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## ***ПЕРШИЙ КРОК У НАУКУ***

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## **DECENTRALIZATION IN UKRAINE**

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This theme is important today, because the need for the decentralization in Ukraine is a topic for discussions, since the first days of its independence. In April 2014 The Cabinet of Ministers approved the Concept of Local Self-Governance and Territorial Organization of Governance. After that, the process of decentralization and community mergers faced numerous risks and challenges. So, what has been achieved over almost three years of reform, what are the advantages and disadvantages of this reform and what does decentralization actually mean? These questions I tried to research in this paper.

Decentralization is the process of delegating authority and budgets from state bodies to self-governing authorities. The local self-governments are now responsible for budgets and attracting investors. In Ukraine there are many small villages (over 12 000), that is why these are asked to merge voluntarily into larger bodies (communities) to form organizations with enough power to make their own decisions on local. The mechanism for community creation was designed in 2015. According to it, communities will receive funds for infrastructure directly, without all these intermediary levels, like region or country. Many powers from the country administration level were delegated to the merged communities: now they will provide administrative services, organize the work of health care facilities, run schools and kindergartens. In 2015 about 800 old villages and towns councils, that covered more than 2000 settlements united voluntarily into 159 amalgamated territorial communities (ATC). At the beginning of 2016, ATCs covered more than 5% residents in four regions only. Anyway, in 2017 Ukraine had about 400 ATCs, according to Ministry of Regional Development, another potential communities are finalizing their merger.

So, what are the differences between the new communities and old unmerged village and town councils? The main difference is that new communities get 100% of natural resources rent, excise duties on alcohol and tobacco sold on their territory, land tax, tourist taxes and others. In unreformed communities all of these still go to village or country budgets.

There are some advantages of this reform. First of all, decentralization is described as an opportunity of communities to be independent. As everyone

is aware, previously powers and resources were concentrated in the centre, as a result, it makes some obstacles in the development of self-governing. But now, the major part of all funds are concentrated in the hands of territorial communities, and only ATCs will make decisions how to spend them. Second of all, the quality of local services has increased. Local authorities now spend their funds in the interest of their community, that is why the quality of roads, the quality of schools meals are now better than before. They have enough money to repair school and sports infrastructure. And finally, the decentralization reform created an opportunities for cooperation among the communities in spheres of sport, education and culture.

But for every plus there is a minus. Firstly, disparity between communities will appear. The number of new territorial communities increases, but the amount of the subvention from the state doesn't. That means, the later the communities merge, the less money they have to set up and boost their infrastructure. Secondly, a lack of awareness among community members about the process of creation of communities makes a serious challenge to decentralization. Many old village councils don't want to unite, because they simple don't know all the aspects of the reform. The lack of information creates confusion and conflicts among the population. Moreover, as a result of the merger of communities, many people will lose their jobs. So, the problem of unemployment will appear.

To sum up, decentralization in Ukraine has many advantages and disadvantages. But everyone should understand that nowadays Ukraine is the most centralized country in Europe. And decentralization is an opportunity for Ukraine to improve the economic situation in the country and attract more investors from abroad. Whether this reform will be successful or not, we can't predict. But if the government find the solution to some major problems, which the reform faced, the result can be better.

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