a special line item in the central budget and it has special competences associated with being the capital city, which it has had since independence. It is not subordinate to Kiev *oblast*, which surrounds it, and has greater autonomy in municipal governance than standard municipalities. Sevastopol also has greater autonomy, reflected in policy scope of 2.

There are currently no metro regions in Ukraine, but the 2013 creation of the State Fund for Regional Development is a step that could create formal arrangements down the road, if accompanied by constitutional reform. The introduction of central fiscal incentives for inter-municipal cooperation and coordination in recent years has been an important development.

FISCAL AUTONOMY

Systems for local financing in Ukraine are regulated by national law. The revenues for delegated and exclusive competences are managed separately. While *oblast* councils distribute state subsidies and subventions to *raions* and cities of oblast subordination, and *raions* distribute state funds to local governments, the minimums are set by national law (Law 280/97, Art. 63). Sub-central governments have the formal authority to create taxes permitted by national law and grant tax concessions for those taxes they control (Art. 26), but these appear to be nil. The central government guarantees local revenues to cover basic social needs (Arts. 62 and 66.3), but such clauses lack mechanisms for accountability and may not be guaranteed in practice.

In *oblastey* and *raions*, the centrally appointed executive is responsible for drafting and implementing the budget (C 1996, Art.118), which should be considered a check on regional autonomy. The Law on National Budget determines the proportion of central taxes to be ceded to the *oblastey*, Crimea, and two *mista* and has historically been set annually (Navruzov 2001: 133). The Law on Local Taxes and Fees determines the scope of possible tax revenues for sub-central governments. These are all minor and contribute about five percent of local budgets. Localities are required to levy these taxes and rates are centrally determined (134), so these do not constitute fiscal autonomy.

BORROWING AUTONOMY

Subnational governments may borrow, but only to pay for investment projects. There is a golden rule principal and prior central approval is required (OECD 2016: 174).

REPRESENTATION

At the local level (standard cities, townships, rural settlements), councils and mayors are directly elected (Law 280/97). In *oblastey* and *raions*, directly elected councils choose their own executives and a parallel local state administration executive is appointed by the President of Ukraine upon recommendation of the Council of Ministers (C 1996, Art. 118). While these appointed executives can be held to votes of no confidence by their respective elected councils, forcing a decision by the President if two thirds of the council supports the measure, the President has full discretion over whether to dismiss the executive or not, so there is no regional veto. Cities of oblast subordination do have an elected executive (OECD 2016: 173).

Kyiv directly elects its mayor (Navruzov 2001: 121), like other cities, but also has a local state administration. Until 2010, the mayor was automatically appointed to serve also as head of the local state administration. In 2010 the law was changed and a different head of local state administration was appointed. While currently the position is once again held by the same person, the threat of a Presidential replacement is a credible check on regional authority.

Shared Rule

Regions in Ukraine have no access to shared rule. The Verkhovna Rada (parliament) has no territorial dimension and asymmetric regions have neither special consultation clauses nor veto over reforms in their territory. The parliament of Ukraine may call special elections for the Crimean parliament or suspend its authority upon order of the Supreme Court (C 1996, Art. 85). Election to the *Verkhovna Rada* is usually half party list proportional representation and half first past the post single member districts. However, some elections have been fully proportional. The districts do not confer territorial representation on local governments or units.

The Crimean *Verkhovna Rada* was last elected in 2010 and ceased to operate in 2014. Elections for parliamentary seats were not held in Crimea nor contested *oblastey* in 2014, so those seats remained unfilled.

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Self rule in Ukraine

Name	Years	Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self Rule
						Assembly	Executive	
Oblastey	1996-2018	2	1	0	1	2	1	7
Kyiv city	1996--2018	2	2	0	1	2	1	8
Sevastopol	1996-2013	2	2	0	1	2	1	8
Crimea	1996-2013	2	2	0	1	2	1	8

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