

Olha SKOCHYLIAS-PAVLIV
Lviv Polytechnic National University,
Professor of the Department of administrative and informational law
Educational and research institute of jurisprudence, psychology and innovative education,
Doctor of juridical sciences, Professor,
e-mail: olha.v.skochylyas-pavliv@lpnu.ua,
ORCID iD: <https://orcid.org/0000-0001-6737-7628>

**TENDENCIES OF DECENTRALIZATION
IN PUBLIC ADMINISTRATION:
CURRENT STATE AND DEVELOPMENT PROSPECTS**

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The article deals with the current state and prospects for developing decentralization in public administration by transferring managerial functions and central authorities' powers to the local administration level. The article emphasizes that despite being tested by war, Ukrainian decentralization received an impeccable assessment from the European Commission, which preceded granting our country the candidate status for the European Union membership. The history of decentralization is analyzed, and successive stages are singled out. The stages mainly relate to the normative and legal regulation of this process: the first stage (2014–2019), the second stage (2020–2021), and the third stage (2022 – present). The third stage of the local self-government reform seems to be the most difficult since it occurred during the martial law period. The hostilities only emphasized the effectiveness of the decentralization reform: local self-government bodies responded promptly to the situation, resolving issues of settling internally displaced persons, repairing housing for them, providing facilities and premises for evacuated enterprises, and organizing humanitarian headquarters. An essential task of the third stage is adopting the Law on Amendments to the Constitution of Ukraine (regarding decentralization of power), a prerequisite for continuing decentralization reforms and their completion. The article examines the achievements that are positively reflected in the activities of the united territorial communities due to the decentralization process in the following areas: budget, healthcare, security, international cooperation, culture, education, and service provision. At the same time, the factors complicating the decentralization process and leading to problems in the practical and proper functioning of local authorities are considered. Attention is drawn to the need to adopt important laws, including the Laws “On the principles of the administrative and territorial structure of Ukraine”, “On service in local self-government bodies” (revised version), “On state supervision over the legality of decisions of local self-government bodies”, “On local referendum”, as well as updating laws on local self-government, on local state administrations, etc.

Key words: decentralization; public administration; local self-government reform; executive power bodies; local self-government.

Problem statement. One of the most effective mechanisms for reforming the public administration system to ensure its effectiveness and compliance with the requirements of the times is decentralization in

public administration by transferring managerial functions and central authorities' powers to the local administration level. According to the authors of the collective monograph "Decentralization of Public Power: Experience of European Countries and Prospects for Ukraine", decentralization means a way of defining and delimiting tasks and functions in which most of them are transferred from the level of central authorities to a lower level and become the own tasks and powers of lower-level authorities [1, p. 13].

The effective functioning of local authorities in both peacetime and wartime plays an important role both in matters of state development and in repelling an aggressor. In general, European assessments of power decentralization indicate that this reform is one of the most effective in our country. The main purpose of decentralization is, first of all, to introduce effective and efficient local self-government and organization of power at the territorial level. As a result, it allows creating such conditions for citizens in which public services become accessible and of high quality, appropriate mechanisms for direct participation of the population in management are established, the needs of citizens are met in all areas of their lives in the relevant territory, and the interests of the state and local communities are harmonized.

Analysis of the problem study. Both scholars of constitutional law and administrative law devoted their works to the problem of decentralization, in particular: T. Astapova, O. Babych, M. Baimuratov, O. Batanov, M. Budnyk, I. Hrytsiak, V. Zahurska-Antoniuk, T. Zabeivorota, A. Kovalenko, V. Kravchenko, R. Kolyshko, K. Manuilova, V. Rylska, M. Savchyn and others. It should be noted that a significant number of studies concern the foreign experience of decentralization of public power (Yu. Voitenko, O. Kolodii, Ya. Melnyk, O. Liuta, V. Roman, L. Pustovoit, A. Tkachuk and many others).

The article aims to analyze modern decentralization tendencies in public administration and characterize the main achievements, problems and directions in the development of local self-government reform.

Presenting the main material. Despite being tested by war, Ukrainian decentralization received an impeccable assessment from the European Commission, which preceded granting our country the candidate status for the European Union membership. In the resolution of the European Parliament of February 2, 2023, the reform of power decentralization was recognized as the most successful among all reforms carried out since the declaration of Ukraine's independence. At the same time, European partners emphasized that decentralization and solid local self-government became the cornerstone of Ukrainian democracy and were essential factors in Ukraine's stability during the war [2].

The history of decentralization includes several successive stages, which mainly relate to the normative and legal regulation of this process, and which can be outlined as follows:

1. The first stage (2014–2019):

In April 2014, the decree of the Cabinet of Ministers of Ukraine approved the defining act – the Concept of Reforming Local Self-Government and Territorial Organization of Power. After that, the Plan of measures for its implementation was adopted, which started the reform.

Changes were made to Ukraine's Budget and Tax Codes, in particular, local self-government bodies were provided with additional financial opportunities and stable sources of income for their implementation, which led to a significant increase in local budgets.

The Law of Ukraine, "On the Voluntary Association of Territorial Communities", was adopted, and the Methodology for the Formation of Capable Territorial Communities was approved by a resolution of the Cabinet of Ministers of Ukraine in April 2015. They aim to introduce the legal basis for forming capable territorial communities by increasing their economic and financial capacity.

In 2015, the first local elections were held in 159 newly formed United Territorial Communities (hereinafter as UTC). In 2015–2019, 982 united UTCs were voluntarily created in Ukraine.

During the period from 2015 to 2019, 982 united territorial communities were voluntarily created in Ukraine.

Adoption of the Law of Ukraine “On the Basics of State Regional Policy”.

2. The second stage (2020–2021):

On June 12, 2020, the Cabinet of Ministers of Ukraine approved the new basic structure of the administrative and territorial system. According to the orders of the Cabinet of Ministers, 1,469 territorial communities were formed in Ukraine, covering the entire territory of the country.

On July 17, 2020, the Verkhovna Rada of Ukraine adopted Resolution No. 3650, “On the Formation and Liquidation of Districts”.

On July 15, 2020, the Verkhovna Rada of Ukraine approved a resolution to schedule regular local elections for October 25, 2020.

On July 16, 2020, the Verkhovna Rada of Ukraine adopted changes to the election legislation.

On October 25, 2020, local elections were held based on the new territorial structure of communities and districts

On February 25, 2021, the Presidential Decree established the Congress of Local and Regional Authorities under the President of Ukraine as a consultative and advisory body to facilitate the effective completion of the local self-government reform.

3. The third stage (2022 – present).

The third stage of local self-government reform is the most difficult, as it is during martial law. On the one hand, martial law adjusted the priority areas of the state’s activities, and the local self-government reform's completion rate decreased. On the other hand, the military actions only emphasized the effectiveness of the decentralization reform: local self-government bodies promptly responded to the situation, solving the issue of settling internally displaced persons, repairing housing for them, providing facilities and premises for evacuated enterprises, and organizing humanitarian headquarters. Moreover, this fact only emphasizes local self-government bodies can quickly solve issues of local importance because there are no hierarchical relationships, unlike executive power bodies. Secondly, they can fully consider climate, resources, and human opportunities to make one or another decision.

An essential task of the third stage is the adoption of the Law on Amendments to the Constitution of Ukraine (regarding the decentralization of power), which is necessary for the continuation of reforms in decentralization and their completion.

As of today, we can state that the decentralization process has significant achievements, which are positively reflected in the activities of united territorial communities, including:

– local budgets (increasing the interest of local self-government bodies in increasing revenues to local budgets, identifying reserves for their replenishment, improving the effectiveness of tax and fee administration);

– the sphere of health care (territorial communities become the main entities providing services in the field of health care);

– centers for the provision of administrative services (hereinafter – Administrative Service Centers) (the list of services available locally is constantly expanding, which ensures the availability of public services for citizens);

– safety (formation of police units for community police officers);

– international partnership (allows the implementation of joint development projects with international municipalities and sharing experience in various fields; decentralization promotes economic development and, accordingly, – increases the attractiveness of cooperation with Ukrainian local government agencies);

– social services (powers in the social services field are transferred to communities with the aim of being as close as possible to those who receive them, and each community must provide basic social services according to the relevant social standard approved by the Ministry of Social Policy).

– cooperation of communities (to combine funds and efforts with neighboring communities that are also interested in this. The Law of Ukraine, “On Cooperation of Territorial Communities”, adopted in 2014, provides for the mechanism of such inter-municipal consolidation. Since then, hundreds of

communities have enhanced the quality of services within their territory by entering into cooperation agreements). The register of agreements on the cooperation of territorial communities includes more than a thousand such agreements;

- culture (with the development of decentralization, attention to local cultural traditions, heritage and identity is growing. Communities can pay more attention to the development of cultural infrastructure, such as theaters, museums, libraries. Decentralization can stimulate more active participation of the public in cultural initiatives and the development of the cultural environment as a whole);

- energy efficiency (possibility to insulate the facades and roofs of communal buildings (schools, kindergartens, hospitals, etc.), replace doors and windows with energy-saving ones, mount heating systems using alternative fuel types, use modern lighting, etc. It leads to decreased energy usage, resulting in cost savings for the local budget);

- education (local communities are given more autonomy over the management of local schools, allowing them to better take into account the needs of pupils and the local community. Local governments can pay more attention to the development and improvement of education infrastructure, such as building and renovating schools, purchasing necessary equipment, and developing and implementing educational programs and initiatives that meet the specific needs and capabilities of the community);

- the institution of the village headman (represents the villagers' interests and communicates between the authorities and the village community).

At the same time, several factors complicate the process of decentralization and lead to problems in the adequate and proper functioning of local authorities. Among them should be highlighted:

- low level of wages of individual employees of local self-government bodies;
- lack of proper transport connections between settlements of UTC;
- lack of qualified specialists with knowledge of foreign languages to establish international cooperation;

- migration of young people from small settlements in search of work and a better life;

- the most significant challenges faced the UTC during the war, which complicated and changed the course of events in this area. The current state of communities differs significantly depending on how far they are from the front line and how much they have been affected by hostilities. There is a clear consensus in society and politics that the reforms of previous years, which gave local officials more responsibility and resources, contributed to increasing the resilience and resistance of communities in today's difficult circumstances. Especially when implementing new functions to ensure supplies for the Armed Forces of Ukraine (Territorial Defense Forces), accommodation of internally displaced persons, and continuing to provide basic services to the population in communities affected by the war. The challenges to this reform process created by the large-scale Russian aggression are severe: 13 million people are displaced, of which almost 8 million left Ukraine and the rest migrated within the country, primarily to safer areas in the west of the country. According to various estimates, more than 1,500 companies applied for the government's relocation program, of which 510 have already moved their production west from war-torn regions. As a result, local budgets changed their structure, becoming more dependent on transfers from the central budget. In some places, it is difficult to convene meetings of local councils, as deputies may be absent from the community, and the relationship between elected authorities and the generally cooperative military administration is a new reality that needs further legislative regulation. The outflow of companies and people of working age led to communities having, on average, become even "older", more dependent on social support and with a reduced revenue part of local budgets. The revenue part can be up to minus 90 % in terms of revenue from companies that are still operating and up to minus 50 % in terms of local income compared to the pre-war level [3, p. 4].

According to experts, to continue the practical reform of decentralization, it is necessary to adopt several important laws, including the Laws "On the principles of the administrative and territorial structure of Ukraine", "On service in local self-government bodies" (revised version), "On state supervision over the

legality of decisions of local self-government bodies”, “On local referendum”, as well as updating laws on local self-government, on local state administrations, etc.

Conclusions. Decentralization is the process of transferring power and financial resources from central authorities to local self-government bodies began in 2014, is still ongoing. As of now, decentralization is not only being tested in wartime, confirming its ability, but it also continues, despite the complex and brutal conditions of the war, and has specific directions for further development in the post-war perspective. The war only exacerbated and emphasized the need for decentralization, which is recognized as one of the most successful reforms in Ukraine.

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Ольга СКОЧИЛЯС-ПАВЛІВ

Національний університет “Львівська політехніка”,
професорка кафедри адміністративного та інформаційного права
Навчально-наукового інституту
права, психології та інноваційної освіти,
докторка юридичних наук, професорка,
e-mail: olha.v.skochylyas-pavliv@lpnu.ua,
ORCID iD: <https://orcid.org/0000-0001-6737-7628>

ТЕНДЕНЦІ ДЕЦЕНТРАЛІЗАЦІЇ ПУБЛІЧНОГО УПРАВЛІННЯ: СУЧАСНИЙ СТАН ТА ПЕРСПЕКТИВИ РОЗВИТКУ

У статті розглянуто сучасний стан та перспективи розвитку децентралізації публічного управління як передавання управлінських функцій і повноважень центральних органів влади на місцевий рівень управління. Підкреслено, що хоч українська децентралізація зазнає випробування війною, вона отримала бездоганну оцінку від Єврокомісії, що передувало наданню нашої державі статусу кандидата в члени Європейського Союзу. Проаналізовано історію децентралізації, виокремлено послідовні етапи, які стосуються переважно нормативно-правового врегулювання цього процесу: перший етап (2014–2019 рр.); другий етап (2020–2021 рр.); третій етап (2022 р. – дотепер). Вказано, що третій етап реформи місцевого самоврядування видається найскладнішим, оскільки припав на час воєнного стану, проте воєнні дії лише підкреслили ефективність реформи децентралізації: органи місцевого самоврядування оперативно реагували на ситуацію, вирішуючи питання із поселенням внутрішньо переміщених осіб, ремонтом житла для них, з наданням виробничих приміщень для евакуйованих підприємств, з організацією гуманітарних штабів. Важливим завданням третього етапу вважаємо прийняття Закону про внесення змін до Конституції України (щодо децентралізації влади), який є необхідною умовою для продовження реформ у сфері децентралізації та їх завершення. Розглянуто здобутки, які позитивно відображаються у діяльності об'єднаних територіальних громад завдяки процесу децентралізації, за сферами: бюджет, охорона здоров'я, безпека, міжнародне співробітництво, культура, освіта, надання послуг. Разом з тим розглянуто фактори, які ускладнюють процес децентралізації та призводять до проблем у сфері ефективного та належного функціонування влади на місцях. Звернено увагу на необхідність прийняття важливих законів, серед яких “Про засади адміністративно-територіального устрою України”, “Про службу в органах місцевого самоврядування” (нова редакція), “Щодо державного нагляду за законністю рішень органів місцевого самоврядування”, “Про місцевий референдум”, а також оновлення законів про місцеве самоврядування, про місцеві державні адміністрації тощо.

Ключові слова: децентралізація; публічне управління; реформа місцевого самоврядування; органи виконавчої влади; місцеве самоврядування.