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FOREIGN EXPERIENCE OF LOCAL GOVERNMENT BUDGET MANAGEMENT: ANALYSIS AND APPLICATION

Local self-government in the world is one of the most important mechanisms in solving issues of local importance and is the basis of regional development.

The article explores international models of local self-government budget management and evaluates their applicability to Kazakhstan, particularly for rural development. The main research question is how foreign fiscal decentralization practices and citizen participation mechanisms can enhance local budget efficiency in Kazakhstan. Based on a comparative analysis of models from Finland, France, and Germany, the study proposes recommendations to strengthen the autonomy and financial independence of local self-governments. The research employs a qualitative methodology using comparative and systemic analysis. A limitation of the study is the absence of quantitative data and limited coverage of non-European countries.

Based on the study of the experience of countries with different models of local self-government, and the work of scientists on this issue, a number of measures are proposed to improve the management of the budget of local self-government in Kazakhstan. These models are grounded in the process of establishing local self-government and the specific characteristics of how local executive authorities interact with state institutions. The study used both dialectical, formal-logical, general and particular methods.

As a result of the study, measures have been proposed to improve the budget of local self-government: the creation and strengthening of the powers of authorized bodies, the application of fiscal decentralization practices, and the improvement of the practice of increasing citizens' activity in budget management.

The successful implementation of local governance reforms, informed by international best practices, necessitates the adoption of innovative mechanisms of fiscal decentralization and structured civic involvement, tailored to national contextual factors.

Keywords: budget, local self-government, taxes, income.

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Жергілікті өзін-өзі басқару бюджетін басқарудың шетелдік тәжірибесі: талдау және қолдану

Әлемдегі жергілікті өзін-өзі басқару жергілікті маңызы бар мәселелерді шешудің маңызды тетіктерінің бірі және өңірлік дамудың негізі болып саналады.

Мақалада жергілікті өзін-өзі басқару бюджетін басқарудың халықаралық модельдері қарастырылып, олардың Қазақстанда, әсіресе ауылдық аумақтарды дамытуда қолданылу мүмкіндігі бағаланады. Негізгі зерттеу сұрағы – шетелдік фискалдық орталықсыздандыру тәжірибелері мен азаматтардың қатысу тетіктері Қазақстанда жергілікті бюджеттің тиімділігін қалай арттыра алады? Финляндия, Франция және Германия модельдерін салыстырмалы талдау негізінде, зерттеуде жергілікті өзін-өзі басқару органдарының дербестігі мен қаржылық тәуелсіздігін күшейтуге бағытталған ұсыныстар жасалған. Зерттеу салыстырмалы және жүйелі талдауды қамтитын сапалық әдіснамаға негізделген. Зерттеудің шектеулілігі – сандық деректердің болмауы және Еуропадан тыс елдердің аз қамтылуы.

Жергілікті өзін-өзі басқарудың әртүрлі үлгілері бар елдердің тәжірибесін зерделеу және осы мәселе бойынша ғалымдардың жұмыстары негізінде Қазақстанда жергілікті өзін-өзі басқарудың бюджетін басқаруды жетілдіру бойынша бірқатар шаралар ұсынылады. Бұл модельдердің негізінде жергілікті өзін-өзі басқаруды қалыптастыру тәртібі, жергілікті атқарушы органдардың мемлекеттік органдармен өзара іс-қимылының сипаты мен ерекшеліктері жатыр. Зерттеу барысында диалектикалық, формальды-логикалық, жалпы және жеке зерттеу әдістері

Зерттеу нәтижесінде жергілікті өзін-өзі басқару бюджетін жетілдіру бойынша шаралар ұсынылды: уәкілетті органдардың өкілеттіктерін құру және нығайту, фискалдық орталықсыздандыру практикасын қолдану, бюджетті басқаруда азаматтардың белсенділігін арттыру практикасын жетілдіру.

Халықаралық тәжірибені талдай отырып, жергілікті өзін-өзі басқаруды жетілдіру саясатын іске асыру үшін фискалдық орталықсыздандыру, елдің ұлттық ерекшеліктерін ескере отырып, азаматтарды бюджетті басқаруға тарту бойынша инновациялық тәсілдерді қолдану қажет.

Түйін сөздер: бюджет, жергілікті өзін-өзі басқару, салықтар, кірістер.

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Зарубежный опыт управления бюджетом местного самоуправления: анализ и применение

Местное самоуправление в мире является одним из важнейших механизмов в решении вопросов местного значения и является основой регионального развития.

Целью исследования является определение эффективных и необходимых инструментов управления местным бюджетом, на основе анализа зарубежного опыта, для развития сельских территорий в Казахстане.

На основе изучения опыта стран с различными моделями местного самоуправления, и работ ученых по данному вопросу предлагается ряд мер по совершенствованию управления бюджетом местного самоуправления в Казахстане. В основе этих моделей лежит порядок формирования местного самоуправления, характер и особенности взаимодействия местных исполнительных органов с государственными органами. В ходе исследования использовались диалектический, формально-логический, общий и индивидуальный методы исследования.

В статье рассматриваются международные модели управления бюджетом местного самоуправления и оценивается их применимость к Казахстану, особенно в контексте развития сельских территорий. Основной исследовательский вопрос заключается в том, как практика фискальной децентрализации и механизмы участия граждан, заимствованные из зарубежного опыта, могут повысить эффективность местных бюджетов в Казахстане. На основе сравнительного анализа моделей Финляндии, Франции и Германии в статье предлагаются рекомендации по укреплению автономии и финансовой независимости органов местного самоуправления. Исследование основано на качественной методологии с использованием сравнительного и системного анализа. Ограничением исследования является отсутствие количественных данных и ограниченное рассмотрение неевропейских стран.

Для реализации политики совершенствования местного самоуправления с анализом международного опыта необходимо использовать инновационные подходы по фискальной децентрализации, по привлечению граждан к управлению бюджетом с учетом национальных особенностей страны.

Ключевые слова: бюджет, местное самоуправление, налоги, доходы.

Introduction

The concept of local self-government broadly refers to the right of local government bodies to manage their affairs in accordance with laws and regulations, under their own responsibility, and in the interests of the entire population. Across the world, systems of local self-government vary significantly, influenced by factors such as a country's administrative organization, political regime, governance model, and sociocultural traditions. As a core mechanism for enabling civic participation in addressing local affairs, local self-governance also plays a crucial role in driving regional devel-

opment. In Kazakhstan, although reform efforts have been implemented, key challenges remain in the coordination between central and local authorities. These include constrained financial resources and the continued fiscal dependency of local executive bodies on central funding, reflecting structural inefficiencies in local budget management (A reference guide for local government entities in Kazakhstan, 2020: 288). Advancing local self-government in Kazakhstan—through clearer distribution of competencies and enhanced autonomy and accountability at the local level—necessitates a comprehensive overhaul of the nation's budgeting framework.

Expanding the powers, financial independence, and economic autonomy of local governments is essential for addressing local concerns and fostering citizen participation in decision-making processes through enhanced local governance.

The objective of this study is to explore international experiences and analyze various models of local self-government. By examining these models, the study seeks to identify successful strategies and tools that can be applied to Kazakhstan's local government practice to enhance budget management and improve the quality of life in rural areas.

The specific objectives of the study are:

1. To explore international models of independent local self-government budgets.
2. To examine effective mechanisms for replenishing and managing an independent budget.
3. To develop recommendations for the creation of an institution that facilitates public involvement in local government decision-making.

The object of this study is the system of local self-government in Kazakhstan, while the subject concerns the fiscal mechanisms and administrative tools used in the management of local budgets within this system. The main research question addressed is: How can international models of fiscal decentralization improve the efficiency and independence of local government budget management in Kazakhstan? The working hypothesis is that the application of best practices from countries with strong traditions of local autonomy—such as Finland, France, and Germany—can significantly improve local budget sustainability, citizen engagement, and public service delivery in Kazakhstan's rural areas.

Literature review

Literature on local government finance highlights the crucial role of fiscal decentralization, citizen engagement, and transparent public expenditure. Studies by Zhang (2023) and Wang (2019) emphasize the impact of supervision mechanisms on budget efficiency and social equity. Vidoli (2018) and Guo (2020) explore the role of public service financing in citizen satisfaction and environmental outcomes. Despite the extensive discussion on local finance, most existing studies are focused on either large urban municipalities or developed Western economies. There is limited research assessing how these models could be adapted to post-Soviet or Central Asian contexts like Kazakhstan. This study aims to bridge this gap by synthesizing international experience and trans-

lating it into applicable strategies for Kazakhstan's local government reform.

In the context of a decentralized system of fiscal spending, how to increase people's sense of satisfaction, security, and contribute to the quality development of public services has become a hot topic of great concern among scientists and politicians (Weijs-Perree et al., 2020). The key to ensuring social equality and equity and improving people's well-being is to improve the effectiveness of local financing of public services for people's livelihoods (Vidoli et al., 2018). To achieve this goal and ensure the effectiveness of public services for people's livelihoods, it is necessary to use the supervisory function of local people's assemblies (Wang et al., 2019), and then explore ways to optimize financial spending on public services (Pan et al., 2022).

Although advanced technologies are crucial for local governments to provide improved services and amenities, traditionally their adoption of these innovations has lagged behind other sectors (Guo et al., 2020).

The study of different types of connections in the same conditions helps to distinguish between different motives that can stimulate production (Slabbinck et al., 2020).

The growing capabilities of artificial intelligence have prompted numerous local governments around the world to consider integrating it into their operations (David et al., 2024). Information on the local use of renewable electricity is also relevant in order to assess the decentralized contribution to local and total gross consumption (Manske et al., 2025).

The basis for replenishing the municipal budget is the distribution of central government transfers between municipalities (Fabre et al., 2025).

Digitalization of public services implies not only the transformation of relations between public service providers and customers, but also the transformation of public administration. It is necessary to reveal the process of digitalization of public services, paying close attention to the interaction through which a digital automation solution is implemented and adapted to local governments. (Andersson et al., 2022).

Methodology

The research methodology is based on qualitative comparative analysis. The study was carried out in three stages:

1. Identification of key components of local self-government in Finland, France, and Germany;

2. Comparative analysis of local budgeting mechanisms and their efficiency;

3. Adaptation of best practices to the legal and institutional context of Kazakhstan.

The analysis used a combination of documentary analysis, systematization of secondary data, and case comparison. Sources include publications from the Ministry of Finance and Ministry of National Economy of Kazakhstan, as well as scientific literature on fiscal decentralization and local governance.

Results and discussion

International practice offers diverse models of local self-government that reflect different historical, administrative, and institutional frameworks for local fiscal autonomy and governance efficiency. In the world as a whole, Anglo-Saxon and Continental models of local self-government are basic. At the heart of these models is the procedure for the formation of local self-government, the nature and features of the interaction of local executive bodies with state bodies.

The origins of the Anglo-Saxon model of local self-government can be traced back to 17th-century England, where legal and institutional foundations for municipal autonomy began to take form. Subsequently, the idea of local government was also adopted in France, which was recognized as the “continental model” as a system of decentralization of state power. In the UK, USA, Canada, Australia and in a number of other countries, the Anglo-Saxon municipal system is used. Key characteristics of the Anglo-Saxon model include a clearly codified legal mandate for municipal functions, structural independence from higher levels of government, and jurisdiction over core public services such as policing, social welfare, fire protection, and infrastructure maintenance. The primary distinction between the French (Continental) system and the Anglo-Saxon model lies in the nature of the relationship

between local and central government authorities. The French system operates within a framework of centralized governance, where national authorities retain significant oversight over local bodies. This system, formalized by the 1982 French Law “On the Rights and Freedoms of Indigenous Communities,” is characterized by the following features:

- The basic local governance unit is the commune, with its leadership elected by the municipal council for a six-year term;
- All adult citizens are granted the right to vote;
- The municipal council is empowered to resolve matters of local significance, except for those under the jurisdiction of the head of the territory;
- Council decisions are binding once submitted to and published by the departmental representative;
- During its inaugural session, the municipal council elects a mayor, who serves as both the head of the commune and chair of the council.
- prepares meetings of the Municipal Council and implements their decisions;
- has the right to manage the property of the commune and make civil transactions;
- represents the interests of the commune in the judicial system;
- appoints employees and decides on administrative incentives and fines;
- manages communal property.

The financial basis of local self-government is rooted in the income generated by local budgets, which represent the core fiscal component within the broader budgetary system. Through established local governance structures and budgetary powers, local authorities implement their financial and legal responsibilities. A significant portion of local budget income originates from tax-based revenues, which constitute their principal source of independent funding.

Based on key indicators for assessing the level of financial decentralization, three models of financial support for local self-government have been identified in global practice.

Table 1 – The share of local taxes in the financial support of local government

Model	Local Taxes as % of GDP	Local Taxes as % of All Taxes	Countries
Scandinavian Model	10-20%	20-50%	Sweden, Denmark, Finland
Latin Model	4-6%	20%	Italy, France, Spain
Hanover Model	1-2%	4-5%	Germany, Poland, Great Britain, Netherlands

Note – compiled by the authors based on source (Wollmann, 2024)

Many countries face challenges in generating sufficient financial resources to manage the economy and social services through local authorities. This leads to a number of problems:

- The concentration of financial resources in central government budgets, which reduces the role of local budgets in addressing vital tasks for the local population;
- The predominance of regulatory revenues in local budgets, along with a low share of tax payments assigned to the territories;
- The trend of transferring expenditure responsibilities to lower budget levels without providing them with appropriate sources of income, which turns previously self-sufficient local budgets into subsidized budgets.

Local budget management has its own distinct characteristics in different countries, with a long history of development. Taking into account the above-mentioned models of financial support for local self-government, we will examine the formation of local budget revenues in the following countries: Finland (Scandinavian model), France (Latin model), and Germany (Hanover model).

Experience of local government in Finland.

Finland consistently ranks among the top countries globally in terms of quality of life and public sector integrity, which suggests a strong correlation between fiscal autonomy at the municipal level

and overall governance efficiency. In Finland, municipal government is carried out by an executive committee, whose members are elected by the municipal council for a term of four years. The municipal council, which is the highest decision-making body at the local level, also appoints the chairmen of both the council and the executive committee. The executive committee is responsible for implementing the policies and decisions made by the municipal council. The administrative management of the municipality is carried out by a professionally appointed municipal manager, who is elected by the council. This manager, like other municipal employees, retains his or her position regardless of the election results, which ensures stability and impartiality in the municipal administration.

The Municipal Council is the principal governing institution within the municipality. It is composed of elected representatives chosen through local elections held every four years. The number of council members varies from 17 to 85, depending on the size of the municipality's population. Political representation is broad, with all major parties taking part in the local decision-making process.

The council holds the authority to approve the municipal budget and to set local taxes and charges. Local budget revenues in Finland are composed of the following elements:

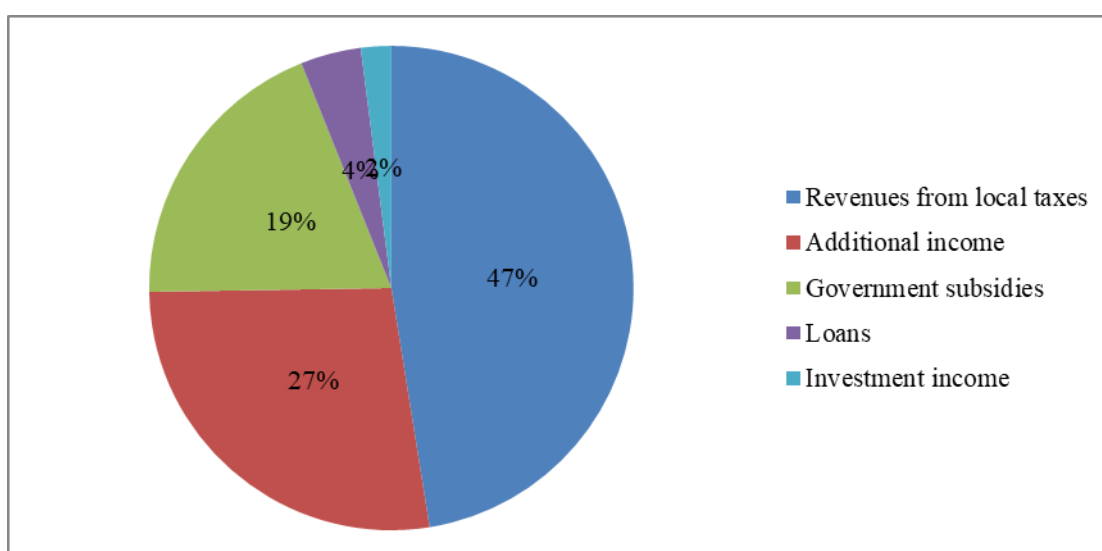


Figure 1 – Composition of Finnish local budget revenues

Note – compiled by the authors based on the source (Rantamäki et al., 2019)

The data illustrates that local budgets are comprised of 47% from local taxes, 27% from supplementary revenues, 19% from state transfers, 4% from borrowed funds, 2% from investment returns, and 1% from miscellaneous sources. The main component of tax-based income is the municipal wage tax, applied to residents' earnings. The tax rate, determined annually by the Municipal Council, typically falls between 15% and 21% (Vakkala, 2021).

State financial assistance is primarily aimed at reducing disparities between affluent and economically weaker municipalities. Wealthier communities are generally excluded from such transfers. Furthermore, municipalities generate additional revenue through service-related charges and fees.

To ensure effective management of the local budget, the Executive Council is complemented by an audit commission and professional auditors. Finland has also developed a special online platform called for presenting civic initiatives. This platform allows citizens to submit written applications to support initiatives or make recommendations. All citizens with the right to vote can present their initiatives through this platform. There are three types of civil initiatives:

1. Propose new legislation;
2. Suggest amendments and additions to existing legislation;
3. Propose the cancellation of current laws.

The system provides online support for all electronic services through individual web platforms.

Regular updates are carried out by the relevant government agencies to ensure the system remains functional.

In Finnish municipalities, the Scandinavian type of government is implemented. The local community budget is considered, and the municipality enjoys financial and administrative autonomy. The commune's financial plan is approved each year within the framework of a broader three-year socio-economic strategy and development program. Oversight and preparation of the budget fall under the authority of the Commune Council, which establishes specialized committees to manage specific areas. Members of the council are selected through local elections held every four years. The Executive Committee of the commune serves as the principal administrative and operational authority.

Unlike systems with a designated administrative head, Finnish municipalities operate without a singular chief executive. Instead, the municipal council appoints a professional municipal manager who is responsible for implementing regional development strategies and effectively managing the budget. This manager and his team work on a contract basis, not as civil servants, and continue to perform their duties regardless of the election results, ensuring stability and continuity in municipal governance.

This ensures continuity in the municipality's work (Rantamäki et al., 2019). The commune's budget is formed from the following sources:

Table 2 – Commune budget structures in Finland

Source of Revenue	Percentage of Budget	Description
Local Taxes	47%	Taxes set by the municipal council, which do not require state approval.
Loans	4%	Development-focused loans are exclusively allocated to capital investment initiatives and are never used to cover day-to-day operational expenses. These borrowed funds may originate from either national or international lenders.
State Subsidies	19%	Subsidies to regulate income of communes, pay mandatory public services, and cover expenses.
Additional Income	27%	Income from services like electricity, water, daycare, and nursing home services, transferred from state authorities.
Investment Income & Other Income	3%	Income from property investments and other miscellaneous income.
Note – compiled by the authors based on the source (Slabbinck et al., 2020)		

As we can see from the table in the structure, local taxes take about 47%. Taxes are established by the Council of the commune and do not require approval by state authorities. The councils of the commune can set the types and rates of local taxes – this is a kind of financial independence of the commune. Approximately 4% of municipal budgets are financed through borrowing, which serves as a form of fiscal self-reliance. These loans can come from domestic and international sources, but they are only intended for infrastructure and development projects – not for administrative or current operating costs. Government grants account for 19% of the budget and are intended to equalize income between municipalities, as well as to finance basic public services and tasks. Additional revenues account for about 27% of the local budget and consist of payments for utilities such as electricity and water, preschool education, elderly care and other public services. Most of these services are decentralized to the local level by the central government, allowing local authorities to manage them independently and generate income. Income from investments, including real estate and other assets, accounts for about 3% of total income. Taken together, the overall financial resources controlled by municipalities are comparable in scale to those managed by the national government.

Experience of Local Government in France

France, as a key example of the Latin (continental) model of governance, delegates oversight of local territorial entities to the prefecture, which functions under a centralized system of administrative supervision. In many modern states, local governance structures are increasingly modeled on this framework, where the mayor holds a dual mandate—serving both as the elected leader of the municipal council and as an official representative of the central government within the locality.

The French system uses a three-level subnational structure. The first (higher) level is Regions; the second (central) level is Departments; and the third (lower) level is Municipalities (or communes).

In addition to these three levels, there is an intercommunal level. Local self-government is primarily based on communes. Most communes have small populations (below 2,000). The mayor simultaneously holds powers as both a civil servant and as the head of local self-government under the control of the Municipal Council.

The mayor's powers include managing municipal services, appointing administrative personnel,

issuing construction permits, registering civil status acts, ensuring public safety, promulgating state laws and regulations, organizing elections, compiling conscription lists, organizing civil defense, and overseeing primary schools.

In France, territorial associations, which protect the interests of their respective regions, are legal entities of Public Law, and their formation is tied to an independent budget. The council's financial powers include adopting the budget, setting municipal tax rates, managing the purchase, sale, and lease of public property, and developing and approving municipal territorial plans.

France's local taxation framework is composed of five core levies: a residence tax, property tax, construction-related tax, land tax, and the "territorial economic contribution." While municipalities are permitted to set their own tax rates, they are not allowed to define the tax base independently and must comply with boundaries established by the national government.

Financial transfers from the central government to municipalities serve three primary functions: to stabilize local budgets through compensation mechanisms, to promote fiscal equity via equalization payments, and to steer local economic development through targeted incentives. Civic participation in municipal governance extends beyond voting; citizens also engage in advisory boards and local associations. Residents hold the right to propose consultative referendums, which function as tools for gauging public sentiment and ensuring that local decisions reflect community interests (Bouvier, 2021: 5).

France has 36,596 communes, each governed by an elected local council. The number of council members is determined according to the size of the municipality's population. One member is elected mayor and simultaneously acts as both the head of the local council and the representative of the national government. Municipal self-governance in France is constrained by financial and legal limits, as local budgets must be approved by the prefect, the state's appointed representative. Furthermore, communes are only permitted to impose certain indirect taxes, such as waste collection fees.

The typical revenue structure of a French municipal budget is composed as follows: 40% from local taxes, 32% from state grants and subsidies, and 19% from municipal assets and local economic activities.

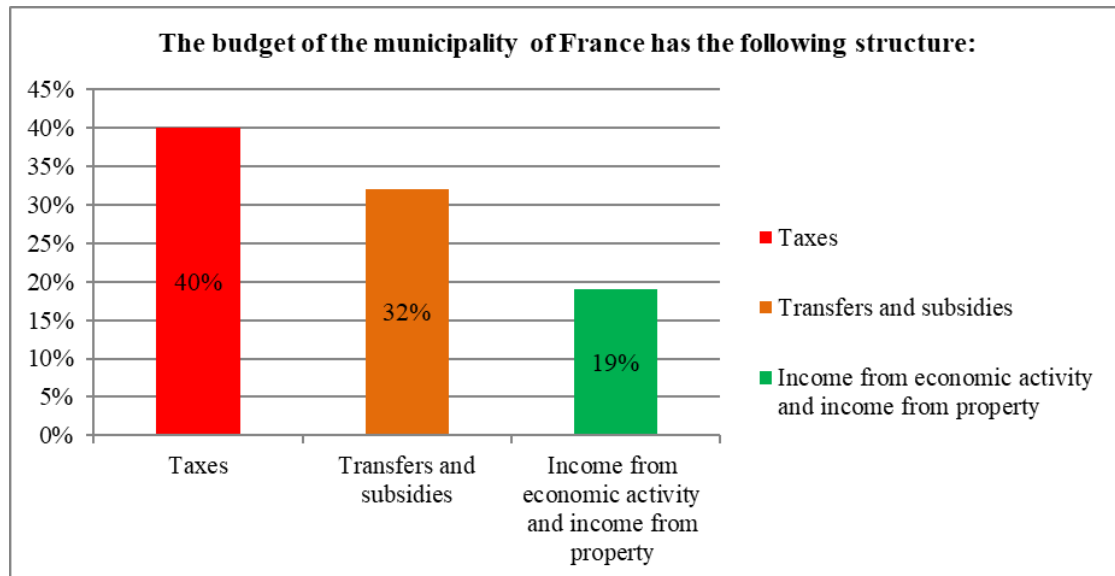


Figure 2 – Revenue composition of the French municipal budget

Note – compiled by the authors based on the (Buv'e, 2011)

Although both Kazakhstan and France are unitary states with strong presidential systems, France's administrative system, particularly its territorial organization and degree of state oversight, closely resembles that of Kazakhstan. However, as a member of the European Union, France has adopted a gradual policy of decentralization aimed at enhancing municipal autonomy and fostering more responsive local governance.

Experience of Local Self-Government in Germany

Germany operates under a three-tier subnational government system, which consists of states, counties, and municipalities. As a federal state, the procedure for appointing heads of local executive bodies varies across the federal states. For instance, in Bavaria, the head of the local executive body is directly elected by the citizens of the municipality. In all regions, the head of the district's executive body is the head of state administration for the respective district.

The leadership of the local administration is typically the **Burgomaster** (the traditional German term), which can be equivalent to the mayor or the head of the commune. Oversight of the legality of decisions made by local authorities is carried out by state administration at the highest level, although some regions establish special control bodies.

In all areas, except for Hesse, municipalities are governed according to a «council system». The local council is elected through a direct vote for a term

of four to six years. The mayor, elected through direct universal suffrage, heads the local council and the executive body.

Municipal responsibilities in Germany encompass a wide range of public services, such as the provision of water, heating systems, street lighting, fire protection, urban greening, maintenance of local roads, and the operation of preschools (Wollmann, 2024). The central decision-making body at the municipal level is the council, whose members are elected directly by residents. The length of a council's mandate differs by region – lasting four years in Hesse and six years in Bavaria. The council selects a chairperson from among its own members and also appoints a collective executive authority, known as the magistrate, which is composed of appointed administrative professionals.

Municipal councils are responsible for overseeing a wide range of public services, such as healthcare, education, social welfare programs, waste management, recycling services, and public transportation systems. In addition to collecting local taxes, mainly property and business taxes, local authorities receive financial transfers from the national and regional levels. In order to increase citizen participation, residents' assemblies (*Bürgerversammlung*) are organized, where residents can formally submit petitions to the municipal council on important issues affecting their community. In order for a petition to be considered, it must be supported by at least 30% of the residents with the right to vote. Ref-

erendums may also be held – either by a two-thirds majority of the council members or on a citizen's initiative if supported by at least 15% of the voters.

Germany's local self-governance functions in accordance with democratic principles, including operational autonomy in local affairs, clear division of competencies between national and municipal levels, and the accountability of local executive authorities for their decisions. A defining aspect of municipal independence in Germany is the right to develop and approve their own budgets. Local authorities are considered fully autonomous only if they possess adequate financial resources and have the legal authority to manage those funds independently. This fiscal autonomy forms the foundation of decentralized decision-making at the local level, signifying genuine financial self-governance (Jochen-Konrad Fromme, 2020: 18).

Although municipalities operate with a degree of independence, they remain under the oversight of state institutions. This supervision encompasses the electoral process, legal regulations, financial management, staffing decisions, and spatial planning. Such a structure enables municipalities to effectively address local challenges and contribute to improving the overall well-being of their residents.

The revenue for the German municipal budget comes from various sources, including municipal taxes, shares of federal and state taxes, income from municipal property, special payments for public institutions, and, in exceptional cases, advance payments in the form of loans and contributions.

Property taxes in Germany are mainly differentiated by type of ownership, such as for residential or commercial purposes. These include land taxes on real estate (types A and B) and occupational taxes related to business activities. Germany also uses a unified tax system for VAT, income tax, and corporate tax, with a certain percentage of the revenue allocated to federal, state, and municipal governments, with each municipality receiving its share.

In Germany and Finland, local government services are divided into three categories: voluntary, compulsory, and commissioned. The latter category includes services that are not strictly local. Currently, compulsory and commissioned services in Germany account for 80-90% of the total cases handled by local authorities.

An interesting aspect of Germany's local self-government experience, particularly relevant for Kazakhstan, is the competitive bidding process for public services like budget publication, procure-

ment, and wholesale goods. This promotes public control over the effectiveness and transparency of municipal budgeting.

Overall, the foreign experience of local self-government underscores the importance of adapting systems to local needs while meeting the expectations of rural populations. Representative bodies exist in all countries under consideration, and in both Germany and Finland, members of these bodies are elected by citizens.

In terms of budgetary decentralization, it is acknowledged as one of the most challenging aspects of decentralization in public power. While the level of fiscal decentralization varies across countries, Finland stands out as a successful example, with its municipalities having significant autonomy in setting tax rates. In Finland, municipalities primarily rely on local income taxes, which constitute roughly 40% of their total revenue, along with a portion of corporate income tax allocations, forming the backbone of their financial resources.

Conclusion

The analysis confirms the hypothesis that adopting selected elements from foreign fiscal models can improve local governance in Kazakhstan. In particular, the Finnish model offers valuable tools for enhancing fiscal autonomy and civic participation. However, institutional, legal, and cultural differences require adaptation rather than direct implementation.

The study contributes to the literature by synthesizing practical elements of foreign models for a post-Soviet context. Limitations include the lack of field data and exclusion of non-European cases. Future research should incorporate quantitative assessments and pilot regional reforms.

For the financial support of local self-government, tax and non-tax revenues play an important role in all of these countries, though non-tax revenues account for a smaller portion of local budget revenues. The list of own income sources varies by country and depends on the ability of local governments to offer paid services. Additionally, the volume of these revenues depends on the extent to which municipalities are provided with municipal property and manage it effectively. In the countries studied, inter-budgetary relations are designed with a simple and transparent structure.

The foundation of tax revenues in these countries is primarily direct taxes. In some cases, where

decentralization of state authority occurs, a portion of indirect taxes is allocated to meet the financial needs of local budgets. Income taxes play an important fiscal and regulatory role, serving as a means of financial equalization between regions. The main tool for local taxation is the real estate tax, which covers buildings and land, alongside the vehicle tax, local taxes, and environmental fees.

Thus, the diversification of revenues for the local autonomous budgets in the studied countries is higher than in Kazakhstan.

Based on the study of trends in the development of systems for the formation of local self-government revenue budgets, the following conclusions can be drawn:

- In Scandinavian model countries, taxation of citizen consumption prevails, and real estate taxation has significant fiscal importance.
- In Latin model countries, taxes on consumption and citizen income are the most important.
- In Hanover model countries, consumption taxation is of less fiscal significance.

For Kazakhstan, it is suggested to establish a representative body based on the German model and adapt it to local powers. France offers a good example of fiscal decentralization. Finland also offers valuable experience in encouraging citizens to participate in budget processes. Among the notable institutional innovations is the establishment of an electronic participatory budgeting portal, which serves as a mechanism for enhancing transparency and citizen engagement in local fiscal decision-making. The model of local self-government in Kazakhstan is based on the experience of France, where the prefect, as a representative of local authorities, makes key decisions and plays an important role in shaping territorial policy.

Empirical evidence from developed nations indicates that administrative decentralization and effective municipal governance are critical drivers of enhanced quality of life and localized socio-economic development. From the point of view of the general political system, local government stands out as the level of government closest to the people.

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