In the process of political transformations that take place in Ukraine and on the way of European integration, the significant challenges have faced the state, the solution of which is provided by reforming of political system. One of the most important ways of the democratization of the state is the decentralization of the system of public administration and implementation of the effective mechanisms of local self-government. In view of this, the study of the peculiarities of municipal policy in the countries of the European Union is becoming relevant in domestic political science.

The interaction between the structural levels of power in the system of distribution of powers in the field of the adoption and implementation of
managerial decisions in the center and on the localities in the states of the European Union is the basis of an effective municipal policy.

However, the system of distribution of powers between central and municipal authorities in different EU states has its own peculiarities and differences, which have formed on the historical, national, economic, geographic, political and regional factors of the member states of the European community. But common to all EU countries is that the administrative-territorial organization of states is based on the principles of local democracy as a component of the state system.

The purpose of the article is to analyze municipal policies in the countries of the European Union, and also to study the main directions of reforming the system of local self-government in these states as a factor for further democratization.

Y. Maslov notes that conceptual understanding of the peculiarities of the historical development of local self-government in the EU founding countries, carried out by European experts in municipal governance and law, has been reflected and enshrined in the acts that local democracy is building in the EU and in individual countries from this community of states. That is why the European achievements in this field of the scientific analysis of the life of territorial communities of citizens should be accepted by domestic scientists in order to further development of the local self-government by certain standards inherent in the EU [9].

Therefore, the definition of local self-government needs to take into account its specific features. To which D. Hriplivets relates:
- locally-spatial character of municipal government;
- the feature of the form of municipal government, which is not an integral part of the system of public administration, because it has a different character compared to the state power. The researcher notes that local self-government is a sub legislative power, while state power is marked by sovereignty;
- feature of the object of management, which includes issues of the local importance and the issue of resolution of which is delegated to the municipal authorities by state authorities of regional administration;
- specificity of the local self-government subjects, which are territorial communities;
- the possibility of the local self-government bodies to exercise separate powers of executive bodies, the execution of which is controlled by the relevant executive authorities;
- independence and autonomy of the local self-government, which are manifested in the independent decision of issues of local importance and organizational and material and financial severalty [11].

D. Hriplivets emphasizes the specifics of the subject of local self-government, which is defined by the fact that at the local level it is possible to consider the transformation of a territorial community from the participant of management into its primary subject. In particular, the researcher notes: “Management is the purposeful influence of the subject of management on the object of management. But in the conditions of self-government, the influence of the management system on itself is obviously stronger. Therefore, there are not two systems - the management and the one that is managed, but one self-governing”. [11]

One should agree with the interpretation of the concept of “self-government”, which is proposed by Y. Maslov. In particular, the scientist notes that in the political science the notion of self-government characterizes the degree of participation of the social community in relationships of the managerial character. So self-government is “a form of public-power regulation by a group of individuals united by common interests as a result of compact living in a certain territory, own life at that level that cannot be provided by centralized public administration” [9].

In this context, local self-government should be understood as the system of bodies and their officials, who manage within a defined territory, which is guaranteed by the right of independent management in relation to the state system of government with current national legislation.

By essential characteristics local self-government is a political power of the local level. On such a feature of local self-government, according to Y. Maslov, point the following peculiarities:
- first of all, municipal authority is public authority and carries out distribution of resources, adopts a political decision on behalf of the community;
- local authorities have the right to collect taxes on a controlled territory [9];
- the municipal government, like any political authority, must have the support of the local population to ensure its stability, that is its sign is a legitimacy;
- the legitimacy of municipal power is exercised through elections as the most powerful mechanism for rotation of local elites and the selection of requirements for self-government bodies.
Comparing the functions of local self-government, through the prism of the system approach, with the functions of public authorities we should point on their similarity, because a local self-government in functional and structural meanings is a full-fledged political system with all its mechanisms of functioning, with only one feature - territorial and legislative constraints, which is determined by the state.

As Y. Maslov notes: “Inclusion of local self-government in the system of public authority in the country allows the state authorities to transfer most of the problems to the local level, moving to the same level and dissatisfaction of citizens with the authorities. Also, at the local level, the political ambitions of leaders are forming; their active participation in politics begins, because it is the closest to the population level”. [9]

The implementation of local self-government in the European Union is provided by a system of normative legal acts of a pan-European level, namely the European Charter of Local Self-Government [6], the European Framework Convention on Transfrontier Co-operation between Territorial Communities or Authorities [5], the Framework Convention for the Protection of National Minorities [10], the European Charter for Regional or Minority Languages [7], the European Convention on Participation of Foreigners in Public Life at the Local Level [8], the European Charter of cities and others.

The institutionalization of local self-government in Europe has gone a long way from the Magdeburg Law to the modern model of local self-government with the concept of “good local and regional governance”, which is democratic, responsible, efficient, and transparent and accountable governance at the local and regional levels.

In the early 90’s of the twentieth century in the Central European states the constitutional formulation of the institution of local self-government was completed, which laid the foundations for the development of democracy at local and regional levels. However, this does not in any way indicate the sustainability of the system of municipal governance, because all the time it has been undergoing reforms in view of both the political and economic challenges of the time.

The reorganization in the system of the local self-government in Europe was carried out in several directions, in particular: functional and procedural reforming; structural reforming; financial reforming; change of the number of administrative-territorial units. Nevertheless, in one way or another in all the EU states, reforms were aimed at achieving the main goal of the municipal policy, which is to ensure a
high standard of living of territorial communities, using its material and other resources.

One should agree with the opinion of V. Shariy that “an important part of the municipal policy is focused on coordinating the interests of territorial communities with the interests of state power and economic entities. Taking this into account, a strategic approach to municipal governance foresees a mutually agreed state management and management of change or development. Therefore, the municipal policy should become an antithesis for the existing priority of the implementation of current daily self-governing powers”. [12]

Therefore, the municipal policy should be understood as a complex of actions that are determined by institutional, value-normative factors, which have formed within a certain territory and are the result of formation of sustainable models of social interaction in these territories on the basis of a certain socio-cultural and economic environment.

An effective municipal policy ensures the development of civil society, because it is aimed at involving a definite citizen in the decision-making process. For example, in the preamble to the Maastricht Treaty, it is stated: “This treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are made at the level that is as close to citizens as possible” [4]. Exactly at this level a participatory democracy is realized, which ensures a high level of legitimacy not only of made decisions, but also of the political system as a whole. For European states, the application of the principle of subsidiarity in legal and administrative systems points to its universality, despite of the form of the administrative-territorial system. This principle is partly reflected in the European Charter of Local Self-Government [6]. In Article 3 of the pointed act is provided the definition of local self-government, in particular: “Local self-government means the right and ability of local self-government bodies to regulate and manage a substantial proportion of public affairs under their own responsibility, in the interests of the local population within the law”. [6]

Over the past decade, the reform of the local self-government system in the EU has been aimed at strengthening of local levels of governance and consolidation of territorial communities. Such a way of reform was inherent in the North European and some post-socialist states of the EU, mostly unitary in the form of the administrative-territorial system, which led to a sharp decrease in the number of administrative units and local self-government bodies. It should be noted that the process of
The consolidation of territorial communities is due both to the processes of urbanization and the focus on improving the efficiency of provision of services at the local level. [3]

B. Danylyshyn and V. Pylypin give an example of the fact that in Denmark since 2007, the reform of local self-government is aimed at the consolidation of territorial communities provided fixing after them reliable sources of income. In particular, the number of communes has decreased from 271 to 98, and their size has increased significantly - almost 75% of the communities with a population of more than 30 thousand, and the average number exceeds 50 thousand people. Besides, the consolidation also concerned regions ranging from 14 to 5 with a population of 0.6-1.6 million, which allowed them to enter a group of regions of the NUTS-2 level and accordingly become subjects of EU regional policy (EU cohesion policy). [3]

In Denmark, 65% of budget expenditures are financed from local budgets, and 53% from local government budgets, while 12% from regional ones. Thus, the basic level of governance is a regional one, which is entrusted with the implementation of significant social and economic functions.

A similar reform of local self-government took place in Finland. For example, through the voluntary association of communities, the number of municipalities has decreased from 450 to 320 with an average population of 6 to 17 thousand inhabitants. However, it turned out that small communities fail to effectively perform a wide range of social and economic functions. In view of this, effective mechanisms of inter-municipal cooperation were applied in Finland, which provided a significant amount of services at the local level. An example of such inter-municipal cooperation in the state is the functioning of 162 medical centers serving small municipalities. Specialized medical facilities are under managing of joint municipal councils, the territory of which is a joint medical district. A similar intermunicipal integration is carried out to solve the issues of providing educational services, utilization of garbage, water supply and other issues, the solution of which requires inter-municipal cooperation. [1]

B. Danylyshyn and V. Pylypin point out that the main model of intermunicipal interaction is the “model of the municipality of the owner”. This model foresees the implementation by a single municipality of certain functions for surrounding municipalities, or on the basis of a contractual association to improve the provision of community or educational services. [3]
Secondary and vocational education, vocational training, culture, medical care, the formation of a healthy living environment, social security for people with disabilities and the elderly, childcare is financed from the municipal budget in Finland. Also, the prerogative of the municipal authorities is territorial planning (land use, water supply, energy, waste management, infrastructure support, environmental protection, and fire and rescue services).

It should be noted that the inter-municipal corporation is defined by a numerical criterion depending on the scope of cooperation. So if the inter-municipal associations in the medical district are limited to 20 thousand inhabitants, in the field of vocational education, such cooperation provides for 50 thousand inhabitants. The main source of budget revenues in the municipalities is the tax from incomes, and the property tax is 3%. Income from transfers is 18%, while municipalities do not have significant restrictions on the use of these funds within the limits of the current national legislation.

Therefore, the reform of the administrative-territorial system and the system of local self-government through the consolidation of municipalities had positive consequences on the whole for the management system and provision of services to citizens. After all, the reforms provided for the expansion of the financial and material base of local self-government and optimized expenditures. Such experience of reform, in particular regarding inter-municipal cooperation in certain spheres, can be used in the process of further reforming of the system of the local self-government in Ukraine.

It should be noted that not all the EU states in the reforming of the system of local self-government went through the consolidation of self-governing units, but successfully implemented inter-municipal cooperation. For example, in the municipal fragmentary France, which has more than two and a half thousand self-governing units, covering about 93% of the total number of communes, cooperation between municipalities is implemented in various forms. The first form does not foresee constant normatively - formalized cooperation and significant financial resources, and is aimed at providing separate joint services. The second form of cooperation is the creation of an inter-municipal unit with a separate funding for the implementation of powers delegated by the primary communes. Analyzing the municipal policies of France, B. Danylyshyn and V. Pylypin, point out that the French model of self-government is much more complicated, but more consistent with the
essence of decentralization in terms of laying down and implementing the responsibilities of local authorities on the localities.

However, it should be noted that the French model of distribution of financial resources is sufficiently centralized, because through the regions, departments and municipalities account for no more than 20% of all expenditures and distribute about 11% of tax revenues. Approximately half of local profits are municipal taxes of four types: taxes on private property (land, real estate) - 51.7% of revenues; taxes on entrepreneurship - 32.5%; taxation of certain goods and services - 12.7%, excise duties - 2.9%. At the same time, the state regulates the size of the main taxes, distributing between different levels of government. [1]

Some EU countries use a different model of decentralization, which does not foresee strengthening the regional level. For example, in Spain the basis of decentralization policy is the delegation of authority from the center to the regions. Thus, the expenses of municipal authorities make up about 35% of the total budget expenditures of the state, while local self-government finances 13% of expenditures.[3]

Researchers draw attention to the fact that in the EU, regions are the object of the policy of cohesion, which operates within the community, whose financing includes a third of the budget of the European Union. Such a policy foresees a centralized redistribution of resources for the needs of development of non-developed regions. Thus, revenues of subnational authorities are formed both from their own resources and from the EU resources, which has a very positive impact on the stability of decentralization reforms. An example of such a process of financing from the pan-European fund of the EU is the successful reform of the local government of Poland.

A significant part of the resources within the policy of supporting regions is given from specialized funds in the form of grants, which are provided for a specific project within the framework of the planned seven-year EU. Such a practice of target allocation of resources contributed to the successful development of the regions and turned into the European Regional Development Fund (ERDF) an effective and influential instrument for the implementation of regional policy, whose specialization is production and infrastructure investments. [2]

Therefore, studying the experience of municipal policy in the European Community countries we should take into account that the success of the reforms connected with the decentralization in these states largely depends on pan-European policy of the distribution of funds aimed for
the development of regions. Thus, for states, which were in a state of transit in the process of reforming the system of local self-government such a mechanism of subsidies allowed the use of additional resources for the purpose of development of territorial communities, saving funds of both national and municipal budgets for enforcement running costs. After all, the priority objectives of the EU regional policy are regions, not municipalities.

In the article the essence of municipal policy is considered, its characteristic features are determined. The present state of practical realization of municipal policy in EU countries is analyzed. The directions of reorganization in the system of local self-governance in
Europe are identified, which include functional and procedural reformation; structural reform; financial reform; change in the number of administrative-territorial units. It has been clarified that in the last decade in the EU the reform of the system of local self-government was aimed at strengthening local levels of governance and consolidation of territorial communities. Other reforms have been identified. For example, French is aimed at developing a regional level of self-government). It has been established that the success of decentralization-related reforms in European countries largely depends on a pan-European policy of allocating funds for development of regions. It has been proved that for the states that were in a transit state during the process of reforming the system of local self-government, the subsidy mechanism allowed the use of additional resources for the purpose of development of territorial communities, saving both national and municipal budgets for maintenance of current expenses.

**Keywords:** municipal policy, local self-government, EU countries, local democracy, civil society.