

***ECONOMIC AND LEGAL PRINCIPLES OF
ECONOMIC GROWTH IN THE POST-CRISIS
PERIOD***

Monograph

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INTRODUCTION

In the complex realities of the Postmodern era or the Fourth Industrial Revolution, Ukraine is paving the way for a prosperous and prosperous society. This is quite a difficult task and for its implementation the economic system needs significant reform with vector expansion of its own potential. On this difficult path there are significant obstacles of political, mental, military, medical, etc. content, which significantly hamper the efforts of society to form a developed state. To solve this nationally significant task, scientists, including the humanities, must play an important role. In this context, the main purpose of submitting materials to the monograph was the patriotic desire of domestic scientists, many of whom are full members of the Academy of Economic Sciences of Ukraine, to contribute to solving certain problems of economic development of Ukraine.

This monograph highlights the views of scientists of the National Academy of Sciences, the National Academy of Agrarian Sciences, national educational institutions of economic, agricultural, military profiles on the strategic and current foundations of further socio-economic development. The scientific achievements of scientists are presented in the form of paradigmatic and conceptual principles, mechanisms, schemes, models, etc., which are substantiated in the process of research of the selected object. The special scientific value of this work is the analytical substantiation which convinces in reliability of the made conclusions and offers.

Considerable attention in the structure of the monograph is paid to the problems and means of their solution in the fields of agro-industrial complex, state management and insurance, which in the current conditions of Ukraine's development is especially relevant. Proper legal justification of the proposed measures forms a realistic perception of the views expressed and reflects the personal scientific positions of scientists. Separate sections of the monograph are presented as components of scientific topics, which are commissioned by the central government and are carried out at the expense of budget funding, which is evidence of the scientific significance of the national level.

The scientific achievements of scientists on the economic and legal foundations of economic growth presented in the monograph will undoubtedly contribute to the search for effective ways of further social development of Ukraine.

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торговельного балансу послуг регіону за рахунок підвищення експорту транспортних послуг, і навіть заміщення імпорту послуг. Формування й розвиток кластера матиме загальний позитивний ефект, а саме дозволить досягти сталого розвитку регіональної економіки.

При цьому варто зазначити, що усі види транспорту гармонійно взаємодіятимуть завдяки створенню мережі транспортно-логістичних кластерів на засадах мультимодальності. Все це сприятиме значному зростанню обсягів вантажоперевезень різними видами транспорту та частки транзитних перевезень, основу яких складатимуть контейнерні перевезення. Транзит забезпечить суттєві фінансові надходження до регіонального та місцевих бюджетів і збільшення рівня рентабельності транспортних і логістичних компаній.

Таким чином, підвищення ефективності транспортно-логістичної системи дозволить зробити її конкурентоспроможним елементом економіки регіонів України. Тим самим, буде сформовано оптимальну транспортну та логістичну мережу, яка відповідатиме сучасним викликам і вимогам господарювання, а також досягнуто максимальний рівень забезпечення потреб економіки у послугах надійного та безпечного транспорту.

5.3 Functional content of reforming local authorities in the direction of increasing the efficiency of using the resource potential of rural areas

One of the priorities of local governments is to create conditions for sustainable development of rural areas by providing integrated multifunctional rural development, which is based on the use of their resource potential, but excessive concentration of power is a major obstacle to socio-economic development of rural areas (Fig. 1).

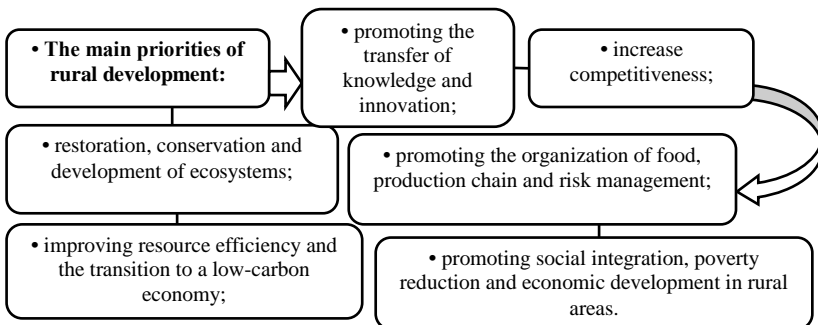


Figure 1 – The main priorities of rural development

Source: formed based on the results of the study

Modern dynamic processes involve rapid changes in the management of the national economy and their implementation along with reforms. One of the leading

reforms in Ukraine is the decentralization reform, the impact of which on the processes of formation, preservation and reproduction of resource potential is difficult to overestimate. Focusing on the community and its territory, reformatting and unification of territorial communities also involve changes in the processes of reproduction of resource potential and their management¹.

The main strategic task of modernizing the system of public administration and territorial organization of power, which is implemented today, is the formation of effective local self-government, creating comfortable living conditions for citizens, providing quality and affordable public services. Achieving these goals is impossible without the appropriate level of economic development of the respective territories, their financial support and sufficient sources to fill local budgets². In addition, the deepening of European integration processes requires the formation of a new model of rural development, adapted to world standards, in order to strengthen their role in the socio-economic growth of Ukraine and its regions³. Of course, the evolutionary assertion of the statehood of Ukraine increases the tendency to actualize the development of rural areas, especially in modern economic conditions, as the difficult economic and social situation of the village in general and agriculture in particular requires a balanced policy of state and government.

The need to reform the system of local self-government is due to the needs and interests of man, the territorial community, society as a whole. Ukraine's European integration course requires optimization of territorial organization of power, decentralization of power, strengthening of local self-government, redistribution of power between the center and regions in favor of the latter, bringing regional and local authorities closer to the population. Today's reform of local self-government is designed to solve the main problems of rural development (Fig. 2).

One way to solve the problem of financial support for rural areas and their communities is to use new technologies for managing rural development and reforming the governance of local governments. It is also important that the role of rural (settlement) authorities and the community be more active in the formation and implementation of sustainable development policy in rural areas based on their resource potential.

Ukraine's state policy in the field of local self-government is based on the interests of territorial communities and provides for the decentralization of power – ie the transfer of much of the powers, resources and responsibilities from local governments to local governments. This policy is

based on the provisions of the European Charter of Local Self-Government

¹ Horshkov M.A., Lozovskyi O.M. Rozvytok protsesiv vidtvorennia resursnoho potentsialu v umovakh zaprovadzhenia reformy detsentralizatsii. URL: <http://global-national.in.ua/archive/23-2018/15.pdf>

² Detsentralizatsiia vlady: *ofitsiyni sait*. URL: <http://www.decentralization.gov.ua/region/item/id/>

³ Hazuda L.M., Erfan V.I., Hazuda S.M. Silskyi rozvytok rehionu : [monohrafiia]. Uzhhorod : Sabov A. M., 2015. 250 s.

and the best world standards of public relations in this area¹.

According to M. Malik, the stability of Ukraine's development largely depends on the development of rural areas and their components. In the conditions of the process of decentralization of power in Ukraine, new opportunities for the development of rural areas appear².

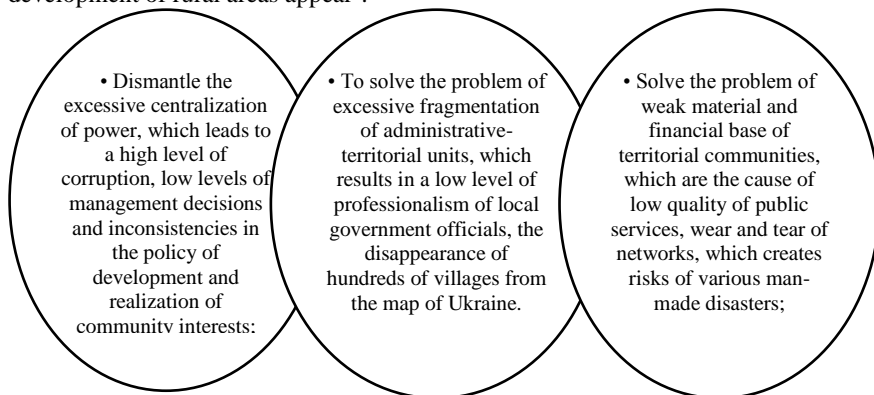


Figure 2 – The main problems of local government

*Source: formed by the author on the basis*³

Decentralization is a method of territorial organization of power in which the state transfers the right to make decisions on certain issues or in a certain area to local or regional level structures that are not part of the executive branch and are relatively independent of it⁴. Decentralization is often understood as the redistribution of power and competences between the central and local levels of public authority with a shift of emphasis to the local level in terms of performing pre-defined and state-guaranteed functions⁵.

As you know, decentralization is defined as one of the key principles of democracy in the European Union and the Council of Europe, the basis of their regional policy, along with the principles of subsidiarity, concentration, complementarity, partnership, program approach.

The economic development of rural areas is directly related to the process of

¹ Novikova O. Osnovni napriamy reformuvannya ta terytorialnoi orhanizatsii vlady v Ukraini/Nats. akad. derzh. upr. pry Prezydentovi Ukrainy, Dnipropetr. rehion. in-t derzh. upr. URL: [http://www.dridu.dp.ua/vidavnictvo/2012/2012_01\(12\)/12nooovu.pdf](http://www.dridu.dp.ua/vidavnictvo/2012/2012_01(12)/12nooovu.pdf).

² Malik M.I., Ziburanna L.V. Rozvytok silskykh terytorii v umovakh detsentralizatsii vlady. *Ekonomika APK*. 2017. № 7. S. 5–14.

³ Kaletnik H.M. Derzhavne rehuliuвання ekonomiky : navch. posib. Kyiv : Khai-Tek Pres, 2011. 427 s.

⁴ Martynenko P.F. Detsentralizatsiia u zdiisnenni derzhavnoi vlady yak konstytutsiinyi pryntsyp v Ukraini. *Ukrainsko-yevropeyskyi zhurnal mizhnarodnoho ta porivnialnoho prava*. 2001. Vyp. 2, t. 1. S. 23.

⁵ Lelechenko A.P., Vasylieva O.I., Kuibida V.S., Tkachuk A.F. Mistseve samovriaduvannya v umovakh detsentralizatsii povnovazhen : navch. posib. Kyiv, 2017. 110 s.

functioning and evolution of the economic system in the long run, under the influence of economic contradictions, needs and interests. In 2014, the legislative framework for radical changes in the system of public administration and its territorial base at all levels began to be formed. In April 2014, the Government approved the main conceptual document – the Concept of Local Government Reform and Territorial Organization of Government¹. After that, the Action Plan for its implementation was approved, which marked the beginning of the reform.

In addition, a package of laws was adopted to expand the powers of local governments and optimize the provision of administrative services. This allowed delegating to local governments the appropriate level of authority to provide basic administrative services: registration of residence, issuance of passport documents, state registration of legal entities and individuals, entrepreneurs, associations of citizens, registration of civil status, property rights, land issues, etc.

The purpose of reforming local self-government is to ensure the formation and development of effective local self-government, the bodies of which will be able to provide, in accordance with the law, quality administrative services to the population and improve the socio-economic development of rural areas². To achieve the goals of local self-government reform, administrative-territorial reform has been introduced, which will ensure the construction of a rational spatial basis of local self-government, accessibility and quality of social and administrative services to the population, efficient use of resource potential, sustainable rural development.

The Concept states that the reform of local self-government provides for:

- determination of the powers of local self-government bodies formed on the territory of administrative-territorial units of basic, district and regional levels, on the basis of subsidiarity, taking into account their ability to exercise such powers and level of financial support, as well as powers of local executive bodies;
- improvement of the mechanism of implementation by residents of the relevant administrative-territorial units of control over the activities of local governments;
- determination by the subject of service provision of specific requirements to the quality of administrative, social and other services provided to the population by local governments of basic and regional level, criteria for assessing their quality taking into account the features defined by laws governing public relations in the relevant field, conditions for the provision of administrative, social and other services established by law;
- determination at the legislative level of the procedure for local executive authorities to exercise control over the implementation by local governments of the requirements of the Constitution and laws of Ukraine;

¹ Kaminska N. Detsentralizatsiia vlady i dosvid yii provedennia u zarubizhnykh derzhavakh. URL: [file:///C:/Users/user/Downloads/Nzizvru_2014_4_9%20\(1\).pdf](file:///C:/Users/user/Downloads/Nzizvru_2014_4_9%20(1).pdf)

² Horshkov M.A., Lozovskiy O.M. Rozvytok protsesiv vidtvorennia resursnoho potentsialu v umovakh zaprovadzhenia reformy detsentralizatsii. URL: <http://global-national.in.ua/archive/23-2018/15.pdf>

– formation of united territorial communities in accordance with the legally defined procedure with their own local self-government bodies, in particular the executive bodies of councils. Residents united by permanent residence within a village, settlement, city, which is not an independent administrative-territorial unit, may initiate the formation of self-organization of the population or initiate the position of headman, who is part of the system of local self-government of the territorial community. independent administrative-territorial unit;

– defining clear boundaries of each administrative-territorial unit, ensuring the ubiquity of the jurisdiction of local governments in the territory of the respective administrative-territorial unit, preventing the presence within the territorial community of other administrative-territorial units; formation of executive bodies of regional and district councils;

– change of the status of local state administrations from local executive bodies to bodies that control the observance of the requirements of the legislation, legality of acts of local self-government bodies, as well as coordination of activities of territorial bodies of central executive bodies in the respective territory;

– performance by territorial bodies of central authorities in the respective territory of functions on control over observance in certain spheres of requirements of the legislation, rendering of administrative, social and other services to the population and legal entities;

– formation of a network of territorial bodies of central executive bodies in order to create optimal conditions for the population and legal entities to receive administrative and social services provided by such bodies¹.

The expected results of local government reform in Ukraine are:

– strengthening the legal, organizational and material capacity of territorial communities, local governments, conducting their activities in compliance with the principles and provisions of the European Charter of Local Self-Government;

– availability of public services, improving their quality;

– introduction of a mechanism for local state administrations and the population to exercise control over the provision of public services by local self-government bodies, territorial bodies of central executive bodies;

– introduction of standards (norms) of quality of public services provided to the population by local self-government bodies of basic and regional level, criteria of quality assessment;

– creation of favorable legal conditions for the widest possible involvement of the population in management decisions, as well as the development of forms of direct democracy;

– formation of an effective territorial system of local self-government bodies and local executive bodies to ensure sustainable socio-economic development of the respective administrative-territorial units;

¹ Pro skhvalennia Kontseptsii reformuvannia mistsevoho samovriaduvannia ta terytorialnoi orhanizatsii vlady v Ukraini : rozporiadzhennia KM Ukrainy vid 1 kvit. 2014 r. № 333-r. *Uriadovyi kurier*. 2014. № 67. S. 2–3.

- formation of united territorial communities, capable of resolving issues of local significance independently or through local self-government bodies;
- socio-economic development of territorial communities and regions;
- stimulation of economic development of territories as a result of improvement of mechanisms of influence of local governments on establishment of priorities of local economic development;
- defining clear boundaries of each administrative-territorial unit, ensuring the ubiquity of the jurisdiction of local governments in the territory of the respective administrative-territorial unit and preventing the presence within the community of other administrative-territorial units of the same level;
- formation of executive bodies of regional and district councils; change of the status of local state administrations from bodies of general competence to control and supervisory bodies in the system of executive power with the function of coordination of activity of territorial bodies of central bodies of executive power in the respective territory;
- ensuring the division of powers between local self-government bodies of the basic and regional levels, local state administrations and territorial bodies of central executive bodies¹.

In the study of scientific literature and legislation, the following main types of decentralization can be distinguished: political, administrative, budgetary (fiscal), spatial (territorial), economic (market), environmental. In addition, decentralization involves the delimitation of competencies and the specification of powers not only vertically but also horizontally, so we can distinguish between vertical and horizontal decentralization.

Vertical decentralization means a clear definition of the order of decision-making by governing bodies of different levels, and horizontal – means the distribution and definition of functions and competencies of all other elements of the structure of public administration, except the governing body.

Political decentralization is the distribution of political power, regional representation in the national parliament, giving citizens or their representatives more influence on the development and implementation of the legal framework and state policy, which aims to improve the efficiency of both central government and local government, creating conditions for economic, social and cultural development¹.

Economic, or market, decentralization is embodied in the privatization of government functions and business. Its essential features are deregulation, the abolition of restrictions for private entities that compete with government agencies in the provision of services and works.

Environmental decentralization is the granting of autonomous state structures, local authorities or private companies the right to use natural resources by regulating these processes, zoning, setting environmental restrictions and

¹ Lelechenko A.P., Vasylieva O.I., Kuibida V.S., Tkachuk A.F. *Mistseve samovriaduvannia v umovakh detsentralizatsii povnovazhen* : navch. posib. Kyiv, 2017. 110 s.

standards, etc.

Spatial decentralization belongs to regional and local planning taking into account geographical indicators and is used in definition of target programs of deconcentration of industrial and residential complexes.

Market decentralization is used to analyze and implement plans, strategies and actions to optimize production conditions on the basis of market mechanisms¹.

Under administrative decentralization is understood the transfer of management functions of central government to local, as well as the expansion of the powers of subordinate governments².

The key to decentralization is the ability of territorial communities to develop through self-government and their own strength. In order for the powers of communities to be fully realized, the community must have, in addition to the common living space, a number of other common interests: infrastructure, the need for services of a certain quality and their satisfaction to feel its decisive role in local policy development. At the same time, the desired effects do not appear immediately. This requires that the residents of the community feel organized, ie that there are certain basic institutions of civil society in the community: branches of political parties and public organizations, formal or informal associations of citizens, etc³.

The advantages of decentralization are the strengthening of democratic procedures; protection of human rights and freedoms; increasing the efficiency of local authorities through the transfer of powers to the local level; improving socio-economic development.

Decentralization is considered the basis for the implementation of new strategies, through the creation of a new management system and its new administrative structure.

The concept approved the following main stages of reform:

– creation of united communities as a basis for changing the administrative-territorial structure of Ukraine;

– formation of new districts as centers, which will be responsible for resolving issues within their competence: management of communal property, secondary medicine, boarding schools and other social and infrastructural objects, and transfer the main powers to united communities. Thus, in each oblast the creation of regional administrative-territorial units – prefectures and the institute of state prefects, as a controlling body for territorial communities that will ensure the implementation of the laws of Ukraine⁴;

¹ Kaminska N. Detsentralizatsiia vlady i dosvid yii provedennia u zarubizhnykh derzhavakh. URL: file:///C:/Users/user/Downloads/Nzizvru_2014_4_9%20(1).pdf

² Bolshaia ekonomicheskaiia entsyklopediia/pod. red. A.N. Azrylyiana. Moskva : Yzd-vo Yn-ta novoi ekonomyky, 1999. 179 s.

³ Aleksieiev V.M. Napriamy rozvytku bezposerednoi uchasti hromadian v upravlinni derzhavnomy spravamy. Teoriiia ta praktyka derzhavnoho upravlinnia : zb. nauk. pr. Kharkiv : Vyd-vo KharRI NADU Mahistr, 2008. Vyp. 2 (21). S. 127–133.

⁴ Hanushchak Yu. Prefekty: uroky Frantsii dlia Ukrainy. Kyiv : Lehalniyi status, 2015. 136 s.

– regional direction of reform, without changing the boundaries of regions, but with a change in the form of government.

The final stage of reform is the formation of multilevel territorial governance, which will be carried out by public administration bodies and non-governmental structures at all levels in relation to the rights and freedoms of its citizens, effective organization of production and location of productive forces. economic development of territories. At the same time, each administrative-territorial unit will have its own administrative boundaries, which will stimulate a systematic approach to the effective development of territories and optimize joint management actions¹.

Decentralization and the adoption of legislative acts have had an effective impact on the positive dynamics in the creation of united territorial communities (UTC) in Ukraine (Fig. 3).

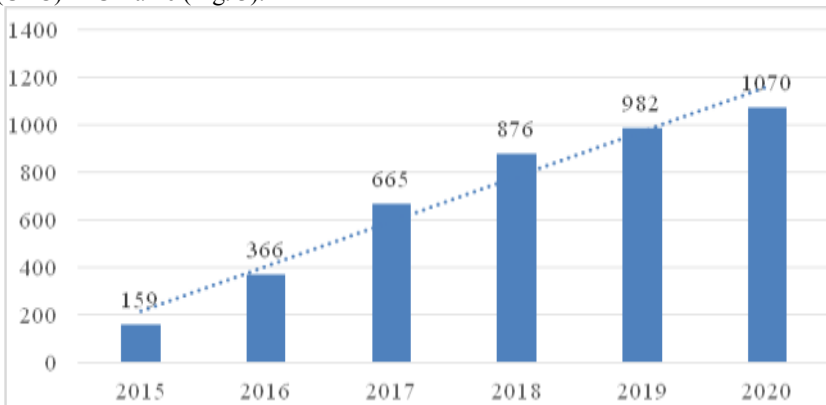


Figure 3 – Creation of united territorial communities in Ukraine in 2015-2020

Source:²

The process of OTC formation in Ukraine is quite dynamic, Vinnytsia region has also joined the changes in the organization of local self-government. In order to ensure the implementation of the Law of Ukraine «On Voluntary Association of Territorial Communities», the decision of the 37th session of the Regional Council of the 7th convocation of March 5, 2019 № 785 «On approval of the new draft long-term plan for the formation of communities in Vinnytsia region» united territorial communities in 17 districts of the region.

The order of the Cabinet of Ministers of Ukraine dated October 13, 2015 № 1076 (as amended) approved the Perspective Plan for the formation of communities of Vinnytsia region, which approved the formation of 66 able-bodied

¹ Lelechenko A.P., Vasylieva O.I., Kuibida V.S., Tkachuk A.F. *Mistseve samovriaduvannia v umovakh detsentralizatsii povnovazhen* : navch. posib. Kyiv, 2017. 110 s.

²Detsentralizatsiia vlady: *ofitsiyni sait*. URL: <http://www.decentralization.gov.ua/region/item/id/>

territorial communities^{1,2}.

According to Order № 512-r of May 6, 2020, the Cabinet of Ministers of Ukraine approved a long-term plan for the formation of community territories in Vinnytsia region. According to the Order of the Cabinet of Ministers of Ukraine in Vinnytsia region 63 capable (united) territorial communities are provided.

The Report on Strategic Environmental Assessment of the Strategy of Balanced Regional Development of Vinnytsia Region for the period up to 2027 was presented in Vinnytsia Region. An important and mandatory component of the 2027 Strategy is the Strategic Environmental Assessment, which was prepared with the support of the PROMIS Project (Table 1).

The strategy does not weaken the mechanisms of legal and economic control in the field of environmental safety. The likelihood that the implementation of the strategy will lead to potential environmental and health impacts, which in themselves are insignificant but have an overall cumulative impact on the environment as a whole, is negligible.

Decentralization of government and financial powers of the state in favor of local self-government is one of the most decisive reforms since Ukrainian independence.

The main strategic task of modernizing the system of public administration and territorial organization of power, which is carried out today, is the formation of effective local self-government, creating comfortable living conditions for citizens, providing them with high quality and affordable public services^{3,4}. Achieving these goals is impossible without the appropriate level of economic development of the respective territories, their financial support and sufficient sources to fill local budgets.

The financial aspect is one of the most important, on which, to a large extent, depends the success of the functioning of territorial communities.

The presence of economically active business entities, a sufficient number of skilled labor, developed industrial and social infrastructure – all this and much more is the basis for successful community development.

The result of the reform was an increase in the interest of local governments in increasing revenues to local budgets, finding reserves to fill them, improving the efficiency of administration of taxes and fees⁵. Wealthy communities show high and dynamic growth rates of their own incomes. In terms of the use of funds, attention is focused on the need to form the most optimal structure of budget

¹ Heiets V., Yurchyshyn V., Borodina O., Prokopa I. Sotsioekonomichna modernizatsiia aharnoho sektoru Ukrainy (kontseptualni polozhennia). *Ekonomika Ukrainy*. 2011. № 12. S. 8–10.

² Detsentralizatsiia vlady: *ofitsiyni sait*. URL: <http://www.decentralization.gov.ua/region/item/id/>

³ Hanushchak Yu. Prefekty: uroky Frantsii dlia Ukrainy. Kyiv : Lehalniy status, 2015. 136 s.

⁴ Kaminska N. Detsentralizatsiia vlady i dosvid yii provedennia u zarubizhnykh derzhavakh. URL: [file:///C:/Users/user/Downloads/Nzizvru_2014_4_9%20\(1\).pdf](file:///C:/Users/user/Downloads/Nzizvru_2014_4_9%20(1).pdf)

⁵ Problemy ta perspektivy rozvytku silskykh terytorii Ukrainy (na prykladi Karpatskoho rehionu) : nauk.-analit. dop./V. V. Borshchevskiy ta in. ; NAN Ukrainy. In-t rehion. doslidzhen ; [nauk. red. V.V. Borshchevskiy]. Lviv, 2011. 60 s.

expenditures, create an effective not too large management staff, carry out constant analysis of budget expenditures and prevent cases of irrational spending.

Table 1 - Strategic and operational goals and objectives of the Strategy of Balanced Regional Development of Vinnytsia Region for the period up to 2027

	Operational goal	Task
• Strategic goal 1. Competitive region based on innovation and sustainable development		
1.1	Modernization of transport and logistics infrastructure taking into account internal, interregional and international relations	1.1.1. Creating proper and quality road infrastructure 1.1.2. Reconstruction of Vinnytsia International Airport 1.1.3. Development of transport and logistics technologies and multimodal transportation facilities
• Strategic goal 2. The region of good and effective governance		
2.1	Development of e-government and digitalization	2.1.1. Development of geoinformation management system and urban cadastre of Vinnytsia region 2.1.2. Increasing the capacity of public authorities and local governments to implement and use e-government tools 2.1.3. Development of the region's IT infrastructure, networks and e-services, support for the functioning of the Vinnytsia region's IT structure
• Strategic goal 3. Region of sustainable humanitarian development		
3.1	Creating a system to ensure the best interests of recipients of social services	3.1.1. Creating an optimal network of entities providing social services 3.1.2. Development of financing mechanisms for social service providers 3.1.3. Development of human resources in the social sphere
• Strategic goal 4. Region of affluent communities		
4.1	Increasing the economic capacity of communities	4.1.1. Creating a favorable business environment 4.1.2. Development of small and medium business in priority areas of the economy for communities (including the IT sector, tourism, agriculture, alternative energy, etc.); 4.1.3. Development of industrial zones, industrial and technological parks, support in the development of technical infrastructure, investment attraction and investor support
• Strategic goal 5. Safe environment region		
5.1	Improving the system of civil protection and public safety	5.1.1. Improving the response system to dangerous events and emergencies 5.1.2. Creation of local fire and rescue units, development of infrastructure to ensure their functioning, including "Security Centers" 5.1.3. Ensuring fire safety at the objects of common communal property of the communal sphere

Source: formed based on the results of the study

Indicators of local budget execution reflect the general socio-economic condition of the respective territory and its potential for sustainable development. The availability of sufficient resources in local budgets is a guarantee that the local community has the opportunity to provide better and more diverse services to its residents, implement social and infrastructure projects, create conditions for

business development, attract investment capital, develop local development programs and finance other activities. comprehensive improvement of living conditions of community residents¹.

According to the results of 2020, the budgets of 872 OTC received 54.0 billion hryvnias. Per capita for all OTC, the average income is UAH 5,200.6. Out of 872 OTC in 274 communities (31.4% of the total), the income per capita is higher than the average for all OTC.

According to the results of 2020, expenditures in the amount of UAH 72.6 billion were made from the general fund of OTC budgets. The average expenditure on all 872 OTC per capita amounted to UAH 6,986.9. Out of 872 OTC in 353 communities (40.5% of the total number), the expenditure per capita exceeds the average for all OTC. On average, for all 872 OTC, the average level of expenditures for the maintenance of the management staff per 1 inhabitant is 1,014.4 hryvnias. Out of 872 OTC in 548 communities (62.8% of the total), the expenditure per capita exceeds the average for all OTC.

According to the results of 2020, capital expenditures in the amount of UAH 12.9 billion were made from the budgets of 872 OTC. The average expenditure on all OTC per capita was UAH 1,244.5¹.

Today in Ukraine there is a software package «Calculator for calculating the financial capacity of prospective OTC» – is the ability to model a promising united territorial community (OTC), based on the forecast budgets of territorial communities of villages, towns, cities that have decided to form OTC or joining the existing OTC.

The calculator was developed with the support of the Swiss-Ukrainian project «Support to Decentralization in Ukraine» DESPRO. At the stage of filling the database, the users of the calculator are:

- responsible employees of regional state administrations;
- Experts of separate subdivisions of the institution «Centers for Local Government Development in the Regions», created with the support of the Program «U-LEAD with Europe» and the Ministry of Regional Development¹.

Thus, the basis for reforming local self-government was decentralization, redistribution of powers between branches of government, change in relations between citizens and government.

The analyzed results of studies of the consequences of local self-government and territorial organization of power in Ukraine show that for this short period of time the legal, organizational and material capacity of territorial communities and local governments is characterized by positive changes in socio-economic development of rural areas (Fig. 4).

For the successful implementation of local government reforms, there is a need for three factors: the political will of the elite, ready expert development and public support. The introduction of European practice of local self-government in Ukraine means giving each local community the opportunity to dispose of all

¹Detsentralizatsiia vldy: *ofitsynyi sait*. URL: <http://www.decentralization.gov.ua/region/item/id/>

available resources on its territory.

Thus, the prerequisite for ensuring self-sufficient development of rural areas in Ukraine is the completion of administrative-territorial reform, which is associated with the transformation of public authorities, local government, creating a decentralized system of redistribution of budget funds, as well as reform of community resources¹.

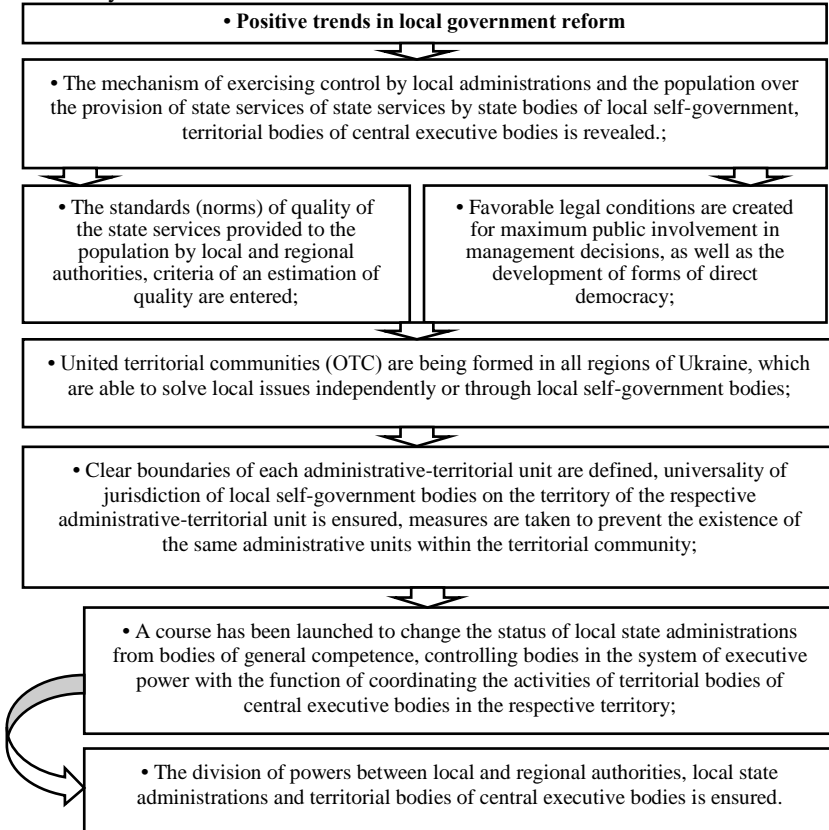


Figure 4 – The main characteristics of local government reform

Source: formed on the basis²

¹ Problemy ta perspektyvy rozvytku silskykh terytorii Ukrainy (na prykladi Karpatskoho rehionu) : nauk.-analit. dop./V. V. Borshchevskiyi ta in.; NAN Ukrainy. In-t rehion. doslidzhen ; [nauk. red. V.V. Borshchevskiyi], Lviv, 2011. 60 s.

² Honcharuk I.V., Tomashuk I.V. Vplyv ekoloho-ekonomichnoho faktorua na osoblyvosti orhanizatsiino-ekonomichnoho mekhanizmu vykorystannia resursnoho potentsialu silskykh terytorii. *Ekonomika, finansy, menedzhment: aktualni pytannia nauky i praktyky*. 2017. № 4 (20). S. 55–62.

Decentralization in the management of resource potential of rural areas is based on the constitutional norms of a particular country and depends on the system of administrative-territorial organization of the state (unitary state or federation). It is part of the general process of decentralization of power, which highlights the main areas: political, budgetary, administrative, spatial and environmental-economic decentralization^{1,2}. In this case, these directions are not completely separated from each other, but intersect and have common fields of action.

The efficiency of using the resource potential of rural areas is influenced, in addition to reforming local governments, ie decentralization, as well as organizational and economic regulation, external and internal factors that determine the specifics of the formation and use of resource potential of rural areas. The main factors include: the stability of the economic system; state investment policy; tax policy; financial policy of the state; legal framework; natural conditions; geopolitical situation, available resources in rural areas (natural, industrial, financial, labor); availability of own investments; the level of economic development of the region, the state of the region's infrastructure, market conditions; domestic economic policy of rural areas^{3,4}. The decisive role in the use of the resource potential of rural areas belongs to the organizational and economic regulation through managerial, organizational, financial and economic, technical and technological and legislative levers. Each of these levers has its own characteristics and is part of the mechanism for efficient use of resource potential of rural areas.

Decentralization makes it possible to move from government to public administration, which marked the transition to predominantly decentralized institutions (networks) in which the state, business and civil society cooperate in the exercise of their powers.

The newly formed territorial communities should take care of educational institutions, primary health care, culture, landscaping, social protection, administrative services, along with their own previous powers:

- community development planning and budget formation;
- economic development, investment attraction, entrepreneurship development;

¹ Bykadorova N.U. Finansova detsentralizatsiia mistsevoho samovriaduvannia. *Ekonomichnyi visnyk Donbasu*. 2010. № 2 (20). S. 145–151.

² Honcharuk I.V., Tomashuk I.V. Vplyv ekolooho-ekonomichnoho faktoru na osoblyvosti orhanizatsiino-ekonomichnoho mekhanizmu vykorystannia resursnoho potentsialu silskykh terytorii. *Ekonomika, finansy, menedzhment: aktualni pytannia nauky i praktyky*. 2017. № 4 (20). S. 55–62.

³ Horshkov M.A., Lozovskyi O.M. Rozvytok protsesiv vidtvorennia resursnoho potentsialu v umovakh zaprovadzhennia reformy detsentralizatsii. URL: <http://global-national.in.ua/archive/23-2018/15.pdf>

⁴ Lelechenko A.P., Vasylieva O.I., Kuibida V.S., Tkachuk A.F. Mistseve samovriaduvannia v umovakh detsentralizatsii povnovazhen : navch. posib. Kyiv, 2017. 110 s.

- management of land resources, issuance of building permits, acceptance of buildings into operation;
- development of local infrastructure: maintenance and construction of roads;
- water, heat and gas supply; provision of housing and communal services (heat supply and drainage, waste management, maintenance of communal property);
- maintenance of streets and roads; organization of passenger transportation on the territory of the community;
- control over the implementation of council decisions and public safety by the municipal guard; fire protection, etc¹;².

Complete decentralization of power with the achievement of its main goal, which is the formation of independent and capable territorial communities. Building local self-government that can effectively address our local issues depends on the work and consciousness of citizens. In the process of decentralization, the quality of human life should be improved by creating conditions for sustainable development of territorial communities as independent and capable social communities, whose members will be able to effectively protect their rights and interests by participating in local issues to ensure the necessary quantity and quality social and administrative services.

5.4 Історичні передумови розвитку та аспекти формування ефективної програми підтримки малого та середнього бізнесу в Україні

Підприємництво має свою історію розвитку й особливості в кожній окремій країні, що, у свою чергу, впливає на специфіку його класифікації. Найбільш розповсюдженою формою здійснення підприємницької діяльності є малий і середній бізнес. Це пояснюється тим, що гнучкість, швидкість реакції на зміни в ринкових умовах, відсутність жорсткої регламентації праці, можливість прояву ініціативи і розумного ризику, притаманні малому бізнесу, приваблюють приватного підприємця. Малий бізнес і середній являють собою не тільки привабливу форму організації підприємницької діяльності, але виступають невід'ємною складовою ринкової економіки, що сприяє розвитку окремих територій (держав, регіонів).

Бізнес-діяльність здійснюється в різних масштабах, тому для ефективного та системного регулювання, отримання результативності від управлінського впливу відбувається розподіл на малий, середній та великий бізнес. Світовий досвід господарювання свідчить, що малий, середній та

¹ Hanushchak Yu. Prefekty: uroky Frantsii dlia Ukrainy. Kyiv : Lehalnyi status, 2015. 136 s.

² Martynenko P.F. Detsentralizatsiia u zdiisnenni derzhavnoi vlady yak konstytutsiinyi pryntsyp v Ukraini. *Ukrainsko-yevropeiskyi zhurnal mizhnarodnoho ta porivnialnoho prava*. 2001. Vyp. 2, t. 1. S. 23.

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