

Role of decentralization in control for development of regions in Ukraine

Objective. To investigate the essence of the concept of "decentralization", to describe its main types, to analyze the main stages of its implementation for the development of practical recommendations for improving the complex of measures for the administrative reform in Ukraine. **Methods.** Analysis and synthesis; Comparative-historical, or territorial; Standards and analogies; Induction and deduction. **Results** The essence of the concept of "decentralization" is described, its main types are characterized, the indicator of the share of local budgets (without intergovernmental transfers) in the consolidated budget, the main institutions and the legislative base in this area are analyzed in order to develop practical recommendations for improving the complex of measures on administrative reform in Ukraine. **Conclusions** At the state level, it is necessary to strengthen the institutions of local self-government, the effectiveness of their activities for the implementation of their self-governing functions at the level of the district and the region. The revenue base of local budgets should be expanded by taxes on real estate, on income, etc.

Key words: decentralization, centralization, factors of decentralization, types of decentralization, share of local budgets.

Sustainable development of the Ukrainian economy can be achieved if there is an effective system of governance at all levels of state power. The effective balance between centralization and decentralization of responsibilities and powers of different levels of government is one of the methods for achieving the efficiency of the functioning of the economy and at the regional level. Decentralization deals with various spheres of society's life: political, legal, social, administrative, economic, and cultural. Democratization of the political system, development of managerial capacity, improvement of the budgetary system, management procedures, etc. at all levels of the state hierarchy through decentralization are extremely important tasks for the construction of a modern state. Analysis of recent research and publications. The problems of decentralization were devoted to D. Weimer, E. Weining, B. Gurne, D. Stone, B. Danylyshyn, I. Goptaryov, N. Nyzhnik, A. Mashkov, S. Romanyuk, V. Tokovenko, M. Kharitonchuk and many Other scientists. However, the question of the optimal balance between centralization and decentralization of governance in Ukraine in the context of today's realities remains insufficiently highlighted. The purpose of the research is to investigate the essence of the concept of "decentralization", to describe its main types, to analyze the main stages of its implementation in order to develop practical recommendations for improving the complex of measures to implement administrative reform in Ukraine. **Methods.** Analysis and synthesis; Comparative-historical, or territorial; Standards and analogies; Induction and deduction. **Research results.** For a successful decentralization of governance, political will and a legislative framework are needed. The main documents regulating local self-government in Ukraine are the Constitution of Ukraine, the Strategy for Regional Development for the period from 2014 to 2020, the Law of Ukraine "On Local Self-Government in Ukraine" and the European Charter of Local Self-Government, the Law of Ukraine "On Local State Administrations" The Law of Ukraine "On voluntary association of territorial communities", the Decree of the President of Ukraine on the Council for Regional Development, the Methodology for the formation of capable territorial communities, approved by the Government, and other regulatory acts. The institutional structure of regional development, which is a key component of national policy, is presented by the Ministry of Regional Development and Housing and Communal Services, national agencies for regional development, the Regional Development Fund, the Regional Development Council as an advisory body under the President of Ukraine, the regional development councils as advisory - advisory bodies headed by heads of relevant local state administrations and other institutions. "Decentralization is the gradual delegation of an ever-increasing proportion of authority to regional, city and rural authorities" [3]. Governments that are at lower levels of government have the right to independently decide issues that fall within their competence. Decentralization

is a transition from institutions and structures of the command-administrative type of the economy that are not oriented to the active participation of citizens in management, in market economies, which encourages the initiative and responsibility of an individual or community. In the process of creating an optimal decentralized management system, the necessary element is the combination of national, regional and local interests, taking into account the local specifics of socio-economic, political and cultural development. Decentralization is caused by various factors, among which - the diversity of natural resource, labor and production-technological potential in the regions, the complexity of social phenomena and the inability to always approach them patternly, the dynamism of public life, the expansion of democratic foundations in the state that require the use of others, except for prescriptions, Means of regulation. American scholars S. Chima, D. Nellis and D. Rondinelli have created a classification of various forms and manifestations of decentralization of governance (see table). Funding for local authorities remains a cornerstone in the process of decentralization.

Types of decentralization (for Cima S., D. and D. Rondinelli Nellis)

Product Characteristics Political decentralization involves the maximum possible transfer of the development and formation of government decisionmaking lower (top to bottom) communities or their elected representatives, giving them major control functions of spatial Belongs to regional and local planning, taking into account geographical indicators and used in identifying and formulating programs deconcentration of industrial and residential complexes in major cities in June of promoting the emergence of regional and local development poles. The market is used for the analysis and implementation in administrative practice plans, strategies and actions to optimize production conditions based on market mechanisms. These forms of democratic governance is crucial Administrative Reducing the concentration of power, the division of responsibilities between central, regional and local authorities on a clear political and legal basis. The functional claim of higher echelons to rule is necessarily deleted by law. Delegation of public authorities across administrative powers to the local level in the interests of public representatives elected by the citizens of the communities local financial or fiscal Allows independent budgets of all levels - namely, assigning each level of government own sources of income, the right to determine the direction of spending, prevention The removal of additional revenues, the right to compensation for expenses arising from decisions of higher authorities and administration, the right to provide tax and Other privileges only at the expense of own income, the right to borrow in certain legislative limits. As for local government - the task is to provide them certain powers in taxation and spending, as well as the ability to determine the parameters and structure of expenditures

In fact, the issue of budgetary provision of local authorities is important both for the division of powers between different authorities in the context of the administrative component of the reform, as well as in the process of implementation of territorial reform. The formation of communities, districts and regions should be based on the principles of economic self-sufficiency [1]. In the process of fiscal decentralization, the community becomes the actual master of its territory, and in order for it to be able to fulfill its tasks, it is necessary to have the appropriate amount of financial resources needed to cover its own expenses. The principle of financial autonomy is key to the formation of local self-government. Since the community is the territorial basis for the establishment and operation of local self-government bodies, it is expedient to take into account the tax potential for its formation. Issues concerning the definition of the acceptable level of decentralization, the distribution of responsibilities between different levels of management and the consolidation of sources of their funding are important issues in shaping the decentralized governance model in Ukraine. So, to achieve the goals of effective governance, the level of decentralization can be different, and its choice depends on components such as per capita income, income differentiation between the population and regions, the quality of local management personnel, and so on. It is obvious that for Ukraine as a low income country per capita, too decent decentralization will not contribute to development [2]. It should be noted that even for high-income countries per capita, decentralized decentralization is limited. In particular, it is considered that excessive decentralization of inter-municipal and inter-regional externalities can not be taken into account, and economies of scale are not realized. At the same time, a low level of decentralization has seen a decline in efficiency in providing communities with public goods that hold back economic growth. Current studies have shown that in countries with high per capita income, the average decentralization stimulates higher rates of long-term economic growth than low and high levels. An indicator of a high level of decentralization is the share of local expenditures at the level of more than 45% of total government expenditures, an average level of 30-45% and a low level of less than 30%. In Ukraine, the share of local

budgets (without intergovernmental transfers) in the consolidated budget for 2014 was only 22.2%, and according to forecast data for 2015 - only 18.1%. Regarding the tax potential of decentralization in Ukraine, it should be noted that there is a significant differentiation in the level of financial capacity of regions, the tax base of most of which is not sufficient for the independent performance of functions entrusted to local authorities. The insufficiency of own and fixed revenues of local budgets, the uneven distribution of the tax base in Ukraine (VAT, excise taxes, corporate income tax), the mobility of the tax base (corporate income tax) at the current stage of development limits the benefits of deep decentralization of public administration. Given the uneven distribution of the tax base among the regions, diversified sources of revenue need to be secured by local authorities. It is important to ensure the linkage of the revenue part of the local budget with the effectiveness of the local economy and the efficiency of the use of local resources (including natural resources). Reforming the territorial management system in Ukraine should take into account the potential threats (including political ones) that decentralized governance entails, and the processes of fiscal decentralization to be implemented at those levels of government in which the effective provision of public benefits is possible.

Conclusions

At the state level, it is necessary to strengthen the institutions of local self-government, the effectiveness of their activities to perform their self-governing functions at the district and regional level, to increase the efficiency of the service system in local self-government bodies, to increase the educational and competent level of local self-government officials, as well as their level of payment, implementation. Effective policies aimed at overcoming the imbalances in the economic and other spheres of territorial development, increasing the volume of budget financing improve the mechanism of transfer of financial resources of the state to the level of local communities, the elimination of disparities in economic and legal framework for the implementation of decentralization and more. The revenue base of local budgets should be expanded by taxes on real estate, on income, etc.

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