

REFORM OF THE PUBLIC ADMINISTRATION SYSTEM IN UKRAINE AT THE TERRITORIAL LEVEL IN THE CONTEXT OF DECENTRALIZATION

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INTRODUCTION

Recently, decentralization of power has become increasingly widespread in the world. Among the reasons for this trend are the following:

– decentralization is accepted as a means of providing various autonomy and autonomy to different ethnic and regional groups and control over their own affairs. The idea is that if different ethnic and regional minorities have some autonomy, some ability to determine their own local affairs regarding education, culture and economic development, they will feel more secure and more willing to accept authority and legitimacy;

– decentralization of power is taken as a means of separating power between a large number of different political parties. Parties and groups that cannot get control of the central government can win the opportunity to exercise power in the lower level administration. This increases their confidence and commitment to the political system, the feeling of citizens that the system is fair;

– democracy swept around the world as the core value and basis of governance. And decentralization is seen as a fundamental democratic principle. This is not enough for people to simply be able to choose their national leaders in periodic, free and fair elections. In moderate countries, good democracy requires that people be able to choose their local leaders and representatives, and that these local authorities will have some real power to respond to people's needs. This tendency did not pass Ukraine and, as a result, today Ukraine is implementing a reform of decentralization of power. This process was wave-like in the period since Ukraine became independent, but the most significant activity it has gained since April 2014, when the Cabinet of Ministers of Ukraine approved the "Concept of Reform of Local Self-Government and Territorial

Organization of Power". This Concept envisages the definition of the directions, mechanisms and timing of the formation of effective local self-government and territorial organization of power for creating and maintaining a healthy living environment for citizens, providing high-quality and accessible public services, establishing institutions of direct democracy, and meeting the interests of citizens in all spheres of life in the respective territory, coordination of interests of the state and territorial communities.

During 2014–2015, the Supreme Council, the Cabinet of Ministers of Ukraine, in support of the decentralization reform, developed and adopted a number of legislative and regulatory documents, namely: Laws of Ukraine "On Cooperation of Territorial Communities", "On the Voluntary Association of Territorial Communities", "On Local Elections", "On the Principles of State Regional Policy", "On Ratification of the Additional Protocol to the European Charter of Local Self-Government on the right to participate in the affairs of the local self-government body", "On Introduction Amendments to certain legislative acts of Ukraine regarding extension of powers of local self-government bodies and optimization of administrative services provision", Resolution of the Cabinet of Ministers of Ukraine "On approval of the State Strategy for Regional Development for the period up to 2020", Order of the Cabinet of Ministers of Ukraine "On Approval of the Plan of Measures to Implement the Concept of Reform local self-government and territorial organization of power in Ukraine" and others.

The result of this decentralization reform in Ukraine should be the formation of a new democratic model of governance focused on strengthening the role of territorial communities, which will enable them to gain a significant amount of power and control over their own affairs. At the same time, when implementing the decentralization reform, it must be taken into account that it has not only advantages over the centralized system, but also its shortcomings which, in the current political unstable situation in Ukraine, the economic and social crisis, external aggression, decentralization, can provoke further negative trends in development of the state and society.

1. The directions of decentralization reform in Ukraine

1.1 Theoretical and methodological aspects of the reform of decentralization of state power

The idea and attempts at decentralization are not new to society and in the 16-th century they were actively considered by scholars and active citizens as a counterweight to the state monopoly and attempts were made to find new forms of public administration, including through decentralization of the state system. The last revitalization of the issue of decentralization, as one of the forms of democracy, has gained another significant spread and relevance among most European countries at the end of the last century and continues to this day. The globalization processes in the world that triggered political and economic crises and challenges prompted the society to revise the principles and principles of public administration to achieve a high level of social development of the state, since centralized management proved to be unable to carry out all functions of the state on the issues of vital activity of the population and unable to reach the quality and efficiency effectively all, even important areas of human activity. The main reasons that caused the global trend of countries' inclination to decentralize and revitalize the global community towards decentralization are as follows:

– firstly, the central governments of countries with the existing centralization of powers and resources were not able to provide a qualitative and rapid solution to the problems of territories, the uniform development of all territories and the provision of quality services throughout the country. Especially suffered from this territory, far from major cities and important administrative centers. Decentralization is accepted as a means of providing various autonomy and autonomy to different ethnic and regional groups and control over their own affairs. The idea is that if different ethnic and regional minorities have some autonomy, some ability to determine their own local affairs regarding education, culture and economic development, they will feel more secure and more willing to accept authority and legitimacy;

– secondly, the activation of the movement and the expansion of the geography of civil society in the world. Decentralization, as one of the forms of democracy, promotes the development of civil society and allows

active involvement of the population of the country to solve their own problems and needs while preserving the state and its main institutions;

– thirdly, not always transparent decision-making mechanisms at the central level, which led to an increase in corruption risks.

Among the main achievements of decentralization are the following:

1) allows, first and foremost, local governments to assume new and wider powers in order to provide a greater variety of types of public services provided, as well as a variety of ways of providing them in such a way that they can more accurately reflect distinct sets of priorities for different regions the state;

2) ensures the efficiency and effectiveness of the management of the response to the needs of recipients (consumers) of public services;

3) contributes to reducing the costs of ensuring control over the provision of public services by reducing distances, both geographic and bureaucratic, between those directly providing public services and the management unit;

4) guarantees that resources allocated for the provision of public services will be distributed more proportionally and reasonably among all regions;

5) brings public administration closer to the object and the main source of public authority – the people;

6) promotes the strengthening of democratic procedures in the state and the protection of human rights and freedoms;

7) promotes the development of civil society and local communities;

8) contributes to reducing corruption risks and increasing the transparency of the use of all resources.

Decentralization of state power is a complex process, which involves a systematic solution to a large number of complex issues and problems, not only solving the problem of changing the principles of governance, but also changing the outlook of civil servants and the public in this regard. Confirmation of the complexity and ambiguity of the decentralization process itself can be demonstrated by its versatility. So, for today we have such a classification of decentralization:

depending on the spheres of influence and subjects decentralization happens:

– territorial – the creation of public administration bodies, which carry out the government in the administrative-territorial units

independently and independently from the state authorities, being outside their hierarchical system and subordination (local and regional authorities);

– functional – recognition of independent and independent specialized organizations (different unions) by the authorities of power, delegating them the right to carry out a certain amount of tasks of a public character, in particular, with regard to the government and the fulfillment of the corresponding functions in the areas of public life determined by the legislation and in accordance with the established order;

– subject matter – professional self-government as a system of managerial relations between all representatives of a particular profession, implemented by a defined law by a representative organization under the supervision of state authorities¹.

depending on functionality decentralization happens:

– administrative – at which local authorities are accountable to the central authorities;

– political – in which local authorities are endowed with such powers and responsibilities that make them formally independent of the state;

– budget – connected with the transfer to places of the resources necessary for the implementation of the transferred power and responsibility;

– market – provides the transfer of functions of public institutions to the private sector, including planning and administration².

depending on the division of competences and powers decentralization happens:

– vertical – means a clear definition of the decision-making process by governing bodies of different levels. The principal issues of vertical decentralization are: the depth of hierarchical decentralization; the scope and scope of the powers of the lower authorities (all entities that have the right to exercise public functions) and the organization of the system of supervision and control over the activities of these bodies. At the same time, it is important to understand that it is not only about public administration bodies, but also about other subjects (professional associations, business structures).

¹ Децентралізація публічної влади: досвід європейських країн та перспективи України / Бориславська О.М., Заверуха І.Б., Школик А.М. та ін. Київ: Софія, 2012. 212 с.

² Трофимова И.Н. Трансформация отношений центральной и местной власти в процессе децентрализации управления (опыт европейских стран). URL: http://ars-administrandi.com/article/Trofimova_2011_2.pdf.

– horizontal – means the distribution and definition of the functions and competences of all other elements of the structure of the public administration bodies, in addition to the governing body³.

Among the main forms of transfer of authority from the central to the local level, one can distinguish the following:

– devolution is a form in which the transfer of responsibility, authority, resources and sources of income to local authorities takes place, resulting in local authorities becoming autonomous and completely independent;

– deconcentration is a form where the transfer of power and responsibility from the central government to a different level of government takes place, while the hierarchical subordination of local authorities to the central government and decentralized ministries is maintained;

– delegation is a form in which the transfer of power and responsibility to local governments takes place, and this is not always the case with local units of central government, while retaining their vertical subordination and partial transfer of responsibility to subnational levels;

– divestiture is a form of transfer of planning functions, administrative authority and / or other functions to volunteer private or public organizations, with simultaneous deregulation or partial privatization⁴.

The introduction of decentralization is a long and complicated process, which involves the implementation of a series of successive stages with the corresponding phases inside, the failure to comply with the general logic which leads to a loss of balance of public power, and under it means an organization through which the distribution of power load from the central to the lower levels occurs without causing damage to public and public interests. This process involves the following steps:

– the first stage – the doctrinal separation of powers on the vertical levels of public power with the simultaneous establishment of competences. This stage consists of two phases: the formal definition and the immediate establishment of a list of authorities and their volume at each level of public authority.

³ Гурне Б. Державне управління / пер. з франц. В.Шовкуна. Київ: Основи, 1994. 165 с.

⁴ Децентралізація та ефективне місцеве самоврядування: навчальний посібник для посадовців місцевих та регіональних органів влади та фахівців з розвитку місцевого самоврядування. Київ: ПРООН/МПВСР, 2007. 269 с.

– the second stage – the legislative consolidation of the results of the first stage. The first phase of the stage of regulatory consolidation is the introduction of amendments and additions to existing laws, the development of new legislative acts, the second – the consolidation of decentralization of public authority at the constitutional level, and the third – bringing in conformity with the Constitution and relevant laws of the whole set of by-laws.

– the third stage – the decentralization of public authority – the establishment of a mechanism for monitoring the proper implementation of the decentralization process. It has two phases: the establishment of constitutional control and the expansion of the jurisdiction of courts of general jurisdiction with the introduction of the system of administrative justice inclusive⁵.

At the same time, in order to achieve greater efficiency of decentralization, even through its phased implementation, it is primarily necessary to do this in those regions that demonstrate sufficient readiness to assume the respective responsibilities of providing the state ambassador by introducing transparent rules for the transfer of authority from place to place. Such a transfer involves:

– the presence in the region of a real acting entity that is capable of assuming full responsibility for the implementation of additional powers granted to it;

– availability of a variety of resources (managerial, organizational, intellectual, personnel, information, etc.) in the acting regional entity that are essential for the accomplishment of tasks;

– the availability of transparent mechanisms, toolkitary and the use of authority schemes, etc.

Given that the key to minimizing the risks that accompany decentralization is the systematic, sequential, and gradual state policy on decentralization of power, the scrupulousness exercised on the basis of well-balanced and verified public-law decisions, the next step in the study of the theoretical basis for the decentralization of state power should be studying the issue of ensuring a stable and effective functioning of the public administration system after decentralization, since successful transfer of authority does not mean thematic success and effectiveness of the management process on the basis of already implemented decentralization.

⁵ Колишко Р.А. Децентралізація публічної влади в унітарній державі: автореф. дис. на здобуття наук. ступеня канд. юрид. наук: спец. 12.00.01. Київ, 2003. 14 с.

One of the most important aspects of the success and effectiveness of the management process on the basis of decentralization already made is the correctness of choosing the balance of relations between the territory and the center, the division of powers between the state and local levels of state power. For this purpose, a scheme is proposed for the division of powers between state and local levels of state power, based on a scientific idea according to which the state should be the general subject of the definition of "rules of the game" and setting standards for the whole society, while local self-government performs better functions local (tactical) management of the development of the territorial community and is able to respond more effectively and quickly to challenges (Table 1).

Table 1

**Scheme of division of powers between state
and local levels of government**

Criteria	State level	Local level
Directions of the state politics	Determination of strategic priorities for the development of society Developing a legislative framework, defining "rules of the game" Implementation of investment and innovation policy tools Establishment of national social standards and other standards of development of society	Stimulation of economic development of the region, support of entrepreneurship Defining the goals and priorities of the region's development, which should be consistent with national goals Stimulating competition Local adjustment of economic imbalances
Tools state-owned regulation	State level of the budget system Legislative base Public investment Government Procurement State enterprises National Tax System	Local level budget system Decision making for specific territorial communities that do not contradict the national one legislation
Monetary system	Management of a part of budget funds that have been transferred to the state budget Public Debt Management Managing revenues from government enterprises	Management of a part of mobilized budget funds that can not be transferred to the state budget Carrying out local borrowing Financial Management of Utilities

Built by the author on the basis of ⁶

⁶ Braun von J. Does decentralization serve the poor? / J. von Braun, U. Grote (eds) // Managing fiscal decentralization. – London : Routledge, 2002. URL: www.imf.org/external/pubs/ft/seminar/2000/fiscal/vonbraun.pdf.

It is in the case of the aforementioned, phased and systematic introduction of decentralization of power that we can achieve the desired result from the process of decentralization of power, which will be as follows:

- more complete provision of the needs of the inhabitants of territorial communities in public goods, because in the provision of public goods by the central authorities the interests of an individual are lost among a large population;

- faster, in comparison with the state central government and local authorities, the response to changing needs of the inhabitants of the territorial communities;

- more effective participation of citizens in the decision of local issues, public responsibility and public control;

- development of competitive principles between local and regional self-government bodies;

- creation of a "mechanism for balancing power over different levels of government"⁷;

- transparency, publicity and simplification of procedures for making power decisions;

- the possibility of strategic planning, contributing to the socio-economic development of administrative-territorial units;

- improving the performance of functions and tasks through their transfer at local and regional levels, which better know the local situation (saving budget resources while increasing the quality of providing public goods to the population);

- development and introduction of innovations through the possibility of non-standard approaches to solving local problems;

- the development of democratic foundations in society, the rise of political culture among the population leads to an increase in the share of voluntary payment of taxes and fees;

- correct determination of the priority of spending budget resources, etc.

⁷ Дроздовська О.С. Теоретичні засади фінансової децентралізації. Фінанси України. 2008. № 8. С. 19–25.

1.2 Regulation of decentralization of state power in international law

Considering the importance and attention to the issue of decentralization in the world is paid quite a lot of attention, as it is one of the fundamental principles of the existence and development of democracy in any country. This led to the development of many international, interstate and regional documents on this issue. The United Nations, the World Bank, the European Union, whose bodies have adopted a number of important internationally recognized instruments, have been ratified and implemented by democratic countries of the world, as well as others. The main international instruments that reflect the foundations and mechanisms of decentralization are the following: international legal standards and principles of the Strategy for Sustainable Development, United Nations Program, European Charter of Local Self-Government, OECD Experience, Fiscal Transparency Guide, Code of Good Practice on Transparency the fiscal system of the IMF. Let's dwell in more detail on some of them.

The United Nations has developed an international concept of "good governance", reflected in the UN Program "Governance and Sustainable Human Development", aimed at improving the efficiency of the implementation of tasks at the local level and ensuring opportunities for citizen participation in local decision-making processes provided for Participation of citizens in democratic processes. The UN Program outlines the following basic principles of "good governance":

- Participation – All men and women should have direct or indirect (through legitimate intermediary institutions representing their interests) the right to vote in the decision-making process. Such broad participation is based on freedom of association and speech;
- The legality of the legal framework should be clear and applied impartially, in particular with regard to human rights laws;
- Transparency – direct access to information;
- Sensitivity – institutions and processes serve all stakeholders;
- Focus on consensus – good governance is an intermediary between different interest groups in order to reach a broad consensus;
- Equality – all men and women have the same opportunities to improve or maintain their well-being;
- Efficiency and effectiveness – processes and institutions produce results according to the needs of the most rational use of resources;

- Accountability – government, private sector and civil society decision makers are accountable to the public as well as to institutional interest groups;

- Strategic vision – Leaders and the public have a broad and long-term perspective of good governance and human potential development⁸.

The key document governing the basic principles of decentralization is the European Charter of Local Self-Government (adopted in October 1985) (the "Charter"). Allocated in the Charter are fundamental to the formation of a European (democratic) model of power at subnational territorial levels. The most important among them are the following:

1. Recognition of local self-government in national legislation and, if possible, in the constitution (Article 2).

2. The reality of local self-government, which finds its expression in the emphasis on the essential (and not arbitrarily determined by the state) amount of public affairs, regulation and management, which are authorized to carry out local self-government bodies (Article 3).

3. Legitimacy of local self-government as an opportunity of the relevant authorities to regulate and manage local affairs – exclusively within the law of the state (Article 3).

4. Determination of the nature of local government as a public authority, which, on the one hand, acts in the interests of the local population (territorial community) (Article 3), and on the other hand – is derived from sovereign state power, since the main powers and functions of local self-government are determined a constitution or law (Part 1, Article 4).

5. The attribution to the subjects of the implementation of local self-government as territorial communities and local self-government bodies – subject to the choice of representative bodies of local self-government by secret ballot on the basis of direct, equal, universal suffrage (Article 3).

6. Autonomy of local self-government as a power that has the right to independently resolve all issues that fall within its competence (Part 2 of Article 4).

7. Subsidiarity (optimal decentralization and real control of the territory), which involves, firstly, the implementation of municipal functions by the territorial levels of government that have the closest contact with the citizen, and secondly, taking into account the scope and

⁸ Кохалик Х. «Добре врядування»: принципи та ознаки. Ефективність державного управління. 2012. Вип. 33. С. 50–57.

nature of the tasks and requirements for achieving efficiency and economy with the division of powers between the territorial levels of power (Part 3 of Article 4).

8. The powers of local self-government, the inalienability and inviolability of its powers – the powers of local self-government should be complete and exclusive. They can not be canceled or limited, unless provided by law (Part 4, Article 4).

9. Adaptation of the exercise of local government powers (local and national interests) (Part 5, Article 4).

10. Participation of local self-government in solving all socially important issues that, although not within its competence, affect its rights and interests (Article 6, Article 4).

11. The integrity and inviolability of the territory of the local self-government bodies – the change of the territorial boundaries of the self-governing units needs to be agreed with the respective territorial communities (Article 5).

12. Independence of local self-government bodies in determining their own internal administrative structures, taking into account local needs and the need for effective management (Part 1, Article 6).

13. Creation of proper conditions for service and career growth of municipal servants, which will allow to attract highly qualified personnel to work in local self-government bodies (Part 2 of Article 6).

14. Establishment of limits and volumes of administrative supervision of local self-government in accordance with the following circumstances: first, forms and grounds – supervision may be carried out only in accordance with procedures and in cases stipulated by the constitution or laws; and secondly, the purpose – supervision is only aimed at ensuring compliance with the law and constitutional principles; and thirdly, the coherence of the measures of the controlling bodies with those interests which they are intended to protect in the process of administrative supervision (Article 8).

15. Guaranteeing the right of local self-government bodies to own financial resources.

16. Guaranteeing the right of local self-government bodies to freedom of association and cooperation with local self-government bodies of foreign states (Article 10).

17. Legal protection of local self-government – the right of local self-government bodies to use remedies to ensure the free exercise of their powers and respect for the principles of local self-government (Article 11)⁹.

Another document regulating decentralization, organization and activities of local self-government is the World Declaration of Local Self-Government, adopted on September 26, 1985 in Rio de Janeiro by the World Alliance of Local Self-Government at the XXVII International Congress. The Declaration states that the principle of local self-government should be defined in the constitution or the basic law on the government structures of the country¹⁰. The declaration consists of a preamble and 11 articles. The preamble formulated the essential features of local self-government that qualifies as an integral part of the national structure and the level of government closest to the citizens, which is best for creating the conditions for building a harmonious community to which citizens would feel and be responsible for their belonging. The basic principles of local self-government are defined: the will of the people is the basis of government power; effective participation of all elements of society properly in the preparation and implementation of national plans and programs of social and economic development; strengthening local government through more effective and democratic policies; Decentralized decision-making, which reduces the center's overload, as well as improves and accelerates government actions.

The main part of the document reveals the constitutional basis of local self-government, in particular: local self-government is the right and the responsibility of local authorities to regulate and conduct public affairs under personal responsibility and in the interests of the population. The competence of local self-government bodies, which includes taking into account the existing order in each state, includes: the right to act on its own initiative, the ability to identify the initiative and make decisions independently, adapting the implementation of laws to local conditions, rationally and efficiently sharing the right to make decisions with other levels of government on the ground. The concept of local self-government bodies is defined by the free fulfillment of their functions, the guarantee of social security, clear statutory registration of functions and types of their activities aimed at the free use of local

⁹ Європейська хартія місцевого самоврядування. URL: http://zakon.rada.gov.ua/laws/show/994_036.

¹⁰ Баймуратов М.О. Міжнародні зв'язки і стандарти в системі місцевого самоврядування України. Муніципальне право України: підручник. Київ: Юрінком Інтер, 2001. С. 315–348.

government funds within their powers, self-regulation of taxes, granting of subsidies based on the principle of denial inappropriate interference with local government policies. Local self-government bodies can create their own associations, use legal means to protect their autonomy within the boundaries of laws that define their functions and protect their interests¹¹.

In June 2002, 113 Recommendations of the Congress of Local and Regional Authorities of Europe "On Relations between Public, Local Council and Executive Power in Local Democracy" was adopted. Recommendation 113 sets out the basic principles that govern the relationship between the public, the local council and the executive branch in local democracy:

- direct representative local democracy – in all member states of the Council of Europe, local democracy is based on the fact that the local community is represented by the councils whose members are directly elected by the people;

- citizen participation – for the proper functioning of local democracy, it is important that the links between local authorities, elected representatives and the public be strengthened;

- the relationship between the councils and the executive branch.

Later (in 2005), the Permanent Conference of Local and Regional Authorities of Europe adopted Recommendation 182 "On Public Participation in Local Matters and Elections"¹². One of the great achievements of this document is the notion that the right of citizens to participate in public administration is a key element of any democracy, and active participation is a sign of the viability of democracy.

Thus, according to the main international, intergovernmental and regional documents, the issue of decentralization of state power is considered one of the most important in the process of further democratization in the countries of the world. This process is continuous and new entrants are constantly connected to it, and the worked out principles, mechanisms and procedures for decentralization of state power are further elaborated and refined.

¹¹ Петришина М.О., Петришин О.О. Міжнародно-правові стандарти у сфері місцевого самоврядування. Харків: Право, 2016. 44 с.

¹² Серьогіна Т. В. Адміністративно-територіальна реформа як складова децентралізації влади в Естонській Республіці. Public administration aspects. 2015. № 4. С. 36–44.

1.3. Practical steps in the reform of decentralization of state power in Ukraine

The formation of the legal basis for the decentralization of state power in Ukraine began with the time Ukraine became independent, and for the whole time this process has undergone a number of essential stages, which have their own peculiarities:

Stage 1 – 1992–1997 – characterized by the foundation of the basis and the formation of the principles of the reform of local self-government;

Stage 2 – 1998–1999 – characterized by the first attempts to implement the administrative-territorial reform in Ukraine, which has not yet come to its logical end;

Stage 3 – 1999–2005 – characterized by the absence of any actions aimed at the extension of administrative-territorial reform;

Stage 4 – 2005–2009 – is characterized by the implementation of another attempt to introduce administrative-territorial reform in Ukraine, which also has not come to its logical end;

Stage 5 – 2009–2013 – is characterized by increased centralization of state power in Ukraine;

Stage 6 – 2014 – Present – is characteristic of the launch of decentralization reform and administrative reform.

That is, we have a situation where the need for decentralization of state power in Ukraine has long been formed, and the activation or decline of activity on the introduction of decentralization in Ukraine during the time since Ukraine became independent was the result of the preferences and wishes of the country's political elite for the time and political will and wishes of the president. As a result, there is often a duplication of powers of public authorities of different levels, which creates inconsistencies in the competence of local governments and local authorities, the impossibility of full separation of powers between local authorities and executive authorities. This, in turn, reduces the efficiency of the work of local self-government bodies, makes them, to a certain extent, an appendage of executive power on the ground, provokes excessive administrative centralization and the expansion of the administrative apparatus of executive power in the field.

Another aspect of the ineffective organization of executive power in Ukraine at the regional and local levels is based on the presence of two centers of public authority in the region and district. Both oblast (rayon)

local state administrations and regional (rayon) councils consider themselves as priority territorial institutions of power¹³, which objectively causes the competition to compete for these bodies and, as a result, objectively leads to conflict situations in solving issues of socio-economic and cultural development of territories. Also, the lack of a clear division of powers between local state administrations and local self-government bodies is often the result of misuse of regional (district) local state administrations when they affect local self-government bodies in making decisions on socio-economic and cultural development of territories in order to protect certain political and corporate interests, or when decisions taken by them actually do not take into account the interests of the population, do not contribute to solving social issues. tial economic development areas. The peculiarity of the Ukrainian model of local government organization is that local executive authorities are created and act not for the purpose of exercising control and oversight functions regarding the legitimacy of local self-government (as in Western European countries), but they assume the main authority to manage the respective territories. In fact, public authority at this level is realized through a system of political and economic dual power: there are appointed local government bodies, which are formed from the center of the head of state administrations, and elected by the communities. This leads to difficulties in differentiating powers between executive authorities and local self-government. The most effective solution to the above and a number of other problems of the development of local self-government can be realized in the complex – by reforming the system of local public power, the content of which should be further decentralization¹⁴.

In April 2014, the Cabinet of Ministers of Ukraine approved the Concept for the Reform of Local Self-Government and Territorial Organization of Power in Ukraine (hereinafter referred to as the Concept), the main idea of which is decentralization of power in the country, the significant expansion of the powers of territorial communities, change of the management system at the regional and district levels on a basis, defined and implemented by the European Charter of Local Self-

¹³ Чернопиский П.Б. Конституційна реформа і конституційний процес: до питання співвідношення. Закарпатські правові читання: Матеріали ІХ Міжнародної науково-практичної конференції (20-22 квітня 2017 р. м. Ужгород) / за заг. ред. В.І. Смоланки, О.Я. Рогача, Я.В. Лазура. Ужгород: ТОВ "РІК-У", 2017. Т. 1. С. 109–112.

¹⁴ Децентралізація публічної влади: досвід європейських країн та перспективи України / Бориславська О.М., Заверуха І.Б., Школик А.М. та ін. Київ: Софія, 2012. 212 с.

Government. The concept defined the purpose, ways and direction of reforming the system of local self-government and territorial organization of power.

According to the foundations that underlie the general provisions and principles of the European Charter of Local Self-Government, the reform of countries towards decentralization should be carried out in the following areas:

- introduction of a three-tier system of the administrative-territorial organization of Ukraine – the region, district, the community with the general nature of local self-government;

- transfer of functions of executive power from local administrations to executive bodies of councils of the corresponding level;

- distribution of powers between local governments on the principle of subsidiarity and the provision of communities with the widest possible range of powers;

- clear provision of powers of local self-government bodies with the necessary financial resources, including through their participation in national taxes;

- the elimination of state administrations and the creation of state offices with only supervisory, supervisory and coordination functions, but not executive functions¹⁵.

The said Concept within the framework of the implementation of the European Charter of Local Self-Government sets forth the following basic requirements for reforming the system of local self-government:

- the basis of the new system of local self-government should be the united territorial communities, which are formed according to a legally determined procedure with their own bodies of self-government, including executive bodies of councils. Residents who are united by permanent residence within the limits of a village, settlement, city, which are not an independent administrative-territorial unit, form the bodies of self-organization of the population that are included in the system of local self-government bodies of the respective territorial community, which is an independent administrative-territorial unit;

- absence on the territory of a territorial community (administrative-territorial unit) of other territorial communities (administrative-territorial units of the same level); definition of clear boundaries of each territorial

¹⁵ Європейська хартія місцевого самоврядування. URL: http://zakon.rada.gov.ua/laws/show/994_036.

community (administrative-territorial units of the same level); widespread jurisdiction of local self-government bodies in the territories of the respective administrative-territorial units;

- formation by regional and district councils, as bodies of regional government, own executive bodies;

- definition of full and exhaustive compulsory powers of local self-government bodies of the basic, district and oblast levels with the obligatory application of the principle of subsidiarity;

- the formation of powers of local executive bodies is carried out after the determination of powers at each level of local self-government;

- powers to bodies of local self-government are transferred by the state, if representative bodies of local self-government and executive bodies subordinated to them are created at the appropriate level;

- in the process of transferring powers to the bodies of local self-government, the state takes into account their ability to exercise these powers; adequate level of financial provision of powers of local self-government bodies is provided;

- legislative definition of standards of services (administrative and social), provided at each level of local self-government; establishment of indicators and criteria for evaluating the quality of these services;

- an effective and procedurally determined system of control by local authorities is ensured for the implementation of the Constitution of the local self-government bodies and the laws of Ukraine;

- a legally defined clear system of control over the activities of local self-government bodies is created by the inhabitants of territorial communities and their associations¹⁶.

To achieve the best effect and the most significant results from the decentralization of state power and the reform of the administrative-territorial system in Ukraine can be achieved by combining several important elements of the functional and organizational-legal provision of these reforms. It is precisely the use of the best international practices and the achievements of the foreign experience of decentralization of local self-government in Ukraine as the main direction of constitutional reform and the prerequisites for further European integration should help to obtain the

¹⁶ Концепція реформування місцевого самоврядування та територіальної організації влади в Україні: схвалена розпорядженням Кабінету Міністрів України від 1.04.2014 р. № 333-р. URL: <http://zakon4.rada.gov.ua>.

best results. Particularly in this field, attention should be paid to the follow-up and implementation of the following actions:

- continue to implement budget decentralization, which will enable to accumulate more financial revenues at the local level and thus more effectively solve socio-economic problems of the community, minimizing subsidies and subventions from the State Budget of Ukraine (elements of the French model of organization of local self-government activities);

- to stimulate the unification of territorial communities unable to cover their own needs at the expense of local budgets (consolidation of administrative-territorial units). Such an initiative is already being implemented, but it has no logical conclusion, since the activity of local governments is extremely low (elements of the Swedish and Italian models of administrative reform);

- to stimulate the unification of resources of territorial communities for solving common socio-economic problems of development of territories without borrowing subventions or subsidies from the state budget. It envisages widespread implementation of relations of cooperation in financial, material, administrative and other resources of local self-government bodies to create and ensure the implementation of joint programs financed from local budgets under predetermined conditions (elements of the French model of organization of local self-government);

- to intensify local initiatives of local self-government bodies for the development of the economy of territories, in particular by involving municipal enterprises in participation in economic activity, but solely on the basis of competitive struggle with the private sector. In this way, you can achieve an increase in direct revenues to local budgets in the form of profits of such enterprises;

- creation of prerequisites for increasing the legal force of normative acts adopted by local self-government bodies, thereby expanding their capabilities in the field of local rule-making. Such changes will make it possible to respond more quickly to changes in socio-economic and public-political nature at the level of individual territories without the involvement of central authorities (elements of American and British models of organization of local self-government);

- creation of a vertical control over the activities of local self-government bodies, defining essential criteria for the activities of such institutions: compliance with the laws of Ukraine; targeted use of local

budgets; preventing separatist sentiment; prevention of the provision of unlawful preferences by local governments to economic entities¹⁷.

A separate important issue that is being addressed in the process of decentralization of state power by EU institutions to improve the existing governance system is to increase the activity and increase the efficiency of civil society, to better involve civil society in the processes of policy-making and policy-making at the level of individual countries and institutions of the European The union In this regard, activities in this area should be based on such principles and in compliance with the following requirements and principles:

- openness – involves active communication with the public in relation to the tasks and responsibilities of various authorities and state institutions, as well as decisions taken by them;

- participation – involves the perception of citizens and their organizations not as passive objects (or subjects) of policy and administrative decisions, but as direct, active and interested parties who have the right to participate widely in the process of making administrative decisions at all stages of policy – from the initial stages and throughout the cycle of policy and management;

- accountability based on the principles of the right of Europeans to "good governance", in addition to the traditional types of responsibility (political and administrative), also implies a duty to respond to the needs of citizens. This requires a clear division of responsibilities, not only between decision-makers and institutions, but also between them and civil society institutions. It also implies a higher level of responsibility on both sides;

- efficiency: state policy, legislative and regulatory systems must meet real social needs, have clear goals and be taken into account in assessing their expected impact and previous experience. Political and managerial decisions must be made in a timely manner and include a degree of flexibility in their implementation in order to take into account local conditions or specific features of the management sphere;

- coherence – requires not only political leadership, but also greater consistency between the various instruments, policy mechanisms and different strategies for influencing one and the same reality¹⁸.

¹⁷ Хорт І.В. Використання закордонного досвіду децентралізації місцевого самоврядування в Україні як основного напрямку конституційної реформи та передумов для подальшої євроінтеграції. / Децентралізація в Україні: законодавчі новації та суспільні сподівання. Київ: Інститут законодавства Верховної Ради України, 2015. С. 255–261.

In the conditions of decentralization and reformation of local democracy, local self-government faces new challenges and challenges, the solution of which involves an effective and rapid response both at the organizational and regulatory levels. Among the main ones we distinguish the following:

– solving the problem of economic insolvency of the overwhelming majority of territorial communities and local self-government bodies regarding the implementation of their own and delegated authority (economic factor);

– solving the problem of resource insufficiency in the budgets of territorial communities development for investment in infrastructure (resource factor);

– effective overcoming of the crisis of communal infrastructure, threatening wear of heat, water and sewage, water supply networks and housing stock, which determines the occurrence of man-made disasters (infrastructure factor);

– the need for a "competent revolution" due to the lack of a clear division of powers between levels, bodies and officials of local self-government, resulting in duplication of powers, competing competence and a number of principles for the emergence of competency disputes between the named actors at different levels (competence factor);

– overcoming the lack of faith and alienation of local governments from the population and their corporatisation, closure and lack of transparency of activities, ineffective utilization of communal property, land resources, corruption, paternalism in relations with the population (communicative and subjective factor);

– overcoming the crisis in the personnel policy of local self-government, the system of training, retraining, training of officials, local government officials, local councils deputies (staffing factor);

– overcoming the underdevelopment of the independent social sector of social initiatives and social economy for the production of social, cultural, residential, informational and other services for the population; creation of proper conditions for the use of the resource potential of this sector in local development (the factor of undeveloped infrastructure of the territorial community itself);

¹⁸ Пилипишин В.П. Вплив процесів інтеграції на національні системи державного управління. URL: <http://archive.nbuiv.gov.ua/e-journals/FP/2011-/11pvpcdu.pdf>.

– effective development of forms of direct democracy, overcoming their underdevelopment and the lack of skills of direct participation in decision-making on local issues (the factor of the deficit of participatory democracy);

– overcoming the social disintegration of territorial communities and the inability of residents to take joint action to protect their rights and defend their interests in cooperation with local self-government bodies and local executive authorities and achieve common goals of community development (motivational factor);

– overcoming a complex demographic situation in most territorial communities and worsening the quantitative and qualitative parameters of human resources through their optimization (demographic factor).

The result of this decentralization reform in Ukraine should be the formation of a new democratic model of governance focused on strengthening the role of territorial communities, which will enable them to gain a significant amount of power and control over their own affairs.

2. Reforming the budget system of Ukraine in terms of decentralization of power

Within the framework of decentralization, the reform of inter-budgetary relations, changes in budgetary regulation and the budget system takes place. The role of the budget in the state is determined primarily by the level of provision of financial resources, the needs of economic and social development of society, which is carried out on the basis of distribution and redistribution of gross domestic product. At the same time, the budget serves as an important means of solving problems envisaged by the state's economic policy. Possibilities of using the budget as an economic tool for influencing social and economic development of society are caused by a number of factors, among which the following are the key ones:

– the budget as an objective economic category reflects distributive relations that directly affect the economic interests of all subjects of society: the state, economic entities and the population. It is the distributive relationship and the intensity of their target orientation that actively influences the development of social production, contributes to the growth of its efficiency.

– the budget as an economic category is closely linked to the entire field of commodity-money relations. The movement of funds and goods,

the formation and use of financial resources, pricing, the formation of consumption and accumulation funds – all this is economic relations, which in one way or another are reflected in the budget. Hence the adequate effect of it on social production, since the budget affects it not isolated from other economic categories, and simultaneously and simultaneously with them.

– the budget is closely connected with the whole sphere of commodity-money relations, at the same time, occupies a special place in this sphere. The budget is an integral part of the economic policy of the state, which reflects the economic relations between the subjects of society, and acts as an important means that actively influences social and economic development of society, on all aspects of social relations. The budget concentrates the economic potential of society, is an effective means of growth and improvement of social production¹⁹.

– the budget reflects the results of one of the main functions of the state – the management of the economy, which is an interconnected system of administrative and economic methods, with which the state deliberately determines the process of expanded reproduction. All large-scale economic events in the society occur with the direct use of the budget.

Reforming the budgetary system of Ukraine in the part of decentralization of power should take place taking into account such important principles as stability, justice and stimulation of entrepreneurial activity among citizens, as well as stimulation of investment and innovation activity. To test the hypothesis of the effect of scale. Successful budget decentralization involves the following steps:

1. Establishing, in accordance with the provisions of the Concept of Reforming Local Self-Government and Territorial Organization of Power, their territorial basis of activities.

2. The division of powers between local governments to transfer them to the authorities close to the population.

3. Distinction of powers between local governments and executive authorities: the main powers of local state administrations are transferred to local self-government bodies, and the executive authorities only leave control.

4. Determination of the need for financial resources and implementation of measures aimed at filling local budgets.

¹⁹ Коваленко Д.І. Фінанси, гроші та кредит: навч. посібник / Д.І. Коваленко, В.В. Венгер. К.: Центр учбової літератури, 2013. 578 с.

5. Introduction of accountability of local governments to voters and the state for the effectiveness of its activities²⁰.

The key areas of fiscal decentralization, which are determined by the need to address shortcomings and address the problems of the current model of intergovernmental fiscal relations, include the following:

1. Reducing the quality of public services due to insufficient financial support of local self-government bodies for carrying out delegated authorities and a tendency to decrease its volume in recent years. In order to ensure the stable execution of powers delegated by the state, the share of its own resources from the realization of self-government powers imposed on them by the legislation is sent annually.

2. Low level of financial-resource base of local self-government bodies for realization of their own powers. In Ukraine, the share of expenditures of local budgets on the exercise of their own authority is the smallest among the countries of Europe. If in the structure of expenditures of local budgets expenditures on own authority in Poland make up 26.6%, Latvia – 34.2%, Slovakia – 31.6%, then in Ukraine the same indicator is only 9.2%.

3. Reducing the level of budgetary provision for the maintenance and development of local infrastructure. This indicator is 448 UAH per capita in Ukraine. and is the lowest among European countries. There is uncertainty about the prospects for modernization of fixed assets of local self-government (with the current system of financial support of local self-government, the update will last more than 58 years).

4. Growth of local budget deficits due to poor central budget planning and the resulting deterioration in the quality of public services provided by local government bodies. In particular, in 2017, 472 out of 692 local budgets (over 68%) having direct intergovernmental fiscal relations with the state budget did not fulfill the calculations of the Ministry of Finance of Ukraine, and the volume of local government debt amounts to more than UAH 9.8 bn.

5. Limitation of the ability of local self-government bodies to dispose of their funds through blocking them in the system of the State Treasury Service of Ukraine.

6. The absence of a valid system of social standards and norms of the algorithm for the clear definition of the value of a public service and,

²⁰ Кузькін Є.Ю. Вплив децентралізації на розвиток регіонів. Наукові праці НДФІ. 2016. № 3 (76).

accordingly, a lack of financing of their provision at the level of local self-government. As a result, budget institutions have some problems with logistics, with skilled personnel, the size and conditions of remuneration which are worse than in the private sector of the economy.

7. The lack of opportunities for local authorities to attract cheap financial resources from foreign creditors, as the mechanisms for obtaining local borrowing and providing local guarantees are strongly bureaucratized by law. For example, the right to participate in such operations for settlements with a population of up to 300 thousand people is limited, and decisions on the approval of conditions and amounts for the implementation of local borrowings and the provision of local guarantees are taken by profile ministries and services on the basis of subjective criteria)²¹.

Modern reform of the budget system should be carried out according to the following principles:

1. In the budget process:

– inventory and assessment of budget funds as the basis for budget formation and definition of long-term goals of fiscal policy;

– introduction into the budget process of the system of economic and financial forecasting, development, implementation and evaluation of the implementation of medium and long-term fiscal policies, ensuring long-term budget balancing, prioritizing and optimal correlation of current and investment expenditures, own and borrowed funds;

– improvement of the depth and accuracy of budget planning, reducing the number of revisions of budget parameters, ensuring the timeliness of current settlements and repayment of accrued debts that arose earlier;

– distribution of budgets of current and capital costs, development and compliance with investment process standards, application of the formalized methodology for selecting and evaluating the effectiveness of investment projects, criteria for their financing from budget funds;

– improvement of the treasury system of budget maintenance in order to ensure the efficiency of management of budget resources, increase their liquidity, record budget commitments, consolidate extrabudgetary funds, ensure transparency and targeted use of budget and extrabudgetary funds;

²¹ Лондар Л.П. Напрями реалізації політики децентралізації в умовах розширення прав місцевих органів влади і забезпечення їх фінансової та бюджетної самостійності / Л.П. Лондар // Серія «Економіка». 2015. № 61.

- ensuring transparency of the budget process for legislative bodies, local self-government, population, investors, creditors of the country;

- creation of a system of training and retraining, training of employees of financial institutions in order to improve the efficiency of financial management at the state and local levels, development and introduction of modern management methods, including through the use of technical assistance and advisory services.

2. In the field of intergovernmental fiscal relations:

- ordering the budgetary system and ensuring the balance of budget commitments and sources of state and local budget revenues;

- a clear separation of expenditures of state and local budgets on a long-term basis, using common criteria and approaches;

- reduction of obligations of local budgets not provided with sources of financing;

- the long-term differentiation of sources of income formation of budgets of different levels, as well as the establishment of uniform norms of deductions from national and local taxes to the budgets;

- creation of an objective and transparent system of distribution of financial assistance to local budgets on the basis of estimates of tax capacity and regulatory expenditures of local budgets;

- monitoring and assessing the state of local budgets, creating incentives for local governments to improve the efficiency of local financial management.

3. In the field of management of budget expenditures:

- formation and use of criteria for spending budget funds and assessing the effectiveness of these costs, conducting regular surveys and audit of budget expenditures;

- certification and standardization of public services, the introduction of formalized methods for assessing their full value, taking into account financing at the expense of budgets, as well as the quality and accessibility of public services;

- ensuring the optimal level of independence of budgetary institutions, creating incentives for their effective use of budget funds;

- restructuring of budget institutions and state enterprises, expansion and stimulation of access to the market of public services of other legal entities;

- reduction of budget subsidies provided to the branches of the economy, including housing and communal services;
- transition to targeted social assistance to low-income citizens in the form of cash compensation;
- development of the system of state procurement and procurement on a competitive basis in order to meet state needs;
- increase of efficiency of budget investments in infrastructure necessary for maintenance of state needs;
- limitation of participation of state authorities and local self-government in commercial activities²².

3. Development of mechanisms of realization of social policy of the state at the local level

The decentralization of power implemented in Ukraine, aimed at increasing the role of local and regional authorities and government. It is they who are able to perform most of their tasks and social policy effectively, as this process can take into account the various specific socio-economic features, cultural and historical traditions of the region and the locality. This makes social policy more flexible, dynamic, more adequate to the needs of social practice, social life. Decentralization in social policy will not only not reduce the effectiveness of its implementation, but will also strengthen it as a coherent system that allows each entity, an element of its structure, to focus on a particular vertical or horizontal level in solving its tasks.

The basis for a new philosophy of implementing social policy in its centralized and decentralized dimension should be the weighted, gradual but decisive shift of such a policy from one-dimensional and monotonous to multidimensional and diverse. Social policy reflects the social being, the processes of social development, which in themselves are multifaceted, multidimensional. Consequently, social policy, implemented on scientific principles, should be multidimensional and multi-level, with various directions, social measures, which differ both in terms of content and form of implementation.

The reform of social policy involves the creation of conditions for enrichment as a social being, especially in its regional dimension, as well

²² Реформування бюджетної системи України на інноваційних засадах : монографія / колектив авторів [заг. редакція Ф. О. Ярошенка]. – К. : Міністерство фінансів України, 2010. 544 с.

as the content and directions of the implementation of social policy, the combination in the process of its implementation of centralized and decentralized principles. Any simplification of social policy, any of its association, reduction to one-dimensionality, monotony, impoverishes the social policy of the state, deprives it of alternative development as an important basis for its stability. At the same time, the multifaceted social policy involves the formation and implementation of its general principles, a unified philosophy on a nationwide scale.

The new philosophy of centralizing social policy should not be based on the resuscitation of centralism of the past decades, not on restoration of the structure of centralization of the Soviet times, but on the reformation of the content and forms of such centralization on the basis of a dialectical combination of state administration and regional self-government in implementing social policy, optimal interconnection of regulation and self-regulation in the development of processes of social life²³.

In view of the fact that centralized management is an instrument of the state's implementation of social policy, it should be based on management activity, which excludes the sole, unilateral adoption of other state decisions in the sphere of social development, at the same time, only at the highest level of the state, a mechanical increase in structure managerial hierarchy of the number of required levels.

The new philosophy of centralized management as a means of implementing social policy should be based on a system of varieties of managerial decisions in the field of social being, adopted by various actors of social policy at all levels of the management hierarchy, including lower ones; it should be based on the full independence of such entities, which is a prerequisite for the processes of differentiation of social policy, an organic combination of centralized and decentralized principles in its implementation.

It is possible to achieve the best results in the implementation of social policy only if further decentralization of state power, the refusal of cross-cutting and comprehensive centralization is possible. As a subject of social policy, the state itself should define and develop only the general philosophy of social policy, the basic principles of such a policy, as well as strategic directions of activity of regions for regulating the processes of social life. In addition, the state is assigned a coordination function, which

²³ Харченко А.М. Соціальна проблема глобалізації – бідність: шляхи її подолання. Трансформація глобальної економіки. 2012. № 1 (5). С. 7–12.

is to determine the main priorities among the most radical and global problems of social development of the state.

At the same time, the subject of implementation of social policy at the local level of the state becomes a region, which is assigned the task of implementing the social policy of the state. It is useful for regions to become free creative self-organization and self-regulation of local social potential. An indispensable factor in the optimization of centralized principles in social policy carried out by central authorities should be the final overcoming of command and administrative elements in the realization of its tasks, creation of conditions for the full functioning of self-regulatory processes of development of social being²⁴.

The result of this process should be the output of central government agencies for a comprehensive analysis of trends that have an impact on the development and functioning of the region, to foresee both positive and negative factors that have an impact on the social development of the region.

The new concept of centralized management as a mechanism, instrument for implementing social policy should proceed from the need to consider the region not only as an object but as an active subject of social activity with a high level of self-regulation of local social and economic potential. This implies high flexibility in the process of such centralization, the independence of regional policy actors in solving the tasks in the sphere of social life, their constant readiness for social innovations²⁵.

The main task of the centralized management should be, first of all, to ensure conditions for a full-fledged free social activity of various subjects of social policy, first of all personality, in establishing a mechanism for the free expression and realization of the will of people living in these regions in the sphere of economic, social relations, their creative amateur action. Such centralization should include the creation of conditions for the consolidation of a growing diversity of variants of life in society, excluding any form of administrative regulation, petty regulation of behavior and activities.

The state as the coordinating subject of social policy, focusing on the key, most global and fundamental problems of regulation of social processes, in particular, on the implementation (and financial support) of national social programs, the provision of social guarantees established by

²⁴ Герасименко Г.В. Концепція соціальної держави: еволюція наукових поглядів і сучасні виклики. Вісник ХНУ. Серія «Економічні науки». 2012. № 3. Т. 1. С. 202–205.

²⁵ Харченко А.М. Соціальна проблема глобалізації – бідність: шляхи її подолання. Трансформація глобальної економіки. 2012. № 1 (5). С. 7–12.

law, the main functions related to implementation multifaceted, concrete tasks of social policy, should be transferred to local and regional authorities²⁶.

This is due to the fact that most social development issues need to be addressed at the local, regional level, and therefore implementation of the basic, everyday tasks of social policy should be directed at this level. The socioeconomic feasibility of decentralization determines the need for local government bodies to implement the main components of social programs, namely:

- creation of conditions for strengthening of social security of a person, his social protection;
- realization of human health;
- development of education and culture, etc.

At the same time, the process of decentralization of social policy should establish an adequate financial and economic base, fiscal policy that would allow local authorities to ensure the implementation of social programs with an appropriate amount of financial resources. At the same time, the state should control the financial autonomy of local authorities and regions in order to ensure the development of the social sphere.

Thus, the main task, the guideline and priority of the process of implementing the social policy of the state in terms of its centralized and decentralized principles is the decentralization of public administration by transferring the main regulatory functions of public administration from top to bottom to the regional, local level through their redistribution. At the same time, the implementation of social policy is incompatible with excessive centralization, rigidity and excessive decentralization. Extremists inevitably lead to the loss of dynamism in social policy, and therefore a sense of measure between centralism and decentralization in its implementation is necessary.

CONCLUSIONS

At the current stage of Ukraine's development, the decentralization of state power is not so much and not only a requirement of time or commitments made by Ukraine under the European Charter of Local Self-Government and other documents, as the desire of the domestic community to introduce qualitative changes that would correspond to

²⁶ Семів Л.К., Семів р.А. Економічні аспекти функціонування місцевого самоврядування. Регіональна політика України: наукові основи, методи, механізми. 1998. Ч. I. С. 223–228.

further democratic development. States, allowed to carry out systemic reforms of central bodies of state power and local self-government, would help to overcome widespread corruption in the country, the formation of a functioning civil society and its involvement in the formation and implementation of state policy.

The implementation of the reform of state power involves the implementation of a wide range of complex and diverse democratic measures, redistribution and division of powers and responsibilities between state authorities and local self-government bodies, transferring from the state to a wider range of functions and resources, financial and material, etc., to the bodies of local self-government.

The international and European experience in particular shows that an efficient decentralized system of territorial organization of public administration and governance is an integral part of a modern democratic, rule-of-law state. The institutional basis of such a system is the ability of local self-government and the participation of citizens in management at the regional level, as a result – balanced regional development.

SUMMARY

The section is devoted to the definition of theoretical and methodological aspects of the reform of decentralization of state power, the reasons that led to the spread of the decentralization process in the world and Ukraine, the main achievements of decentralization. The author carried out the classification of decentralization in view of its main features, the main forms of transfer of authority from the central to the local level are allocated. Given the fact that the introduction of decentralization is a long and complicated process, a number of successive stages of this process are identified with the corresponding phases inside, the failure to comply with general logic leads to a loss of balance of public authority.

One of the most important aspects of the success and effectiveness of the management process on the basis of decentralization already made is the correctness of choosing the balance of relations between the territory and the center, the division of powers between the state and local levels of state power. For this purpose, the author proposed a scheme of distribution of powers between state and local levels of state power.

Separately, the issue of regulating the decentralization of state power in international law is considered. It is established that the main

international instruments that reflect the principles and mechanisms of decentralization are: international standards and principles of the Strategy for Sustainable Development, United Nations Program, European Charter of Local Self-Government, OECD experience, Fiscal Transparency Guide, Code of Good Practice on the transparency of the IMF's fiscal system. The principles of decentralization, which are fundamental for the formation of the European (democratic) model of power at the subnational territorial levels, are highlighted.

The analysis of practical steps of the decentralization of state power in Ukraine is presented, the stage of this process has been staged since Ukraine became independent until the present. There are a number of key measures and actions to be taken to get the best effect and the most significant results from the decentralization of state power and the reform of the administrative-territorial system in Ukraine.

The issue of reforming the budget system of Ukraine in the part of decentralization of power is paid attention. It is determined: key directions of implementation of budget decentralization, in order to eliminate the shortcomings and solve the problems of the current model of intergovernmental fiscal relations; the principles upon which modern budget system reform is to be implemented. The issue of development of mechanisms for realization of social policy of the state at the local level is considered, because the decentralization of power implemented in Ukraine is aimed at increasing the role of local and regional authorities and administrations that are able to effectively carry out most tasks and social policy on the ground.

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