

## THE ANALYSIS OF LOCAL PUBLIC ADMINISTRATION REFORMS IN THE REPUBLIC OF ARMENIA: GAMBIT OR POLITICAL TRICK?

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### Abstract

*The article represents a comprehensive comparative research on administrative reforms in the local self-government system in the Republic of Armenia (RA), European model countries and Georgia. Research shows that reforms remake the logic of local public administration and political system to serve the needs of good governance, to develop better administration.*

*The **aim** of current research is to clarify the outcomes of local administrative reforms held in the RA. The **research purpose** is the following: reforms are often debated as either strategic steps towards improved governance and citizen participation (a gambit) or manipulative maneuvers to consolidate power (a political trick). Due to the creation of new communities and merging the previous smaller ones, the research study analyzes possible policy options in the area of local self-governance of RA. An **important aspect** of research here is the analysis of political impacts based on the municipal reforms and decentralization.*

***Another aspect of the research purpose** refers to the study on the problem of institutional mechanisms for good governance and administration outside of and within the local public administration system. A number of cases and regulations have been studied, including European and regional, to reveal the functional mechanism and its effectiveness. As a result, the Armenian case study showed that joining international conventions hasn't guaranteed changes to the local public administration system comprehensively. It is assumed that real reforms will likely have to be within a system.*

*Findings suggest that "gambit" in the local public administration system, in the case of the RA, should refer to strategic actions and calculations that bridging the gap between state and municipal subsystems.*

**Keywords:** Local autonomy index, municipality, local democracy, public administration reform, decentralization, community, gambit, political trick, enlargement.

### Introduction

Within the framework of democratic decentralization, administrative reforms are part of the everyday life of modern countries, which are looking for new ways to manage the public sector under the influence of various factors. In order to obtain the high place, governments and political elites rethink their role and design country development strategies. Their successful experience is especially urgent for “running democracies” that want to establish modern local public administration systems. The implementation of administrative reforms is a long-term process, which is due to the object of reform being unchanged throughout the period, while the ways of reform change according to the state of public administration.

Across Europe, there are **three main paradigms of reform**. *The first paradigm* concerns the introduction of Neo-Weberian style structures and processes, transforming systems into modern and innovative administrations that are guided by the rule of law, operate transparently within a reasonable timeframe. *The second reform paradigm*, often referred to as “New Public Administration”, mainly concerns the introduction of a market type mechanism. *The third paradigm* of reform combines elements of “Weberianism” with aspects of “New Public Administration” (Zlyvko et al., 2021, p. 816; Hammerschmid et al., 2018, pp. 2-3)

Due to research, it becomes clear that the main administrative reforms were aimed at: relations between the central, regional, and local levels of government; organization of public services; principles of financial management; development of state policy and evaluation of management results. The basis of administrative reform is the relationship between the state and society or between local self-government and citizens (Zlyvko et al., 2021, p. 816). However, one of the specific objects of current research method emphasizes also the importance of administrative/territorial and organizational aspects within the framework of local public administration reforms.

### Research Methodology

As the **fundamentals of research** frame serve decentralization theory, as well as new public governance theory. The article examined the theoretical implementation of practical issues addressed in the local self-government system in the RA. Research methodology involves a comparative approach, a case study, and indexes, with the aim of understanding the impact of reforms on local governance.

The **hypothetical-deductive method** was conducive in determining the direction of the research that is determining the impact of the decentralization reforms on the local self-government system in the RA.

A **systematic approach** was chosen to consider the processes of restoration or formation of self-government bodies of different levels as components of the decentralized system in their interaction and development.

The factors are especially important for understanding the results of reforms that include: the administrative system and culture of the country or region, which is determined by its history, the initial status of the territory before the reform, especially the size, number of participating municipalities, type of amalgamation and reforms that have taken place in the past; new reform process, implementation strategy; local government and the dynamics of consensus; political incentives and political leadership in the reform process.

The selection of RA and Georgia indicates the need to introduce a **local government index**. It was introduced the self-rule index held by European Commission (European Commission, 2022, pp. 60-68). The research paid attention to **three variables** of assessment: **central and regional access, interactive rule and local autonomy**.

*Central or regional access* looks at the extent to which local authorities have regular opportunities to influence policy-making of higher levels of government. According to that ranking: (1) local authorities have access to higher-level decision-making through formal consultation procedures and mechanisms; (2) local authorities have access to higher-level decision-making through formal representation structures; (3) local authorities have access to higher-level decision-making through more informal channels (e.g. through trade unions that try to set the legislative agenda, party political networks, dual mandate holding, etc.) (min. 1, max. 3).

*Interactive rule* points to ways and means of mutual influence between local and central government, and highlights opportunities for local government as an active player vis-a-vis central government. The range of values for this variable is between 0 and 9.

*Local Autonomy* sums up all the variables presented so far. It is thus the aggregation of all 11 variables or, alternatively, the sum of self-rule (8 variables) and interactive rule (3 variables). The lowest value measured is 12.11, the highest 32.35. Armenia's indicators are presented, e.g., in **Table 1**.

**Table 1.** *Local Government in Armenia 2015-2020*

	2015	2016	2017	2018	2019	2020
<b>Central or regional access</b>	1.00	1.00	1.00	1.00	1.00	1.00
<b>Interactive rule</b>	3.86	3.86	3.86	3.86	5.37	5.37
<b>Local autonomy</b>	16.55	16.56	16.57	16.58	17.45	17.50

Source: European Commission. (2022). Self-Rule Index for Local Authorities in the EU, Council of Europe and OECD Countries, 1990-2020.

By adapting the international experience to local government setup in RA, CFOA and CRRC-Armenia foundation developed a unique assessment methodology in 2017 and published it in a book “Local Governance Annual Index, Armenia” (LGAI), e.g., **Table 2**. This initiative was completed within the framework of the USAID-funded “Civic Engagement in Local Governance” (CELoG) program implemented since 2014 by a consortium of 6 local organizations led by CFOA. The sectors include local governance reforms, municipal assets, development programs, finances, local democracy, municipal service delivery, etc. Unfortunately, this index has not been calculated since 2020, which explains the absence of an indicator for the last five years.

**Table 2.** *Local Governance Annual Index, Armenia*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Armenia</b>	4.4	4.3	4.4	4.3	4.8	4.7	-	-	-	-	-

Source: Shahbazyan, V. (2021). Local Governance Annual Index, Armenia 2019.

In order to make the study credible, e.g., in **Table 3**, the results of the monitoring were shown, conducted by the same European Commission, in particular, the local index with seven criteria for two countries: Armenia and Georgia (Shahbazyan, 2021, pp. 5-7).

**Table 3.** *Seven dimensions of local autonomy, Armenia and Georgia from 2015 to 2020*

	Legal autonomy	Policy scope	Political discretion	Financial autonomy	Organizational autonomy	Non Interference	Access
<b>Armenia</b>	66,67	45,71	48,28	28,79	46,02	63,88	33,33
<b>Georgia</b>	50,00	59,31	58,58	23,21	93,75	66,67	66,67

Theoretical framework of research is the theory of **democratic decentralization**. Democratic decentralization is the development of reciprocal relationships between central and local governments and between local governments and citizens (Barnett et al., 1997, p. 2).

### **Local Public Administration Reforms. Implementation of European Model**

The approaches and practices in the different developed states offer a broad basis for studying the functioning of a well-established local self-government and its relationship to state authorities (Ruge & Ritgen, 2021, p. 123; Siur et al., 2023, pp. 6-9). Among them, **the best case of the first paradigm is Germany**.

Primarily for understanding the structure of the local self-government system of Germany, the distinction between counties and municipalities is fundamental. The **counties** are entities whose origins can be found in the early history of German administration. On the one hand, a county is an association of municipalities, which are therefore also referred to as “municipalities belonging to a county”. On the other hand, counties – like the municipalities – are also considered local authorities with the constitutional right of self-government. While counties have a comparatively higher degree of homogeneity regarding population (and size of their territory), the population of (county-free) cities and municipalities (belonging to a county) differ vastly (Ruge & Ritgen, 2021, pp. 125-127).

In addition, there are some municipalities with less than 100, while others have 100,000 inhabitants. In some states, attempts have been made to address this disparity by merging the small and very small communes into more powerful municipalities. Especially in Hesse, North Rhine-Westphalia and Saarland regional reforms in the 1970s led to the creation of larger, more powerful municipalities. Here, and also in particular in Baden-Württemberg,

Bavaria, Brandenburg, Mecklenburg-Western Pomerania, Lower Saxony, Rhineland-Palatinate, Schleswig-Holstein and Thuringia, together with a few united municipalities, a considerably high number of small and very small municipalities continue to exist, which have been combined into municipal associations acting below the county level to compensate for their lack of capacity (Ruge & Ritgen, 2021, pp. 127-128).

These associations, established as a result of enlargement, are described as administrative partnerships (Verwaltungsgemeinschaften), municipal associations (Ämter), or 'double-decker' municipalities (Verbandsgemeinde). They are essentially distinguished by the fact that they perform most of the administrative tasks of their member municipalities in a quasi-managing capacity and are thus able to provide the necessary administrative structures. The member municipalities of such associations also have their own mayor and a municipal representative body (municipal council) (Ruge & Ritgen, 2021, p.128).

Besides, all local authorities in Germany have a chief administrative officer. In the counties, the officer is called the commissioner of the county (Landrat). In the municipalities, the chief administrative officer is referred to as the mayor (Bürgermeister) in the cities, and, in accordance with the relevant state law, in larger municipalities he/she is referred to as the lord mayor (Oberbürgermeister). Except for smaller municipalities, the chief administrative officials are employed full-time and are salaried. Mayors employed full-time are directly elected by the people. It is only in the case of voluntary mayors of smaller municipalities that an election by the representative body is foreseen according to the local constitutional law of some states (e.g., in Brandenburg) (Ruge & Ritgen, 2021, p.137).

Local self-government in Germany is constitutionally guaranteed and operates under the principle of the municipalities and counties (associations of municipalities) managing their own local affairs within the limits of the law. Moreover, the Constitution requires that representative bodies (municipal, city or county council) are directly elected by the people in the local authorities. This special form of the right to self-government of the local authorities has a long tradition in Germany and is closely linked to the principle of subsidiarity (Ruge & Ritgen, 2021, p.131). In every state, there are municipal and county codes which primarily contain regulations on the organizational rights of municipalities and counties ("local constitutional law"). These municipal and county codes, which in some federal states have also been incorporated into a single law, are supplemented by laws that regulate the local right to vote ('local electoral law'), the right to levy local taxes ('local taxation law') and the cooperation between local authorities (Ruge & Ritgen, 2021, p.134).

The state has no authority to issue instructions on the primary tasks of local self-government bodies. The state can only monitor and verify that the local self-government body complies with the law in the performance of its tasks. Its control is limited only to legal supervision. Such distancing of the state is also due to the financial independence and resource self-sufficiency of local self-government bodies. Accordingly, local authorities implement the major share of the public investments (Ruge & Ritgen, 2021, p.125).

Germany's local governance system is not static. Under the pressure of and in response to multiple international and domestic challenges, Germany's multi-level system has experienced a "centralizing" trend as the federal government has assumed new competences and tasks "top-down" affecting the subnational levels. On the other hand, the expansion of upper (federal and EU) level policy initiatives and interventions have upgraded and strengthened the position and task profile of the local authorities in their pivotal local level implementation function (Wollmann, 2024a).

In the wake of EU-driven marketization and New Public Administration-inspired "outsourcing" of the public functions, the organizationally integrated local government sector has been organizationally fragmented and frayed while at the same time the non-public and societal actors and organizations have multiplied and extended. As a result (local) governance-type actor constellations typically made up of public/municipal as well non-public actors have further expanded. In assembling around and focusing on specific policy issues they form "policy networks". In coping with the recent upsurge of challenges the local authorities have increasingly turned to and set on local level governance-type actor constellations and networks as a key action potential and strategy\* (Wollmann, 2024a).

For the illustration of the **second paradigm case of Ukraine** has been considered. Decentralization of public administration has been number one reform on the country's agenda since independence. The model of decentralization was based on essential aspects related to identifying a new territorial basis of the local self-government, e.g. in the administrative-territorial division, and a transfer of powers and resources to the local level. The first attempt to address the decentralization issue comprehensively and to conduct the reform of the administrative territorial structure took place in the period of 2000-2010. In 2009 the respective reform concept was adopted, but due to the lack of necessary political support, institutional capacity and integral and untied vision of the end result, the reform was finished without even being started (EaP CSF, 2017, pp. 15-16).

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\* See more in detail in Wollmann, H. (2024b). 71–82.

In 2014 yet another reform was declared. The government adopted the respective Concept for reforming local self-government and territorial division of powers in Ukraine. The Concept for reforming local self-government and territorial structure of public authorities in Ukraine had the following *key priorities*: a) creation of an effective public administration that envisages a three-tier administrative-territorial structure, in particular, oblast/region-rayon/district-community and a clear-cut division of powers between local self-government bodies and public authorities and between local self-government bodies themselves where the most important powers are transferred to the level of public administration, which is the closest level to the general public; b) creation of proper physical and organizational conditions to enable adequate performance of local self-government bodies and allocation of relevant resources for them; c) ensuring openness, transparency and citizen's participation in addressing local issues (EaP CSF, 2017, pp. 15-17). However, gaps and shortcomings of the Constitution of Ukraine have to be eliminated in order to ensure the successful ending of the reform.

However, to clarify the nature of suggesting reforms, it is important to underline that in 2014 already basic laws on local communities were adopted and since then the work on creation of local communities, fiscal and financial independence of local budgets has started. Competences of local authorities have been divided into *three categories*: 1) own powers of local self-government bodies (self-governed); 2) delegated powers, in other words, certain powers of the executive authorities delegated by the state in compliance with the law; 3) powers delegated on the contract basis. As for the own powers of the local self-government bodies, they are designed, first and foremost, to ensure implementation of rights and freedoms of local citizens and to contribute to the social-economic development of the local community (EaP CSF, 2017, p 16).

The natural continuation of the reforms was the introduction of **a new system of intergovernmental fiscal relations**. This system was based on a completely new mechanism for the horizontal equalization of the tax-paying power of territories. The elements of this mechanism were the main and reverse subsidies (Romanova & Umland, 2019).

The *main subsidy* was a transfer from the state budget to the local budget to ensure the horizontal equalization of the tax-paying power of the territory. The *reverse subsidy* meant the funds transferred from the local budget to the state, again, to ensure the horizontal equalization of the tax-paying power of the territories. The aforementioned equalization was applied, for example, in the case of personal income tax. The remaining payments remained at the disposal of local governments.

Local self-government bodies and officials are liable for violating the Constitution of Ukraine or the laws of country. Local public administrations ensure monitoring and control over implementation of delegated executive powers by the local self-government bodies. Control and supervision, local self-government bodies and officials are accountable, controlled and responsible to the local communities. And vice versa, local self-government bodies are accountable to the respective executive bodies, since the performance and implementation of powers delegated from the executive authorities.

The scope of the supervisory powers of the state and especially the executive bodies included financial control over the execution of local budgets, as well as the quality of public services provided, the compliance of local decisions with the constitution and laws of the country through modernized mechanisms (presumably by European standards). Finally, it was expected that the control would be ensured through the institution of governors, who would represent the interests of the state at the regional and local levels (Shveda et al., 2024).

As the follower of the third paradigm, **Latvia** has been considered. Latvia, a post-Soviet state that has managed to implement a successful territorial and local governance policy, has gone through a rather interesting path. In Latvian legislation, the Constitution does not contain a direct provision on the protection of local self-government, although it specifies that councils are elected by Latvian citizens and EU citizens permanently residing in Latvia. Instead, the Law on Local Latvian Self-Government of 1994 has been given a detailed definition of the powers and functions of local self-government bodies and allows them to implement voluntary initiatives in the interests of residents.

First, in late 2000 and early 2001, the draft “On Administrative Division of Local Self-Government” was developed, which proposed dividing the state territory into 102 local self-government bodies. The policy of administrative-territorial reforms envisaged two methods: unification of communities by force of law and voluntary unification. And since the administrative-territorial reforms were implemented with a rather complex structure, many public (state) figures preferred the method of voluntary unification of local communities. The thing is that at that time the government was not able to provide practical convincing answers to citizens about the need to unify communities. It is true that there was a political will to implement a decentralized and democratic local self-government system in accordance with European standards, but the resources, including in the form of policy, were not sufficient at that time. The latter caused the formation of a negative attitude towards enlargement among the population (Vanags, 2005). And although in 2009, 110 self-government units were created from more than 500

self-government bodies, approximately 35 administrative-territorial units refused to merge. The state provided an additional 5% subsidy to the general budget of the merged volosts, which was supposed to interest the unmerged communities. The latter was not effective in practice, since the state was forced to unify the unmerged communities by force of law (Karvatska et al., 2023, p. 16).

As a result of the territorial reform, a local government system was eventually formed, consisting of 110 municipalities (novadi) and 9 cities (pilsētas). It is noteworthy that despite the reforms, according to various assessments, the municipalities still failed to provide quality services at rational costs. In order to stimulate the economy, as well as expand social initiative programs, in 2020, the Latvian Parliament adopted a new package of reform policies. Accordingly, after the local government elections held in 2021, 42 local government bodies were established in Latvia, including 7 cities (valstspilsētas) and 35 district municipalities. The goal of the reform was to create economically self-sufficient territories, whose communities could perform the functions defined by law and provide quality services to the population, while spending money rationally (Reinholde, 2025).

However, the government's administrative reforms faced criticism, first of all from local authorities' association, which applied with an official complaint to the Congress of Local and Regional Authorities of the Council of Europe. After a working visit, the Congress spokespersons were critical of the lack of timely and proper consultations with the municipalities affected by the changes, their residents and associations, and called on the government to postpone the reform.

At the regional level, during the Latvian local government reform, 26 districts were abolished and five 'planned regions' were created operating under government control, but having decision-making councils made up of elected municipal representatives. The main functions of regions include spatial planning, public transport and management of investment programs.

### **Decentralization Policy of Two Regional Countries: Georgia and Armenia**

Who should be the initiator of the reforms? A number of authors have emphasized the role of local governments as actors in public reforms (Bastianen & Keuffer, 2024; Bouckaert & Kuhlmann, 2016; Schwab et al., 2017). If the initiator is the elite, then the success of the reforms depends on politicians and bureaucracy, who are the dominant forces making strategic efforts (Pollitt & Bouckaert, 2017, pp. 10-12). Then, if the initiative comes from society, the success of the reforms depends also on local governments. The bottom-up reform can also be through revolution, when ordinary citizens

fight for their rights, but thereby non-systemic method of reform.

Countries of geopolitical territory known as South Caucasus have Soviet legacy. With establishing the post-Soviet rule, they built public administration system on some Soviet centralization principles (Soviet inertia). Joshua Toulmin Smith (1851) described centralization as a system of government under which the smallest number of minds, and those knowing the least, and having the fewest opportunities of knowing it, about the special matter in hand, and having the smallest interest in its well-working, have the management of it, or control over it (p. 20). And since the Soviet system of public administration was formed on the principle of centralization, its institutions did not emphasize fundamental ideas such as the protection of the individual, property, and the system. Based on those perceptions, the most difficult part of implementing public administration reforms in post-Soviet countries refers to the review of the relationship between the state (state institutions) and citizens. However, along with their common heritage, these countries differ in their strategic and tactical capabilities for reforming their public administration systems. Here, **Georgia (Table 4)** is noted as a leading regional country in local public administration reforms (Liebert et al., 2013, p. 2).

**Table 4.** *Municipal Statistical Data of Georgia*

Region	municipalities	settlements	cities	towns
1) Guria	4	189	2	5
2) RachaLechkumi and Kvemo Svanetti	5	258	3	3
3) Samtskhe - Javakheti	7	353	5	7
4) Mtsketha - Mtianeti	5	490	2	7
5) Samegrelo-ZemoSvaneti	10	497	9	2
6) Kvemo Kartli	7	347	7	8
7) ShidaKartli	5	373	5	2
8) Imereti	12	559	10	3
9) Kakheti	9	285	9	0
10) Adjara Autonomous Republic	6	342	2	7
11) Tbilisi	1	10		3

Source: Ministry of Regional Development and Infrastructure: GeoState

Competences of municipalities and division of competences of central and local administrations are defined by the Constitution of Georgia and the Code of Local Self-Governance. The local matters and services are competence of municipalities. According to the constitution: powers of local self-government

shall be delimited from those of state bodies, municipalities shall have its own, exclusive and delegated powers. On the other hand, the municipalities are implementing competences, which are in the mandate of central government or autonomous republic's authority (EaP CSF, 2017, p. 5).

The Local Self-Governance Code determines the following types of State supervision over the municipal administration: legislative supervision and field supervision of implementing the delegated authorities. The legislative supervision is competence of the Prime Minister of Georgia and the field supervision is competence of ministry which delegates own competences to the municipalities. Legislative supervision is concerned on the normative acts issued by the municipal assemblies. Field supervision is concerned on the acts and decisions in the area of delegated competences and it covers both of the municipal assemblies and the mayors (gamebelis). When performing the supervisory function, the authorized organ or state official has the ability and competence to watch the process that was underway before issuing the normative act, as well as to influence and request to halt or terminate the normative acts that are not in line with the legislation (EaP CSF, 2017, p. 8).

To understand how Georgia managed to gain the reputation of a leading reformer in the South Caucasus, let's take a brief look at the formation and reform of the country's public administration system.

Thus, after the adoption of the Law on Local Self-Government Bodies, administrative-territorial changes were implemented in Georgia. In particular, one thousand communities were united into sixty-nine local units, which resulted in sixty-four communities and five self-governing cities. Local self-government bodies are formed through popular elections, which result in the creation of a local representative body – the Sakrebulo. The latter, at a meeting of the council of elders, approves the structure of the executive body and its head – the gamebeli, in districts – the gameoban, and in cities – the mayor.

The formation of the public administration system in Georgia began during the reign of the first president, Zviad Gamsakhurdia. The ties of the second president of the Republic, Eduard Shevardnadze, with the Soviet nomenklatura greatly influenced the country's administrative culture and system-building process. Large-scale public administration reforms began in Georgia after the Rose Revolution, starting in 2004. First, a push was given to nationwide tax reforms, then to liberalizing the economy, issuing licenses, improving the investment climate, and so on.

Decentralization, according to the Charter on the Local Self-Governance, strengthening of the self-governance and democracy, as well as implementation of the decentralization strategy, were the challenges which, if successfully resolved, would lead to the creation of a real self-governance system, increased democratic involvement in decision making processes,

deepening of Georgia's integration with the EU. Forming the self-governance by passing the new Code on the Local Self-Governance, creation of new municipalities, formation of all municipal institutions by direct elections, as well as, handing a part of the revenues generated in the state budget by the income tax to the municipalities – these were those important steps that have been taken to move forward in the self-governance reform implementation and to advance on the path of establishing a real self-governance.

In December 2004 it has been organized the first National Congress of Local Authorities of Georgia. 900 delegates from all local government units attended the Congress and made decision to establish the National Association of Local Authorities of Georgia (NALAG). It signed a memorandum of cooperation with the ministry on regional development and infrastructure, which stipulates that any legal decisions which have effect on local government has to be consulted with NALAG. Then, it owns National Training strategy for local officials, which was adopted by executive board and it cooperated with national government and international cooperation organizations for its implementation (ALDA, 2011, pp. 45-47).

Along with the progress, some drawbacks and issues were also revealed during this short period of time that might have a negative impact on the financial abilities of the self-governments and their level of independence. Furthermore, the competences on the municipal property management are dominated by the central bodies of administration: Parliament and Government. Just a few procedural competences were assigned to the municipal organs. Some piece of budgetary incomes was assigned/transferred to the municipalities, namely, about 15% of total finances generated from the income tax was transferred to the municipalities/municipal budgets. Nevertheless, of this progress, still absolute majority of municipal finances were managed and dominated by the Central Government: transfers to the municipalities (equalizing, targeted, special, capital), budgetary fund for the regional projects, and reserve fund of Government and municipal development fund are in the exclusive competence of Government. Despite the readiness to pass some of the budget revenues generated by the income tax to the municipalities, the central government is still maintaining its dominating influence over the municipal finances. The large portion of the municipal finances is managed by the central authorities. This is done through transfers (targeted, special, capital transfers).

For understanding the process of reforms in the public administration system of **Armenia**, and comparing it with Georgia, especially in the LSG, we need to evaluate the whole system (*see more detailed map of the administrative-territorial division in Armenia in Table 5*). Armenian expert D. Tumanyan (2001) divided the process of LSG development into three periods:

*a) the constitutional, institutional and structural design of newly established public administration system of the RA (since 1995), b) creation of LSG system and enlargement of legislative framework and competencies (since 2000) and c) since 2002 introduction of new competencies to LSG bodies (pp. 327-329).* As our research shows, the periods are short that underlined by Tumanyan, while we offer another one, which is based on the logic of politics and political programs of elites. The results of administrative reforms are analyzed together with the consequences of the political situation.

Like in many other post-communist countries, the slow development of local self-government and weakness of local self-government institutions are the result of a weak understanding of the meaning of local governance in civil society, hindered efforts to provide solutions for the problems, which is typical also for Armenia.

The territorial administrative reforms in Armenia began in late 1995 after the adoption of the Constitution. It became the legal foundation for the territorial administrative reforms. This was followed by new laws and legislative acts which led to the organization of new systems, territorial administration and local self-government in a short space of time. After adoption of the Constitution in 1995 decentralization and local self-government reform has started. New local self-government system has been established, political, fiscal and administrative decentralization have been implemented, and new territorial administrative division of Armenia is established. These are happened till 2000. Then decentralization reform takes place slowly. At the beginning of decentralization and creation of a new local self-government fiscal decentralization also took place but the process was stopped and there was no any development related to the fiscal decentralization. The same is related to the competences of local governments. Only minor administrative competences have been transferred to local governments but not delivery of public services (EaP CSF, 2017, p 20).

The Armenian Government initiated the Territorial and Administrative Reform of Armenia (TARA) in 2014, led by the Ministry of Territorial Administration and Infrastructure (MTAI). The “Concept of Community Consolidation and Formation of Intercommunity Unions” adopted by the RA Government on November 10, 2011, summarized the provisions aimed at improving the efficiency of the local self-government system through administrative-territorial reforms, including the principles and criteria for community consolidation. The first phase of administrative-territorial reforms was launched on November 24, 2015, with the adoption of the RA Law on “Amendments and Additions to the RA Law on the Administrative-Territorial Division of the Republic of Armenia”, which included the concept of multi-settlement communities and its definition, the principles and criteria for the

consolidation or division of communities, the list of settlements included in the newly formed Tumanyan, Dilijan, and Tatev multi-settlement communities, and the description of their administrative boundaries. In various stages of this process, there was also a “re-consolidation” of already consolidated multi-settlement communities, meaning that previously consolidated communities were included in new community clusters and further expanded. Administrative territorial reforms gained significant momentum in 2017 and later in 2021-2022, resulting in the “restoration” of a significant portion of the former Soviet districts during the sixth and final phase of the reforms. As of January 1, 2024, instead of the previous 915 communities, there are now 71 communities (including Yerevan), encompassing 1,002 settlements. Of these 71 communities, 64 are consolidated multi-settlement communities. The consolidation process did not include Yerevan, Gyumri, and 5 communities predominantly populated by national minorities (ACG, 2024, pp. 8-10) (*see administrative – territorial division of the RA in Table 5*).

**Table 5.** *Statistical Data of the RA on administrative-territorial division /as of beginning 2024/*

Marz (Province)	Communities/ districts	towns	villages
1) Tavush	4	5	60
2) Syunik	7	7	132
3) Vayots Dzor	5	3	52
4) Shirak	6	3	127
5) Kotayk	11	7	61
6) Lori	11	8	120
7) Gegharkunik	5	5	93
8) Armavir	8	3	95
9) Aragatsotn	8	3	118
10) Ararat	5	3	95
11) Yerevan	12	-	-

During the parliamentary elections of 2012 and presidential elections of 2013\*, they were turned into the implementers of orders from the incumbent authorities. This means that none of the public administration bodies have a right to interfere with the powers that are transferred to the local self-government. Besides, powers must be precisely specified without possibility of equivocal interpretation. In reality, the state authorities do not only often interfere and guide, but also sometimes impose certain actions (that are of the

\* See more in detail in OSCE/ODIHR. (2012; 2013).

interest of the state authorities) on the local self-government bodies (EaP CSF, 2017, p. 21).

The Armenian authorities did not take measures to enhance the financial independence of municipalities. The share of expenditure of municipal budgets remains very small in the expenses of the consolidated budget and GDP. Parts of municipal revenues are official grants. No steps were taken to foster municipalities' entrance to the loan capital market. Significant shortcomings of the existing mechanism of financial equalization is that the number of population of municipality and, to some extent, financial capacities, are its main indicators, however, the needs of the municipalities are completely neglected. Besides, the equalization subsidy is provided to all municipalities, not only those that are in greater need. As noted above, the Government approved the new draft on financial equalization and submitted to the National Assembly. According to the European Charter of Local Self-Government, the administrative supervision over the activities of local self-government bodies should only include the legal domain, i.e., the correspondence of the adopted decisions by LSGs to the Constitution and laws. The scope of supervision can be more only over the delegated powers. Yet, in practice, the supervision over local self-government is far beyond the legal frames and is implemented by different high-level representatives of the government (EaP CSF, 2017, pp. 21-22)

The RA Prime Minister's Decision No. 1111-A of November 7, 2023, on approving the Concept of Decentralization of Authorities in the Republic of Armenia was also adopted in the Republic of Armenia. The Concept of Decentralization of Authorities in the Republic of Armenia emphasizes the initiation of the process of decentralization of authorities and its practical implementation in the context of the administrative-territorial reforms implemented and considers it a prerequisite for the sustainable development of local government (Decision of the PM of the RA, 2023). Demand for hearing municipalities is seen as part of the principles of good governance.

### **Conclusion**

It is difficult to justify the reforms carried out in the Armenian local government as strategic steps. However, if we consider the experience of local government systems established under the three paradigms discussed in the article, we can assume that Armenia has officially moved along the same logic, but the results have been different due to the influence of many factors. The weak perception of decentralization and local self-government has been the reason why the public perception of local public administration reforms has been distorted for objective and subjective reasons. According to this perception, reforms in the local public administration system were

implemented following the example of successful countries, but served narrow social or group interests. The value axis of local self-government, which is formed by trust, civic and political education and literacy, as well as being a legitimizing tool, does not have a conceptual formulation in the Armenian local self-government system, and therefore also no deep understanding and use in practice.

Using the combination of three variables – impact of decentralization reforms, factors that impact on the results of reforms, theory of democratic decentralization, and thereby assessment of local self-government indexes, research methodology revealed a new correlation in the evaluation of local public administration reforms held in the Republic of Armenia. The study of these indices, which are based on various variables, once again confirms that the local government system had low, and in some places even average, indicators, which, in turn, proves that local public governance reforms in Armenian communities had gaps.

For reforms to be targeted and effective, first of all, the paradigm for their implementation must be correct. For obvious reasons, it could not be neo-Weberian, since this paradigm is possible in societies with historical traditions and a political culture of local self-government. The paradigm based on the concept of new public management, adopted by some post-Soviet states, is also not unambiguous for Armenia. The goals and results of the reforms have been different, including those determined by internal and external factors of the local public management system. That is why we consider it important not to look at the external similarity of the reforms in terms of legislative and institutional compliance, but to have a high awareness of the intra-systemic necessity of conducting decentralized reforms and to create an appropriate set of tools.

The comparative study of the experience of Georgia and Armenia has confirmed the thesis that local public administration reforms and the political situation are closely interconnected. In both countries, the implementation of local public administration reforms has been associated with administrative-territorial decentralization. Both Georgia and Armenia are divided into 11 administrative-territorial units (including the capitals). The low effectiveness of administrative reforms, the research showed, is due to shortcomings in administrative-territorial organization. From the data presented in the article, it can be clearly seen that they are quite unevenly distributed.

Nevertheless, Georgia is a leading country in the region in terms of implementing local public administration reforms, as it was guided by the logic of the gambit. Since 2020, local public administration reforms in Armenia have focused on the enlargement process (amalgamation), and less

on improving tax policy, deepening representation, and transparency, which are so important for democratic decentralization.

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