

## THE EU EXPERIENCE IN THE CONTEXT OF DECENTRALIZATION OF PUBLIC AUTHORITY IN UKRAINE

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**Abstract:** The purpose of the academic paper was to study the decentralization of public authority in Ukraine, reveal the problems of decentralization and analyze the EU experience to solve them. The research methodology is based on a mixed design, combining the following methods: 1) descriptive methods for analyzing the state of decentralization of public authority in Ukraine; 2) a case study of the experience of decentralization of EU countries and various components of the public administration model of the EU countries; 3) a systematic review of the decentralization of public authority using official site data <https://decentralization.gov.ua>. Results. The study of the decentralization tendencies of public authority in Ukraine points to borrowing various components of public administration models from the EU countries. The financial aspect of the decentralization of public authority in Ukraine has ensured an increase in the share of local budgets, enhanced interest of local self-government bodies in the growth of revenues to local budgets, searching for reserves to fill them, and improving the efficiency of tax and fee administration. The social aspect of decentralization in Ukraine primarily concerns the provision of social services, education, culture, and youth policy. Institutional decentralization of public authority includes the creation of the institute of village chiefs, prefects, administrative service centers (ASC) or TsNAPs, which is similar to the models of public administration in the EU countries. The institutional weakness of territorial communities in Ukraine is one of the challenges due to the lack of professional competence and the insufficient experience, knowledge, and skills. Consequently, it is precisely this aspect that requires borrowing the experience of the EU, in particular, knowledge, skills, experience, and competence in various areas of management. The investigated features of the decentralization of public authority in Ukraine correspond to the EU experience, in particular, with regard to the distribution of tasks and competences of public administration, reforming the organization in accordance with the strategic goals of the state and the strategy of European integration.

**Keywords:** decentralization of public authority, the experience of EU decentralization, amalgamated territorial communities, village chiefs, prefects.

### 1 Introduction

The decentralization of public authority is one of the main factors in building a civil society in Ukraine. The process of decentralization of public authority in the country has caused systemic changes in all spheres of state-power relations. Decentralization of public authority is an objective requirement on the way towards democratization of social processes in Ukraine. It expresses the real evolution of state-management relations and foresees reforms of public authorities, which are aimed, first of all, at achieving European democratic standards. After all, the association with the European Union is a key incentive for developing a modern democratic and legal state in Ukraine, which is the key to the achievement of civil society. The main step towards achieving the set goal in the near future is the implementation of real decentralization of public authority, as one of the key prerequisites for the successful European integration of the Ukrainian state, which should deconcentrate the influence of state bodies in the society in order to have a public space for the formation of the sphere of public opinion and its influence on the state-building process.

### 2 Literature Review

Decentralization is the process of redistributing or dispersing functions, powers, people, or things from central administration. Decentralization of authority includes both political and administrative aspects (Støle, 2006; Finzgar & Oplotnik, 2013).

In the constitutional dimension, the decentralization of public authority is embodied in the implementation of the principle of people's sovereignty: "The people exercise authority directly and through state bodies and local self-government bodies" (Article 5 of the Constitution of Ukraine); division of state authority into legislative, executive and judicial (Article 6); the constitutional legal order, according to which "state bodies and local self-government bodies, their officials are obliged to act only on the basis, within the limits of authority and in the manner provided for by the Constitution and laws of Ukraine" (Article 19); constitutional definition and distribution of powers in relation to the parliament, the President, the government, other executive power bodies, local self-government bodies (chapters IV, V, VI, XI of the Constitution of Ukraine); principles of the territorial, administrative-territorial system of Ukraine (chapters IX, X).

In the context of the organization of public authority and its subjects, decentralization is present in the elements of the legal status of each of them, taking into account rational structuring and effective activity (Halásková & Halásková, 2014). This finds expression in the distribution of powers, their deconcentration. In the process of functioning of public authority, decentralization manifests itself in peculiar forms and dimensions: horizontal, vertical, as well as in the components of the governance system, in particular, in the local self-government (González, P. D. R. (2006; Cassette, A., & Paty, S. (2010).

Depending on the research subject, there are numerous ideas about the axiology of decentralization of public authority, state administration, its definition, signs of typology, and classification (Delgado Rivero, 2021; Blanco, Delgado & Presno, 2020). Decentralization is defined as a method of territorial organization of authority. Accordingly, the state transfers the right to make decisions on certain issues or in a certain area to local or regional level structures that do not belong to the executive power system and are relatively independent of it (Baskaran, 2010; Maličková & Martinková, 2018). Decentralization is a comprehensive, complex phenomenon in a legal, democratic state, which consists in the transfer by the central bodies of state power of a certain amount of authority to lower-level management entities with the necessary rights, duties and resources. The ultimate goal of such a redistribution of authority is the possibility of making effective management decisions at the state, regional and local levels (Aristovnik, 2012).

In the theoretical and cognitive sense, decentralization is a form of implementation, conducting of governance and self-governance at the local level of the organization of public authority. In an applied, "instrumental" manifestation, this is a process and, at the same time, a mechanism for transferring administrative and financial powers from the central to the local level of the organization of public authority (Kartashov, 2018; Salmon, 2002). The goal is to rationalize and improve the efficiency of public administration, prevent the usurpation of public power, involve civil society in resolving issues of territorial development, and effectively implement the principle of subsidiarity in the provision of public services (Stoilova & Patonov, 2012; Alexandru, Roxana & Oana, 2011; Blauburger, M., & Rittberger, B. (2015). In the applied dimension, decentralization is accompanied by administrative-territorial reform – the rationalization process of the territorial organization of public authorities. Models of such rationalization can be different and correspond to the specifics of the development of national state legal systems (Loewen, 2018).

### 3 Methodology

A mixed research design was used to combine several methods in order to evaluate the decentralization of public authority in Ukraine comprehensively. In particular, the mixed design included descriptive methods for analyzing the state of decentralization of public authority in Ukraine. In order to analyze the problems of decentralization, a case study of the EU countries' experience regarding its political and administrative position was used. In particular, the thematic research has made it possible to reveal how various components of the public administration model of the EU countries are used in Ukraine in financial, institutional and social dimensions. The thematic research is also effective for studying decentralization due to the possibility of assessing the problems of the real situation regarding the distribution of authority in Ukraine. A systematic review of the decentralization of public authority was conducted using official website data <https://decentralization.gov.ua>.

### 4 Results

#### 1. Decentralization of public authority in Ukraine: the main sectors of change in Ukraine

##### 1.1 Financial aspect of decentralization of public authority: local budgets

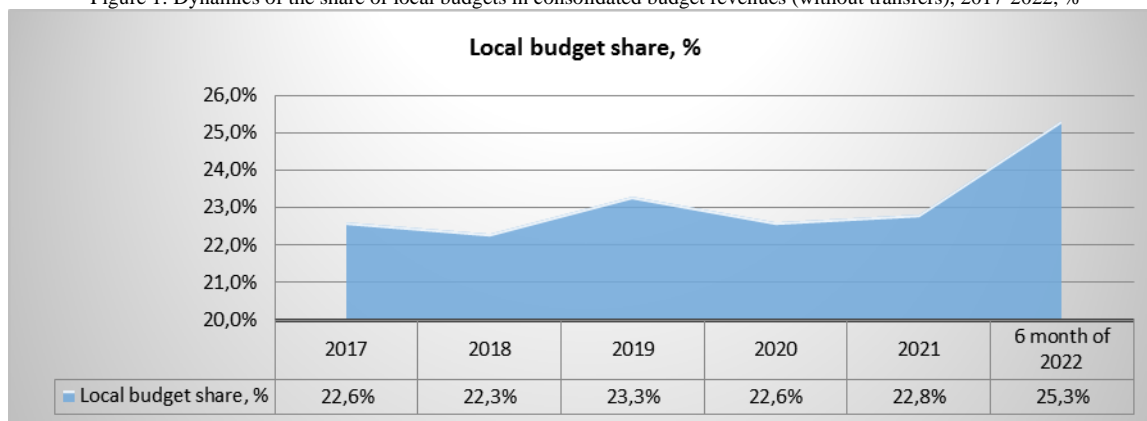
Decentralization of authority significantly transforms public administration, the post-Soviet system of governance. The

transfer of new powers and financial resources to localities has made it possible to increase the capacity of communities, which become more successful and stronger.

The main strategic goal of modernizing the state administration system and the territorial organization of power, which is taking place in Ukraine, is the formation of effective local self-government, the creation of comfortable living conditions for citizens, and the provision of high-quality and affordable public services. Achieving these goals is impossible without the relevant level of economic development of the respective territories, their financial support and sufficient sources to fill local budgets.

The result of the reform of financial decentralization of public authority in Ukraine was an increase in the share of local budgets (Figure 1). As a result, there was an enhancement in the interest of local self-government bodies in increasing revenues to local budgets, searching for reserves to fill them, improving the efficiency of the administration of taxes and fees. Well-off communities show high and dynamic growth rates of their own incomes. In terms of using the funds, attention is focused on the need to form the most optimal structure of budget expenditures, the creation of an effective and reasonably numerous management apparatus, the implementation of a constant analysis of spending the budget funds and the prevention of cases of their irrational expenditure.

Figure 1: Dynamics of the share of local budgets in consolidated budget revenues (without transfers), 2017-2022, %



Source: Decentralization (2022).

In total, for eight months of 2022, the general fund of local budgets (excluding inter-budgetary transfers) received 245,8 million UAH, which is +10,5% or +23,4 billion UAH of growth compared to January - August 2022. This is mainly due to a significant increase in personal income tax (+23,8%); after all, the loss from land tax revenues compared to the corresponding period last year is -21,4%. For the six months of 2022, the largest revenues by volume to the state and local budgets were as follows: international grants, personal income tax (PIT), value-added tax (VAT) and income tax. At the same time, most funds from the state and local budgets were spent on the Armed Forces of Ukraine (AFU), pensions and debt service. In sectoral terms, the largest volume of spending is on defense, followed by social security and national functions. Housing and communal services are fully provided at the expense of local budgets' own funds. Education, as a delegated authority, remains the largest area of funding from local budgets.

##### 1.2 Social aspect of decentralization: social services, education

In the course of decentralization, the authority to provide social services to the population was transferred from the central level to the local level, that is, to territorial communities. From January 1, 2020, the new version of the Law of Ukraine "On Social Services" came into force. Therefore, since the beginning

of 2020, the distribution of authorities of central and local bodies has changed, as well as the system of social services and its participants. The stages of identifying needs, planning, organization and financing of social services have been established. Powers in the field of social services are transferred to communities – as close as possible to the recipients of these services. Such authorities are defined by the new edition of the Law as the communities' own authorities. For their implementation in the community, a corresponding structural unit should be created. Every community is obliged to provide basic social services. At the same time, each social service will be provided according to the relevant social standard approved by the Ministry of Social Policy.

One of the most difficult tasks for territorial communities during the decentralization of authority in Ukraine is creating an education management function. Prior to the creation of capable communities, education management in villages and towns was carried out by education departments of district state administrations, which are elements of the vertical state executive power. The functions of the executive bodies of village and settlement councils in the field of education were minimal, and they consisted in the implementation of secondary tasks for the provision of schools (for instance, the organization of students' transportation). In contradistinction to district state administrations, local self-government bodies of territorial

communities are autonomous and have all powers, including, in the field of education management. However, currently, the institutional weakness of territorial communities in Ukraine is one of the challenges due to the lack of professional competence and the sufficient level of experience, knowledge, and skills.

**1.3 Cooperation of communities**

In order to solve complex issues of territorial communities of cities, towns and villages in the course of decentralization in Ukraine, a mechanism of inter-municipal cooperation has been established. The issues being resolved within the framework of this mechanism are, in particular, as follows: collection, utilization, processing of rubbish, provision of high-quality centralized water supply and drainage, repair and cleaning of roads, organization of passenger transportation, maintenance of fire protection, etc. For this purpose, a cooperation mechanism has been created that provides for the pooling of resources: funds and efforts, experience and knowledge of neighboring communities that are also interested in resolving such issues. The mechanism of such inter-municipal consolidation is provided for by the Law "On Cooperation of Territorial Communities" adopted in 2014. Since then, hundreds of communities have improved the quality of services provided in their territory through the conclusion of cooperation agreements (Table 1). Most of all, communities use the following forms of cooperation, namely: the implementation of joint projects through the coordination of the activities of cooperation subjects and the accumulation of resources (233 agreements as of October 3, 2022); delegation of individual tasks with the transfer of relevant resources (93 agreements); joint financing by cooperation subjects of enterprises, institutions or organizations of a communal form of ownership - infrastructure objects (126 agreements).

Tab. 1: Register of agreements on the cooperation of territorial communities as of October 3, 2022

Form of cooperation	The number of subjects of cooperation, units
In total	868
The implementation of joint projects, which involves the coordination of the activities of cooperation subjects and their accumulation of resources for a certain period to jointly implement relevant measures	515
Delegation of individual tasks with the transfer of relevant resources	93
Joint financing (maintenance) by cooperation subjects of enterprises, institutions or organizations of communal ownership - infrastructure objects	126
Other forms	572

Source: Ministry of Development of Communities and Territories of Ukraine

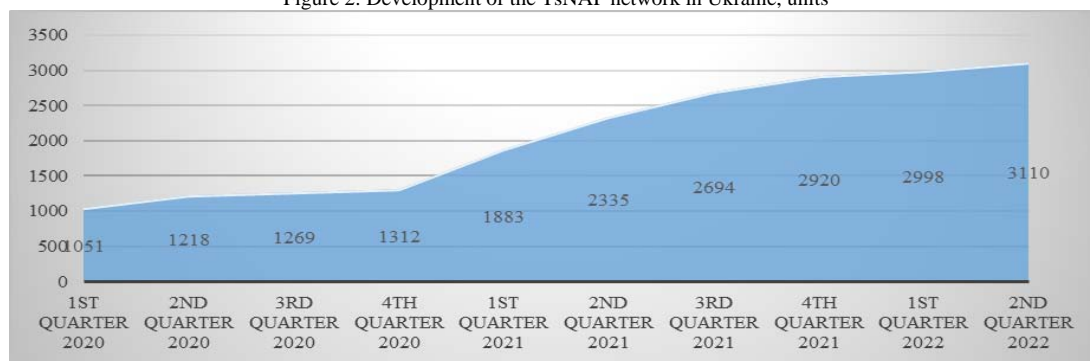
**1.4 Institutional decentralization of public authority: establishment of the institute of village chiefs, prefects, administrative service centers (ASC) or TsNAPs**

The village chief is an official of local self-government, an institution established for the purpose of properly representing the interests of all residents of villages and settlements in territorial communities, for meeting the social, household and other needs of the residents of the villages, open, quick, clear resolution of issues. The village chief represents the interests of the village residents, carries out communication between the local bodies and the village community. The village chief has a workplace on the territory of his starostinsky district with a clear work schedule that is convenient for residents. The village chief organizes events in the village, monitors the community's problems and offers options for solving them. By the way, the village chief is also responsible for activating the community in decision-making; he cooperates with local public associations. The village chief is vested with a number of powers defined by the Law of Ukraine "On Local Self-Government in Ukraine". The village chief may also be authorized by the community council or its executive committee to exercise other powers provided for by other laws.

The Institute of prefects was established in Ukraine after the entry into force of amendments to the Constitution regarding decentralization and, accordingly, after the liquidation of local state administrations. The main goal of its introduction lies in providing effective supervision over the constitutionality and legality of decisions of local self-government bodies. The prefect is a local executive body that is a civil servant; he does not belong to political positions; he does not change with the replacement of the President or the Government; he does not depend on local political elites. Prefects operate in each district and in each region. Kyiv and Sevastopol have their own prefects. In order to organize the prefect's work, the prefect's secretariats are created.

In the course of decentralization, well-off communities received wider authorities, resources and responsibilities, and administrative service centers (TsNAPs) were created. The list of TsNAPs' services that can be provided locally is constantly expanding. In addition, a digital state service of TsNP was introduced for receiving administrative services – Diia Centre (<https://center.diia.gov.ua>). Administrative decentralization of state services ensured provision of convenient and high-quality administrative services to citizens. Each community decides how to quickly and affordably provide these services to residents. TsNAP's visitors can receive: 1) basic services: administrative services; consultations regarding online services; places for self-service; business consultations (Diia. Business); 2) related services: free legal assistance; mail; banking services; payment of utility services; reception of citizens by the head of the territorial community; co-working area; coffee shop or coffee machine. The TsNAP network includes 3 110 centers throughout Ukraine with 14 338 employees who have provided 6 833 994 services (Figure 2).

Figure 2: Development of the TsNAP network in Ukraine, units



Source: Development of the network of TsNAP centers.

### 1.5 Other aspects of decentralization of public authority: transfer of powers to communities in various areas (culture, youth, energy efficiency, gender equality)

In the course of decentralization, local bodies in well-off communities have received significant authorities and resources. Along with this, a huge responsibility for improving the quality of people's lives, for the comprehensive development of society, including cultural development, has passed to local government bodies. Decentralization has increased local culture's role in each community's life. The cultural features of the territory are increasingly perceived as a valuable asset of the community, as opportunities for the development of traditions, tourism, crafts, and, therefore, the economy. At the same time, decentralization has become a challenge for many cultural institutions, forasmuch as the local authorities have been faced with acute questions: in what format these institutions should continue to exist and what services should be provided to people in order to be as useful as possible for the community. For instance, the following measures were taken to create a single cultural space in the Solonyansk Amalgamated Territorial Community (ATC), namely: 1) an analysis of the resource base of the ATC was carried out; 2) a strategy for the development of a unified educational, cultural and sports space of the community was formed; 3) the priorities and sequence of launching the components of the unified space were determined; 4) a portfolio of community projects was introduced for 3-5 years, which ensures the development of the space's infrastructure. Therefore, in 2017, the territorial community spent 4 950 000 UAH on activities in the field of culture, and 1 900 000 in 2018, respectively. (Decentralization, Culture, 2022).

The economic, educational, cultural, and sports development of Ukrainian cities, towns, and villages greatly depends on young people – responsible, thoughtful, patriotic, involved in management processes. More than 11,5 million young people aged 14 to 35 live in Ukraine; this constitutes 27% of the country's population. However, it should be mentioned that many young and qualified specialists leave the communities and the country in search of work and a higher level of quality life, and these negative processes continue. Therefore, it is important to involve local communities and unite them to reduce the level of migration of young people, to define a system of incentives in order to decrease the migration abroad.

In order to achieve the goal set, the construction, repair or reconstruction of schools, hospitals, roads in communities are of priority; however, the implementation of these infrastructure projects should be based around the central goal – for whom they are intended and who will fill them with meaning.

The results of the all-Ukrainian sociological survey "Youth of Ukraine – 2017", commissioned by the Ministry of Youth and Sports, has revealed as follows: almost 47% of young people indicate that they do not feel any change for young people after the creation of well-off communities; more than 35% believe that local bodies do not take their opinion into account when making decisions.

52% of young people must be ready to join in initiatives in the community personally. This is a significant indicator of youth readiness for changes in their own lives and changes in the community. Youth policy in conditions of decentralization is by its very nature aimed at establishing a comfortable environment for the life, development, and employment of young people in communities. Priority components of local youth policy are financial and personnel support, development of youth infrastructure, and involvement of youth in the decision-making process. Along with receiving budgetary preferences and management powers, communities are also responsible for solving these pressing tasks.

One of the directions of decentralization is the transfer of functions to local self-government bodies regarding the effective use of resources, active implementation of energy-efficient measures: insulation of facades and roofs of communal facilities

(schools, kindergartens, hospitals, etc.), replacement of doors and windows with energy-saving ones, installing heating systems using alternative types of fuel, use of modern lighting, etc. This allows reducing energy consumption and, therefore, saving money for the local budget. In addition, the use of energy-saving mechanisms in the community encourages residents to be thrifty and rationally use the resources. Moreover, it improves the community's attractiveness, its investment climate, allowing the community to attract additional funds.

In the course of decentralization, an energy service mechanism was implemented in Ukraine. Local self-government bodies can make the buildings of communal institutions (schools, kindergartens, hospitals, etc.) more energy efficient by using the services of private energy service companies (ESCO). The ESCO mechanism assumes that energy-efficient measures in the buildings of budget institutions are carried out by private investors. Local self-government bodies for several years settle with them from the funds saved as a result of reducing costs for the consumption of communal services and energy carriers. By the way, an energy management mechanism has also been implemented in Ukraine to provide the effective use of resources and ensure energy efficiency and the maximum reduction of energy costs in budgetary institutions financed from the community budget. Such a mechanism ensures control and management of costs in the community; it allows, without additional investments, to achieve as follows: from 5 to 8% energy savings due to energy-efficient behavior of consumers, up to 20% reduction in energy consumption due to the establishment of the energy-efficient operation of facilities.

The State Agency on Energy Efficiency and Energy Saving together with experts from the USAID project "Municipal Energy Reform in Ukraine" have developed Regulations for local authorities and local self-government bodies regarding the implementation of the energy management system in budget institutions. It includes as follows:

- on the introduction of energy management systems in budgetary institutions financed from the funds of local budgets;
- on monitoring the consumption of fuel and energy resources by budgetary institutions;
- on financial incentives for persons responsible for the implementation of energy management systems in budget institutions;
- on establishing limits of consumption of energy carriers by budgetary institutions.

The issue of gender equality is particularly relevant in the context of decentralization. In the course of the reform implementation, the communities have received wider powers and already determine the directions of their economic and social development, provide services, study and respond to the needs of residents – women and men of various social groups.

Understanding gender differences and inequality is part of local economic development analysis. When conducting such an analysis, "females" and "males" are not considered as one whole, but social variables are considered: the situation concerning young men, older women, young girls with physical disabilities, older men who belong to a national minority, etc. Understanding these aspects helps build a clearer and more accurate picture of economic variables and prospects.

Local bodies can use tools of gender analysis, such as analysis of service availability for women and men, gender-sensitive strategic planning, gender budgeting, which require the use of gender-disaggregated data. This makes it possible to consider the difference in the needs of women and men and satisfies them in the best possible manner through the implementation of local programs.

In addition, the issue of compliance with the principle of gender equality is a goal in itself, taking into account international obligations to ensure the rights of women and girls.

## 2 Experience of the EU in the context of decentralization of public authority in Ukraine

In France, decentralization since 1982 was accompanied by the transformation of the sub-national level of public authority at the level of communes, departments and regions without consolidation of the communal level of self-government, but through the development and strengthening of inter-municipal cooperation. In Poland, since 1990, in contrast to France, the process of decentralization at the gmina, powiat, voivodship levels has been accompanied by a significant consolidation of gmina's self-government in order to accumulate financial resources there. Consolidation of the communal level of local self-government also took place in the Scandinavian countries: Sweden and Denmark. In Sweden, municipalities have united around neighboring cities to implement joint functions, which have been established at the legislative level. In Denmark, in order to determine the new boundaries of (municipal) districts, a study was conducted that presented the formed trade zones (44 zones), zones of concentration of labor resources (123 "centers of gravity") and other areas of cooperation. A detailed analysis of the "economy of scale" for the provision of different types of public services was also carried out. In Finland, attempts were made "from above" level to seriously reduce the number of municipalities, as was done in Sweden and Denmark. However, as a result of political debates regarding the territorial reform, the principle of voluntary unification won. A voluntary association of territorial communities is also legally defined in Ukraine but under certain conditions (one representative body, inseparability of the territory, location within the region, taking into account historical, natural, ethnic, and cultural and other unification factors, quality and availability of public services, availability of a perspective plan). According to Article 3 of the Law of Ukraine "On the Voluntary Association of Territorial Communities" (The Verkhovna Rada of Ukraine, 2022), the subjects of the voluntary association of territorial communities are adjacent territorial communities of villages, towns, cities. An amalgamated territorial community, the administrative center of which is a city, is an urban territorial community, the center of which is a village, - a settlement territorial community, the center of which is a village, - a rural territorial community. The law provides for several consecutive stages of the unification process, namely: initiation; preparation of merger decisions; decisions on the voluntary association of territorial communities; formation of an amalgamated territorial community.

The basis of the principle of effective local self-government is the redistribution of power functions in favor of communities, that is, the civil society, which serves as a mechanism of protection against abuse of power by the ruling minority. In particular, in France and Poland, a model of public administration has been implemented, consisting of self-governing communities that form their own bodies, and representative offices of central authorities that perform the functions of general state control. In Latvia, no special representatives of central authorities would control local authorities. Accordingly, these functions are carried out by the ministry. This is partly explained by the small territory of the state, which is accordingly easier to control. In Finland, control over the legality of acts of local authorities is carried out by representatives of ministries in the regions. In Estonia, the district headman fulfills the corresponding functions. Estonia is known as a leading country in the pace of digitization, that is, the level of implementing digital services for the population, in particular, so-called e-government programs. Consequently, local government acts are published online here. The chief of the district (county) on his own initiative or a citizen's complaint verifies them and makes a statement about their illegality, and if the local body disagrees, the chief can apply to the court. As the analysis of institutional decentralization in Ukraine shows, the institute of village chiefs is also part of the decentralization reform. In addition, e-governance and electronic digital services are being actively implemented in Ukraine. Ukraine borrowed various components of public governance. For instance, the experience of creating a system of administrative services was borrowed from Sweden, the institute of prefects – from France,

and the e-government system – from Estonia. Thus, the most effective components of the European experience of decentralization of public authority are implemented in Ukraine. As the experience of EU countries shows, well-considered decisions regarding the implementation of decentralization are crucial for the successful implementation of reforms, which is an important prerequisite for Ukraine's accession to the European Union. At the same time, Ukraine should pay attention to the principles of effective distribution of powers between central and local bodies and adapt decentralization models that are most relevant for the geographical, political, economic and cultural specificities of our country.

The experience of EU member states regarding the distribution of tasks and competencies of public administration, reforming the organization was determined by the state's strategic goals. The goals of reforming were determined by the political course on European integration. In today's Europe, the predominant goals are as follows:

1. Provision of necessary and high-quality services to citizens and legal entities.
2. Increasing its performance and effectiveness.
3. Approaching services to their consumers (subsidiarity).
4. Achieving transparency of public administration actions and involving citizens in decision-making.
5. Consolidation of budgets.

Modern tendencies in organizing public administration in the countries of the European Union are based on the democratic decentralization of authority, which is carried out by transferring sufficient powers to the level of government bodies closest to the people. The consequence of such reforms was the expansion of the competence of regional and local bodies, that is, the decentralization of governance.

The experience of decentralizing public authority in Poland is the closest for Ukraine, in which the consolidation of administrative and territorial units took place. There were a total of 490 districts in Ukraine. On July 17, 2020, the Verkhovna Rada of Ukraine adopted Resolution No. 3650 "On the Formation and Liquidation of Districts", according to which 136 districts have been created in Ukraine. The reorganization of districts began in December 2020, after the law on the demarcation of powers and resources between districts and communities came into force.

In Poland, a responsible and effective local development policy is carried out according to the endogenous model mentioned above (in other words, the social economy model). This became possible by providing local self-government bodies with relevant formal competencies (including independence in making financial decisions) and financial resources. Polish local self-government at the level of gminas (communities) meets the standards of the European Charter of Local Self-Government, which states as follows: "Local self-government means the right and ability of local self-government bodies within the limits of the law to regulate and manage a significant part of public affairs falling under their competence in the interests of the local population". The Law of Ukraine "On Local Self-Government" defines this concept as "the state-guaranteed right and real ability of a territorial community – residents of a village or a voluntary association of residents of several villages, towns, cities into a rural community – independently or under the responsibility of local self-government bodies and officials to resolve issues of local importance within the limits of the Constitution and laws of Ukraine" (The Verkhovna Rada of Ukraine, 2022).

The program of democratic changes of the state system in Poland provided for the deep decentralization of state structures in accordance with the principle of subsidiarity. The reform of self-government was of key importance for reconstruction of the institutions of a democratic system and also caused the revival of local economic, social, environmental and cultural activity. Relying on self-governance was also very useful for neutralizing the negative social consequences of the restructuring the state

ownership. The reform of self-government (by its content) consisted in changing the way of managing basic public services at the local level. The gmina administration, which operated in the monopolistic system of state administration until 1990, was separated and subordinated to the local representative body – the democratically elected council of the gmina. Thus, the previous bureaucratic control of the activities of the local administration has been changed to public control. Thus, the administrative monopoly of the state was abolished: an independent self-governing administration was created. At the same time, the relevant subsystems were reformed: budgetary, financial, property and political – from monopolistic to self-governing ones. Supervision of self-government activities by the state administration was reduced only to control of the legality of local government bodies' activities. Currently, the reform of self-government in Poland is considered one of the most successful elements of the Polish reconstruction of a totalitarian state into a modern democratic one.

The experience of the first stage of the Polish self-government reform confirms the thesis that without creating opportunities for the development of local self-government, it is difficult to imagine the construction of democratic institutions and effective opposition to stereotypical manifestations of behavior characteristic of the totalitarian period. Local democracy in conditions of transformation of the system is the most effective and cheapest school of responsible service to the society, mature political activity and civic activity. The success of the first stage of the self-government reform encouraged the deepening of the process of decentralization and transferring tasks of a supra-gmina and regional nature by the central administration to local bodies. However, the second stage of self-government reform was implemented only at the beginning of 1999. The main motivation for carrying out the second stage of self-government reform was to increase the effectiveness of the state in solving local and regional problems, as well as to bring Polish territorial structures (especially at the regional level) into compliance with the requirements of European integration. On January 1, 1999, new types of self-governing units began to function, namely, powiat and voivodship (Kerlin, 2005). The responsibility area of the powiat includes local tasks, which the gmina cannot perform because of their territorial scope. The objectives of the powiat include, in particular, as follows: maintenance of secondary schools, hospitals, and homes for the elderly; combating unemployment; care for the disabled; maintenance of roads, cultural institutions, police, inspections (sanitary, construction, veterinary), environmental protection (Levitas, 2017). The organization and level of autonomy of the powiat is similar to that of the gmina. The only difference is that the objectives of the powiat are clearly defined by legislation in such a way that the competencies of the powiat do not mix with the powers of the gmina. The gmina and the powiat are independent units that have separate administrations, and there is no hierarchical relationship between them (Kerlin, 2005). A self-governing voivodship is an administrative unit of a regional character. In contrast to the gmina and the powiat, it provides public services in a limited area. Its basic task is to carry out activities in order to ensure regional development. The voivodship bodies are responsible for forming a development strategy, working out programs for achieving strategic goals, coordinating the interaction of local self-government bodies and economic entities in the implementation of investment projects. An important objective of the voivodship is signing of voivodship contracts. These are agreements concerning projects implemented on the territory of the voivodship by various entities with financial assistance from the central budget or European funds (Kerlin, 2005). The tasks of the voivodship also include as follows: the promotion of the region, the policy of combating unemployment, spatial planning, higher education, environmental protection, maintenance of specialized health care facilities, maintenance of roads of regional significance, regional cultural institutions, regional passenger transportation (Levitas, 2017). Self-governing voivodships have the right to conclude cooperation agreements with foreign partners. The main unit of local self-government in Poland is the gmina. Its goal is to satisfy all the residents' basic needs – members of the gmina community. 1. In

the social sphere, the gmina is responsible for education (including high school level), communal economy, and primary (non-specialized) medical care, social protection, care of the homeless, libraries, and cultural institutions. 2. In the technical infrastructure sphere, the tasks of the gmina include as follows: construction and maintenance of roads, water supply, energy supply, drainage, disposal of household waste, maintenance of landfills, public transport. 3. In the public order and security sphere: law enforcement, fire and crime prevention, gmina police (Levitas, 2017). A similar experience can now be traced in Ukraine, where territorial communities have received a number of authorities in the social sphere, infrastructure, and public order. The following tasks of the gmina are also of particular importance, namely: spatial planning, solving land issues, environmental protection, maintenance of green spaces, cemeteries, markets (Kerlin, 2005). In addition to its own tasks, the gmina also performs delegated powers in the field of government administration (registration, civil status registration). According to the constitution, the gmina is the most important type of self-governing community. The gmina body is the closest to the citizen; residents turn to it for support and help in solving all issues, even those, over which it has no influence, and for which, it is not formally responsible. The hopes and expectations of residents influence the fact that the gmina evolves in the direction of an institution that will be responsible for all aspects of community life. The experience of gminas, which have faced a rapid increase in unemployment, indicates that the most important tasks of self-government include actions towards creating new workplaces and combating unemployment. (Levitas, 2017). In order to avoid an unpredictable accumulation of social problems associated with the bankruptcy of enterprises operating on its territory, the gmina self-government must constantly monitor the development of the latter, attracting investors, actively participating in preventive measures, and implementing an active development policy based on strategic planning. The development strategy should become the groundwork of policy in the field of education, investment, and promotion.

## 5 Discussion

In the first years of self-government in Poland, efforts were primarily concentrated on overcoming the long-term decline in the development of communal infrastructure, improving the availability of basic services, combating unemployment along with rapidly growing social problems (unemployment, poverty, homelessness) that have emerged as a result of the processes of economic transformation. The self-government of that time can be called "reactive self-government", that is, the one that faced the need for operational intervention in situations requiring urgent intervention actions in order to resolve deficits and tensions. Currently, local self-government bodies face completely different challenges related to the need to define and implement long-term development goals and strategic management of development programs. The task is complicated by the fact that modern theories accept the principle of "balanced development" as the main principle, which means "development that takes into account current needs, but in such a way as not to limit the possibilities of meeting the needs of future generations" (Wollmann, 1997).

Turning to the exemplary model of endogenous development, its application in its pure form in Polish practice is extremely rare. Along with this, the dominant models are "development from above", "development from within", and "drift in anticipation of events that require a reaction". "Development from above" is a strategy derived from the ancient centralized system in which local government bodies followed instructions from central administrative bodies (Levitas, 2017). The tendencies that continue to emerge in the practice of the central government contribute to the maintenance of vertical relations (formal and informal) between the government administration and self-government bodies. By means of it, supporters of the "development from above" strategy, and especially those who have acquaintances in Warsaw, continue to achieve success. "Development from within" is a model based on the position that

recognizes the inflow of domestic capital and technology as the most successful impetus to development. This strategy is based on the policy of hunting for investors and subordinating them to the interests of local authorities, which often contradicts the residents' needs. The "drift" strategy generally leads to stagnation. Each of the described strategies is usually carried out without regard to residents and ignores their own potential for self-governance development (for example, local enterprises and institutions). The lack of professional training of local bodies for the effective implementation of the development mission is a significant obstacle (Levitas, 2017). Along with the insufficient ability to manage development, local bodies often represent a bureaucratic style of fulfilling their mission, that is, they are limited to formal schemes of activity. The management of development processes is limited only to administrating, which means not only a lack of initiative, but it also contradicts the development intentions initiated by subjects outside the power circles. Corruption, hiring under the patronage of persons with low qualifications, the inability to communicate both with the public and with other partners in self-governance are the barriers to development that are related to the way the government functions. The low quality of managing local affairs is also manifested in the lack of monitoring the functioning of the service system, ineffective real estate management, the duration of administrative procedures related to investment processes, as well as inefficient marketing and the lack of public dialogue. Among the barriers of the cultural background, the lack of civic values is in the first place, manifested in the low level of social participation of self-governing communities' members. A barrier in small peripheral gminas is the low level of entrepreneurship. The reluctance to create partnership-type cooperative structures uniting government subjects with public organizations in order to perform public and social tasks can also be explained by cultural conditioning. The consequence of low activity and lack of cooperation is the low value of public capital, which is a fundamental factor of local development (Kerlin, 2005). The list of barriers of a legal nature is quite long and consists of two groups: those related to the imperfection of existing legal decisions, or those that are formed in the absence of specified decisions. In the first group, the law on spatial planning and arrangement of territories, financial legislation, the law on public-private partnership, laws regulating certain areas of self-government activity are most often mentioned. The second group deals with the need to regulate issues of strategic planning in gmina's self-government. Analyzing the represented overview of the barriers to local development, the question arises of how to stimulate development in the gmina, where the barriers stemming from the low quality of exercising power and barriers of a cultural nature are concentrated. The answer seems obvious: it is necessary to start with such changes in the way of management, which will cause the transformation of the public mentality in the long term, leading to the growth of public participation in solving local issues. In most cases, the low quality of government does not come from ill will, but from a lack of knowledge and skills. Many representatives of self-government bodies express interest in improving their qualifications. Hence, an idea has started up of introducing a concept in which the natural desire to improve skills should be combined with enhancing the quality of management through cooperation in self-governance. It is based on the principles of good governance and a list of objectives leading to the practical implementation of each of them (Otolá, 2008).

## 6 Conclusions

The study of the tendencies of decentralization of public authority in Ukraine indicates the borrowing of various components of public administration models from EU countries. The financial aspect of the decentralization of public authority in Ukraine has ensured the growth of the share of local budgets, enhanced interest of local governments in increasing revenues to local budgets, searching for reserves to fill them, and improving the effectiveness of tax administration and fees. The social aspect of decentralization in Ukraine primarily concerns the provision of social services, education, culture, and youth policy. In the course of decentralization, the authority to provide social

services to the population was transferred from the central level to the local one (territorial communities). One of the exceptionally challenging tasks for territorial communities in the process of decentralization of authority in Ukraine is the creation of an education management function. The institutional weakness of territorial communities in Ukraine is one of the challenges due to the lack of professional competence and the lack of a sufficient level of experience, knowledge, and skills. Accordingly, it is precisely this aspect that requires borrowing the experience of the EU, in particular, knowledge, skills, experience, and competence in various areas of management. In the course of the decentralization of authority in Ukraine, a mechanism of inter-municipal cooperation was created to solve complex issues of territorial communities of cities and villages. Institutional decentralization of public authority includes the creation of the institute of village chiefs, prefects, administrative service centers (ASC) or TsNAPs, which is similar to the models of public administration in EU countries. In the course of decentralization, well-off communities received wider powers, resources and responsibilities; consequently, centers for the provision of administrative services were established. The investigated features of the decentralization of public authority in Ukraine correspond to the EU experience, particularly regarding the distribution of tasks and competencies of public administration, reforming the organization in accordance with the strategic goals of the state and the strategy of European integration. It is expedient for Ukraine to continue fulfilling several tasks to achieve the goals of providing quality administrative services, increasing the efficiency of public administration, bringing it closer to its consumers (subsidiarity), achieving transparency of public administration actions and involving citizens in decision-making.

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