

ALEKSANDRAS STULGINSKIS UNIVERSITY
BUSINESS AND RURAL DEVELOPMENT MANAGEMENT INSTITUTE

**INNOVATIVE DEVELOPMENT OF THE ECONOMY:
GLOBAL TRENDS AND NATIONAL FEATURES**

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2. TERRITORY DEVELOPMENT: INNOVATIVE CONTEXT

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CURRENT LOCAL GOVERNMENT REFORMS IN THE EU AS A “ROAD MAP” FOR UKRAINE

Summary

The presented article introduces and discusses the peculiarities of the administrative-territorial system forming processes and the current state and trends of local self-government reforming in certain EU countries (Italy, France, Slovakia, Poland); advantages and risks of decentralized governing are explored; tendencies of strengthening administration levels under different schemes are revealed; key aspects of practical experience of territorial communities amalgamation are investigated; recommendations for adopting the European experience into domestic practice are stated.

Introduction

Ukrainian power is in a state of transformation related with a range of internal and external challenges requiring, in turn, changes of the old inefficient system of government and administration and increasing citizen participation in state governance. The current system of local self-governance in Ukraine does not completely satisfy the needs of the territorial communities' members and self-governing territories proper protection. Considering such a state of affairs, the reform of local self-government institution through the decentralization of power has been initiated in the country. And although decentralization itself is not a panacea and a guarantee of rapid improvement of the quality of life of the population, it significantly expands the capacity of communities to provide territorial communities with the necessary services and efficient use of local resources. Thus, studying the experience of European countries becomes appropriate for us in the context of Ukraine's European choice, as well as for the urgent necessity to construct a capable local government.

The urgency of the study of these processes is also driven by the fact that over the last decade in the EU member states, the processes of strengthening subnational levels of government have been implemented through different approaches, and have proved successful in terms of meeting the population needs.

The significance of the problem naturally attracts the attention of a large number of national and foreign scientists. In Ukraine, the issue of public authorities and local self-government decentralization is analysed in the works of such well-known scholars as: I. Butko, K.O. Vashchenko, Yu.T. Goncharuk, Yu.V. Kovbasyuk, N.T. Nyzhnyk, S.M. Seryogin, V.V. Tolkovanov, A. Tkachuk.

As the practice proves, the models under which decentralization of authority in European countries was carried out were quite different in forms, as well as in content. Therefore, the aim of the article is to identify the main tendencies of the local self-government system transformation in separate EU member states and to justify the necessity of systemic transformations during the initiated reform of governance decentralization in Ukraine.

Part 1. The theoretical basis of identifying the main tendencies of the local self-government system transformation in separate EU member states

Local self-government is an important feature of any state's democracy. Through this self-governing institute, the idea of power exercising directly by the people can be entirely implemented and the problem of interaction between a person, a territorial community, and government bodies can be solved. Without such co-operation, it is impossible to solve the tasks set before the local authorities.

The local government decentralization carried out by European states was directly related to the administrative-territorial system optimization. However, each of them solved the problem in different ways. Thus, some countries implemented radical reforms of the administrative-territorial system, others confined themselves to partial changes or did not change it at all.

Considering that in European states aimed at decentralization or communities autonomy, the local governments lack of adequate territorial, demographic, and material resources for providing the appropriate level of public services and maintenance of the contemporary communities – the numerous reforms of public administration in such countries began with the consolidation of administrative-territorial units, the formation of various regional forms of governance [10].

And here we consider it necessary to thoroughly disclose the essential aspect of the very principle of decentralization and its potential benefits.

Thus, the first benefit. Decentralized governance contributes to the shredding and dispersing of political power within the highly centralized government pyramids. It should be remarked that while remaining the most powerful institution of a society, the government not only establishes rules of the game in all spheres, but through the legal field it can deprive anyone of wealth, property, and even life. Therefore, facing this real strength of the state power exercising, it is urgent to establish and support a system of checks and balances. And it's the decentralization that can be such deterrent and efficient mechanism.

The second benefit. Decentralization contributes to the creation of subsidiary opportunities for citizen participation in common issues solving. The number of civil society institutions is increasing, the field for democracy is expanding, non-governmental centres of power freed from state control are being formed, but they can seek the responsibility and accountability of the government institutions.

The third benefit. Decentralized governance assists to create favourable conditions for the activities of political groups that are in opposition to the official government.

The fourth benefit. Decentralized governance forms numerous informal platforms for citizens to gain civil competencies, democratic skills, and practice of participation in common affairs, which in the future can help many citizens to take leading positions at various levels of the power pyramid, including local authorities.

The fifth benefit. Decentralized governance provides more opportunities for the population to require positive solutions from the authorities. Unless the service could be provided at one level of governance, a citizen, having adhered to certain established procedural rules, might receive it at another level or from another authority.

The sixth benefit. Decentralized governance provides a multivariance of responses to people's needs because each country has different types of resources, needs, different ethnic groups and nationalities. But precisely this multivariance helps to make the necessary adjustments in order to provide the population with the necessary services.

The seventh benefit. Decentralization gives citizens a stronger sense of the effectiveness of social order since they are in direct contact with the authorities that are closer to them, and it is by this ability and capability that the authorities in the state as a whole will be assessed.

The eighth benefit. Decentralization contributes to the development of a local initiative, formation of the private sector and middle class, which ultimately creates favourable conditions for qualitative transformations at the local level in all spheres of life.

At the same time, having obvious advantages, one should keep in mind factors that may affect the process of reloading centralized governance and factors which the ruling elite should take into account in practical activity. These should include: an understanding of how strong and self-sufficient the local self-government is in terms of revenues and tax collecting; effective regulatory maintenance of the activities; support provided by the political parties and institutions of the national level; the ability to provide the necessary amount of services for the population, taking into account the differences and specific features of each territorial community, their resource potential.

It is worth paying attention to the possible risks hidden in a decentralized system. They relate to the fact that various local communities may fall within the hands of a rather small but extremely organized local elite. And then the effects of decentralization could be unpredictable. The following situation is also possible.

Reforms can be deliberately or undeliberately hindered by the local elite. The approximate is possible under the condition when the approaches of the centre and subnational level do not coincide, and the interests are multi- vectorial, heteropolar. Such a danger should be remembered. The Centre may try to avoid criticism from the public for its unsatisfactory service and shift the responsibility to the local authorities, although they are not foreseen in the mandate of the latter.

In a detailed analysis of decentralized governance in the EU member states, we find a division for territorial and departmental decentralization there. The first is based on the geographical factor, the basis of the other formulates a purely technical approach, which involves the delegation of relevant functions to a public entity existing in the form of a public institution, etc.

The notion of "decentralization" is often used simultaneously with the term "deconcentration". The difference between the notions is that the latter is nothing more than the devolution of authority to local officials appointed from the centre, as well as the fragmentation of power of one level, while the notion of "decentralization" involves the devolution of certain authorities and functions of the centre to local authorities. Confirmation of this is found in the works of French researchers [2]. In particular, under the deconcentration, they understand the organizational technology through which important decision-making rights are delegated to central government officials appointed to manage in different administrative districts or public services.

The researches also define the division of "deconcentration" into "vertical" and "horizontal". In particular, within the framework of the first model, all powers to represent the interests of central authorities at the local level are delegated to one official. And conversely, horizontal decentralization involves the presence of several "centres of power" at the local level with the distribution of responsibilities according to sectoral characteristics, which creates favourable conditions for convenient management of the state.

Simultaneously with the term "decentralization" the term "devolution" is used in the scientific works. The latter is of a regional nature and is associated, first of all, with the delegation of central government powers to separate administrative-territorial units with full preservation of the sovereignty of the centre. The similar form is used by the British local government system [9].

However, returning to the socio-political events that occurred in Europe in the early 90s of the twentieth century, we note that in all countries of the transition period, although with varying intensity, the transformation of administrative, economic and other systems began. By itself, this period has witnessed the beginning of a movement from a centrally controlled, command economy towards the creation of politically, economically and administratively decentralized structures [15].

The important component of decentralization processes is the territorial organization of the lower level (communities). Thus, the Law of the Italian Republic "On the System of Local Autonomies", adopted in 1990, aims to optimize the size of the administrative-territorial units, elimination of the smallest units that do not have sufficient financial resources to solve urgent problems [3].

Therefore, the new communities, according to the law, can be established in Italy if a community numbers not less than 10 thousand inhabitants, the province – not less than 200 thousand inhabitants. The law provides financial incentives for the amalgamation and further merging of communities with a population less than 5 thousand inhabitants, or for their joining up the larger affiliated communities.

Regarding the practice of decentralization in France, it occurred without changing the map of the administrative division since the latter is the result of the long evolution of the state territory under the influence of various factors and compromises.

Thus the departments still exist – and within the same limits as two hundred years ago. Establishing new administrative units in that Napoleon sought for the imperial representative could get to the most remote point of his department and go back. It was important considering the great ability to inspect constantly the “hail and vises”. Besides, the ruler believed that all regions tended to become separatists by definition. Considering that Napoleon divided France into 96 departments so that each one was powerful enough to concentrate resources for the tasks they performed but could remain too weak to declare independence.

In the second half of the twentieth century, the process of decentralization of power began in France and it continues to the present preserving certain traditions laid down in the XVIII century.

Reforms mainly concerned changes in the status of territorial entities, partially their consolidation. TIGC (Territorial Inequalities General Commission) is an organization established for the purpose of state planning of land use in the post-war period, which is also currently taking care of the policy of the settlements' development in France, promotes the equal development of territories, in particular, the most backward rural and urban areas.

Of course, given the subsistence of a large number of small communities, the implementation of management powers in some areas requires cooperation and interaction between them. Therefore, the widespread phenomenon in this country is the amalgamation of municipal councils.

Simultaneously, despite rather wide capabilities of the municipalities in resolving local issues (e.g. regarding the self-formation of executive bodies at the local level), despite the lack of a government official in the municipality, there is a rigid system of control over communities activities in France. The government, through its representatives, the prefect and the suprefect, can suspend the implementation of municipal councils' decisions in the case of their non-compliance with laws [5].

It is also worth remarking that over the years there has been a discussion concerning the elimination of small and not always efficient rural communities, whose population sometimes numbers only a few dozen persons. However, the state approach to this problem is rather suspended and constructive: no radical decisions on the liquidation or merger of small rural communities are taken. Rather the opposite. The legislation creates favourable conditions for various forms of communities' co-operation, their amalgamation with the purpose of realization of

separate powers and implementation of joint economic and social programs. Thus, the Law on the Unification and Consolidation of the Communes as of June 16, 1971, stipulated the possibility of communities merging and establishing joint local self-governing bodies, the mandatory holding of a consultative survey of communities' residents on this issue, conducted on the local self-governing bodies' initiative as well as prefects'.

The law of July 12, 1999, stipulates subsidiary state financial support for the joint municipalities. It should be emphasized that the modified system of public administration of France remains one of the most fragmentary in Europe. Thus, administrative functions are dispersed within the local self-governing bodies in more than 36,000 communes.

Functioning of such a large number of communities in France is primarily due to historical, geographical, economic, and other factors. While reforming a large number of important authorities was delegated to this level of public administration to perform the vital functions of territorial communities and communes (provision of various social services, registration of civil status, municipal police, motorway network in the commune, primary schools, educational and cultural activities, powers in the sphere of urban and land planning, etc.). The state has provided the necessary powers and resources for performing functions (local taxes, state subsidies, etc.).

At the same time, the practice has indicated a number of problems that led to the necessity to discuss the capacity of small rural communes. Although the legal status of all communes is equal, the opportunities given to them by powers at the same high level are different. Thus, 27 794 out of 36 565 communities existing in France, (representing about 80%) number fewer than 1,000 inhabitants. At the same time, the population of 98% of communes is less than 10 thousand people. It is obvious that the small territory, the small population of single communities restrict their resources, and hence the ability to carry out self-governing authorities at the proper level without the state support (primarily financial). On the other hand, active urban centres have sufficient resources, an efficient administration system and both formally and in fact are autonomous in the governing the trusted sphere [9].

Three types of settlements in rural areas have fundamentally different opportunities for the implementation of administrative functions: small towns (with fewer than 20 thousand inhabitants), cities with local markets (1000-15000 inhabitants), small villages (less than 1000 inhabitants). As for the latter, they do not have the necessary resources, the infrastructure necessary to provide public services secured by communes.

The situation is solved with two approaches:

- the first - a wide range of services for the population of small villages are provided by the communes of other types while using its own infrastructure (schools, hospitals, supermarkets, educational and cultural institutions, etc.);
- the second - the central government supports the communes of small villages through financial regulation mechanisms [9].

As stated above, the issue of communes' consolidation in France has been repeatedly raised, but no radical measures have been taken in this regard. Instead, the governments have undertaken a variety of techniques in order to stimulate intercommunal cooperation including financial support. As a result, in France, "communities of communities" have been established, the number of which grew from 193 in 1993 to 1 349 in 1999. Such formations had various forms and legal status and, correspondingly, needed some unification. To this purpose, the law of 1999 clearly defined three possible forms of intercommunal cooperation, each of which had a distinctive legal status and specific tax base. Since January 1, 2002, 14 metropolitan regions, 120 metropolitan areas, and 2033 communities have been established covering a total of 75% of the population of France [9].

Part 2. Comparative analysis of the main tendencies of the local self-government system transformation in separate EU member states

As the practice of this country has shown, the success of reforms depends on a consistent solution to a whole range of problems:

- studying the impact of the merger process on the definition of new regions and their strengthening;
- supporting dynamically developing regions/metropolises compete, especially in terms of economic development;
- the ability of metropolis to sustainable development and its distribution to rural and remote suburban areas;
- informing citizens and considering their proposals in the decision-making process (the National Commission for Public Debate (CNDP) is responsible for this in France);
- involving citizens in the development projects or the use of equipment in national interests that have a significant impact on the environment and significant socio-economic implications;
- involving citizens in the development, implementation, and evaluation of activities affecting community life through the establishment of district councils: each municipality with a population of more than 80,000 inhabitants has a district council;
- forming public councils, especially in distant communities facilitating the involvement of citizens through the exchange of knowledge and guaranteeing the representation of their interests in all governing bodies, as well as providing opportunities for presenting proposals and initiatives concerning the needs of citizens;
- holding local referendums, where citizens can address local issues and municipal development.

The diverse experience of decentralized governance has been made by the unitary parliamentary republic of Slovakia, which since May 2004 has been a member of the European Union. The country has a two-tier system of administrative and territorial division covering eight countries and 79 districts.

Furthermore, there is a division into territorial self-governing units: eight self-governing territories, their borders coincide with the borders of the territories and settlements – villages and cities.

Reforming the institute of local self-government in this country was a complicated and long-lasting process because the majority of representatives of political forces hindered it. Therefore, the Slovak government was forced to take the initiative and responsibility for the implementation of the public administration reform. For this purpose, a relevant concept was developed and approved at a government meeting in 2000, embracing three components of a comprehensive modernization of public administration:

- the first – the decentralization of power – stipulated the devolution of powers to the level of local self-government on the basis of the principles of fiscal decentralization, which in turn provided the systemic transformations in health care, education, culture, transport, social sphere;

- the second – territorial reform – stipulated the formation of the second level of local governance, which contributed to solving the problem of small settlements organizing or consolidating;

- the third administrative reform – stipulated the reorganization of public administration through the improvement of the system of elections to local self-government bodies and the definition of appropriate mechanisms based on the principles of the legislation and recommendations of the European Union's public administration [6].

The Concept created the basis for political compromise between the parties of the ruling coalition, representatives of local self-government (the Union of Cities and Villages of Slovakia and the Union of Slovak Cities) and public associations. However, in 2001 because of the contradictions on the essence of the concept and differences in the views among the deputies of the ruling coalition in parliament, the concept almost leads to a split in the government. Only after the 2002 elections and the formation of a new government, a real process of decentralization of power in this country commenced.

The most important stages should be emphasised: in 1998 – the Slovak government approved the Concept of Decentralization, which became the principal document on the basis of which the redistribution of powers, responsibilities and budget funds between the state, territorial communities, and territorial units of a higher level was carried out; 2002 – on the basis of the concept of public administration reforming the second elective level of territorial self-government was introduced; in December of that year, the People's Council of Slovakia adopted the Governmental program statement on local self-government reforms aimed at state power decentralizing; 2003–2004 – “Draft of Further Introduction of Decentralization of State Power” was approved; in May 2003, the Parliament of Slovakia adopted the “Draft of Decentralization of State Power for 2003–2006”, which became the basis for the preparation and implementation of relevant laws; in those years about 400 powers of the central government were delegated to the local

level of settlements and territorial units of the higher level; since January 1, 2005, a new system of local self-government financing has been implemented.

The Constitution, as the Fundamental Law of the Slovak Republic, which was adopted in 1992, defined the community as the basis for territorial self-government. In general, the structure of local self-government includes communities and territorial units of a higher level (Article 64). According to Art. 65, the administrative units of local self-government are legal entities that independently manage the economy with their own property and own funds. The Constitution (Article 66) also defines the right of the community to amalgamate with other communities in order to ensure common interests; a corresponding right is granted to the territorial units of a higher level [6].

At the end of the administrative-territorial reform period in Slovakia approximately three thousand settlements (towns and villages) and 8 territories were formed, which were divided into 79 districts. The districts form 2891 communities, 130 of which are cities, others are rural communities. The latter, in turn, are established from cadastral districts. The territorial self-government of Slovakia is carried out at the community meetings, at a local referendum, by community bodies (community representatives and community elders) or territorial units' bodies of a higher level. Obligations and restrictions in the implementation of territorial self-government also can be regulated by international treaties. Special attention should be paid to the fact that the state can interfere in the activities of the communities exclusively in accordance with the procedure established by law. Regarding the division of powers between local and central authorities, the latter is responsible for the implementation of macroeconomic and monetary policies, customs operations, tax service, higher education, internal security, defence, fire safety, judicial system, functioning of transnational highways (highways and roads of the first class), airports, and the environment [12].

Self-government functions embrace local communications, urban transport, housing, local taxes and fees collecting, provision of water supply, local police, clinics and specialized hospitals, cultural institutions, preschool and out-of-school institutions, municipal waste, planting and care for the purity of the environment, the development of the settlement, etc.

Municipalities implement independently the given functions. The state does not interfere, does not control the use of funds, because it isn't authorized to do this although it exercises influence on local self-government through the relevant legislative acts. We have to note that the separate functions of the municipality can be carried out jointly. This applies to large infrastructure projects, such as: water economy, waste utilization, maintenance.

The most successful, according to experts, was the Slovak reform of the budget system decentralization, since 70% of the municipalities' revenues and expenditures are based on their own sources, the rest constitute targeted subsidies from the state budget. Thus, in compliance with the current rules, local self-government bodies receive 70.3% of the personal income tax, the budgets of higher territorial units get 23.5% and the state treasury receives only 6.2% [10].

Slovakia has chosen the so-called "separate model" of public administration, organized on three levels: the municipality – the territory – the state. The key principle of this model construction is the high level of autonomy of its units, financial self-sufficiency, lack of subordination in relations between them, and maximum decentralization of authorities and responsibility.

It should be noted that the correlation of various forms, models, and bodies of local government within separate administrative-territorial units is determined by the historical, geographical, and demographic specifics of a country, political regime, as well as a legal system. As the example proving this statement, the model of local government in Poland can be taken. Local self-government reform has become one of the priorities of the first post-communist government formed in September 1990. The rapid but intensive preparation enabled the adoption of a new Local Government Act in March 1990 and the holding of local government elections in May of that year. The reform introduced elected local governments only at the municipal level (*gmina*), while higher levels of the territorial structure remained under the control of the state local administration. Such a decision was considered as temporary. It was believed that the division into 49 small regions (*voivodeships*) provided by the communist administration in the mid-70s was not functional and required modernization.

Due to different circumstances, the introduction of local governments at higher levels – more than 300 counties (*powiat* – similarly to Ukrainian districts) and 16 regions (*voivodeships*) lasted almost eight years. Only in 1999, the Polish government made a decision to move to the next stage of the reform. This was preceded by a discussion in two directions: territorial and functional. The first was about certain numbers of counties. As a result, no more than 360 were left. Regarding the regions, after long and complicated political compromises, 16 *voivodeships* were organized.

The second direction – functional – concerned the formation of the so-called mixed status of new regions. They should become a place of coexistence of the state administration and the elected regional government.

Thus, the representative of the government at the level of the *voivodstvo* is the governor (*voivode*), who is appointed or recalled by the head of the central government on the proposal of the Minister on Administration. As for the deputy governor – vice-governor (*vice-voivode*), he is appointed and responded by the head of the government, but at the suggestion of the governor. The general administration of the latter's activity is performed by the Council of Ministers.

It should be stated that the governor has broad authorities of supervision over the bodies of territorial self-government and exercises control over the cooperation with *seimiks*. He also performs coordination functions, has the right to cease the validity of the resolutions approved by the Commune Council (*gmina*).

In case of repeated violation of the Constitution and laws by the Commune Council, the *Sejm* may dissolve this Commune Council on the proposal of the Chairman of the Council of Ministers and establish, on the proposal of the governor, the Commissioner's governance for a term of up to two years, who is

able to exercise the functions and competence of the gmina bodies taking into account the opinion of the Seimik.

Consequently, as a result of reforming, Poland managed to establish the efficient structures of territorial self-government, to conduct elections on the multi-party basis to the bodies of local self-government. It is advisable to distinguish the main stages of decentralization in this state. The first stage was the 1990 presidential elections. The next was the restoration of self-government at the gmina level, the launch of a new system of territorial self-government and the devolution of power to the local councils. In 1992 Poland created an additional level of self-government, and in January 1994 an experimental program of administrative reform commenced, the main purpose of the reforming was to delegate the powers and competence to the future counties (districts). In 1998, according to the decision of the Parliament, two additional levels of self-government were created: counties (districts) and voivodstvos (regions). So, since 2000 16 voivodstvos instead of 49 have appeared on the country map.

The decentralization of administrative governance in Poland enabled the introduction of a three-link model of self-government: the gmina-county-voivodstvo. As practice has shown, the administrative reforms have accelerated the progress of Poland to the countries with developed economies and democratic traditions. Since 2004 the country has been a member of the European Union [13].

An example of the European Union member states has shown that each of them has some peculiarities, but the similarity of the economic and geopolitical issues, their interdependence, the necessity to find the best models for coexistence and survival of people in difficult conditions of the new millennium, encourages countries to cooperate and interact. In these countries, there is an ongoing search for updated means of forming the local environment, an effective procedure for the realization and protection of the interests of citizens, and the involvement of private and business capital in the self-governing process for the effective conduct of local affairs.

There's no doubt that all these positive experiences can be implemented in national practice. But considering some peculiarities. It's expedient for our country to take from European experience only things that can be organically combined with local conditions and the current situation in the state. The experience cannot be borrowed in "pure form" since the financial systems operating abroad and in our country make mechanical copying of foreign governance samples unacceptable [14].

International and, in particular, European experience demonstrates that an efficient decentralized system of territorial organization of public power and governance is an integral part of a modern democratic, rule-of-law state.

As for Ukraine, which has been reforming the local authorities in current complicated conditions, we believe it is possible to distinguish several points that should be considered and adhered while resetting local policies. Decentralization should create a favourable climate for the harmonious development of the local environment, preventing excesses that have taken place in these countries; the tax system must ensure the self-sufficiency of self-governing communities, "pulling up"

weak structures, and the quality and level of services must be determined not by the number of inhabitants but by the actual amount of services they receive to meet their needs and interests. In turn, decentralization can have a positive effect on the national economic development not only in the medium but also in the long run.

Conclusions

In the EU countries which we studied, the urgency of decentralization came up on the grounds of broad processes of liberalization, privatization, and market reforms. The legal regulation of these processes is based on the principle of subsidiarity according to which powers that cannot be realized at the lower local level are delegated to the next levels – intermediate and regional. Therefore, territorial planning requires the unification of territories and the search for variants of their equal division.

As to the competence of local governments of European states, we suggest the local communities could implement those which are protected by the state with mechanisms created for financial redistribution.

There is no universal model or methodology for decentralization of governance in the world, which could be applied entirely and without changes in Ukraine. However, some elements of foreign systems can be implemented in national practice. In particular, the population of cities with district division could elect deputies and separate officials who would build up a system of checks and balances within the structure of local self-government. It would be possible to put into practice the elections of the heads of state administrations with their subsequent appointment by the President of Ukraine and it would balance two local branches of power – state administrations and local governments – and would cease the confrontation between them, as well as “dragging” powers and competencies. Ultimately, it is expedient to study the experience of districts in cities where councils were eliminated, as far as they were successful in terms of providing services. It’s advisable to consider the proposal on reducing the number of deputies’ corps and their replacing with professional advisers, experts in various spheres of activity of local self-government bodies, creating a favourable investment climate for support and development of local infrastructure, involving private and business sectors into self-government process. The state policy towards local authorities should provide more efficient political settlement of all aspects of local problems that have come up during decentralization. That’s why the number of representatives of regions, cities, and districts should be considerably larger in the legislative bodies, so they could not only defend the interests of local communities but could initiate relevant laws protecting local communities from arbitrariness and preventing the formation of “local clans”, oligarchic groups, “principalities”, etc.

Undoubtedly, the European experience of decentralization should contribute to the establishment of a well-developed strong democratic Ukrainian state with self-sufficient local self-government capable to solve effectively local problems and provide the population with the best possible range of services.

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