

Merging Paths: Comparative Insights on Municipal Enlargement Incentives in Slovakia and Belgium

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Abstract: In both Slovakia and Flanders (Belgium), the landscape of municipal and regional governance faces challenges related to financial sustainability, administrative efficiency, and the high volume of fragmented municipalities. Slovakia's local finance system is characterized by limited revenue diversity, rigid taxation frameworks, and insufficient tools for promoting urban and regional development. These constraints not only limit the capacities of Slovak municipalities but also hinder potential reforms aimed at fostering more efficient and cohesive local governance. A key obstacle remains the political hesitancy to undertake necessary but potentially unpopular reforms, especially where significant consolidation of municipalities is involved. Facing the main challenge, the region of Flanders has incrementally implemented a series of reforms and legal incentives to encourage municipal mergers, with a focus on enhancing efficiency, financial viability, and local autonomy. By examining the incentive structures, legislative measures, and administrative frameworks in Flanders and Slovakia, this paper provides a comparative analysis to identify transferable principles and strategies in different institutional settings. This analysis aims to evaluate the potential for reforms that would both rationalize municipal structures and enhance fiscal sustainability in Slovakia and Flanders. Drawing on doctrinal legal methods, descriptive statistics, and comparative analysis of legal and financial data from both regions, the paper explores legislative barriers, financial bottlenecks, and the role of constitutional protections in each system. The findings offer a set of reform recommendations tailored to Slovakia and Flanders, proposing incentive-based mechanisms for voluntary municipal mergers and highlighting the potential benefits of a more decentralized approach to local governance finance. By comparing Slovakia's centralized framework with Flanders' incentivized consolidation model, this paper contributes insights for a principles-based reform approach that aligns fiscal resources, municipal competences, and regional development goals.