

РОЗДІЛ 5. РОЗВИТОК ПРОДУКТИВНИХ СИЛ І РЕГІОНАЛЬНА ЕКОНОМІКА

SOLUTION OF ECONOMIC PROBLEMS OF THE REGION AS THE MAIN ACTIVITY OF LOCAL SELF-GOVERNMENT BODIES

ВИРІШЕННЯ ЕКОНОМІЧНИХ ПРОБЛЕМ РЕГІОНУ ЯК ОСНОВНИЙ НАПРЯМ ДІЯЛЬНОСТІ ОРГАНІВ МІСЦЕВОГО САМОВРЯДУВАННЯ

The models of local self-government and regional development financing in the world are analyzed and their elements which can be used in Ukraine are exposed. The basic ways to increase the efficiency of local self-government bodies' activity in the context of solving the regional economic problems are determined in the article. It is established that the solution of the problem of interaction between state and regional authorities at the present stage is largely restrained due to the lack of balance of state and regions economic interests, state regulation on the division of management functions. In our opinion, the search for such a balance should become a priority area of scientific and practical research in the field of local self-government. Implementation of a well-grounded comprehensive regional policy in all aspects of its manifestation is a prerequisite for building an effective system of local self-government in our country and achieving real economic security for the regions.

Key words: local self-government, economic independence of regions, financing of local development.

В статті проаналізовані моделі місцевого самоврядування та фінансового забезпечення регіонів в світі, виявлено ті їх елементи, які можуть бути впроваджені в Україні. Визначено основні шляхи підвищення ефективності діяльності органів місцевого самоврядування в контексті вирішення економічних проблем регіону. Дослідження проведено з метою пошуку шляхів підвищення ефективності діяльності органів місцевого самоврядування в контексті вирішення економічних проблем регіону на основі критичного аналізу світового досвіду розв'язання цього питання. Встановлено, що розв'язання проблеми взаємодії державних та регіональних органів управління на сучасному етапі в значній мірі стримується з причини відсутності балансу економічних інтересів держави та регіонів, державного регламенту по розподілу функцій управління. Саме пошук такого балансу, на нашу думку, і повинен стати пріоритетним напрямом науково-практичних досліджень у сфері місцевого самоврядування. Проблема впровадження нової системи фінансового забезпечення діяльності органів місцевого самоврядування не може бути розв'язана лише на вищому державному рівні. Вона потребує комплексної роботи всіх органів виконавчої та законодавчої влади, наукових установ, а також певного проміжного часу. Для прискорення її розв'язання необхідно, перш за все, завершити роботу над визначенням норм соціальних витрат за окремими сферами для того, щоб досягти однакового забезпечення населення благами та послугами за рахунок бюджету на різних територіях. Визначено, що формування фінансової бази місцевого самоврядування – одне із найважливіших питань при побудові високоєфективної системи влади в країні та регіоні. Хоча в світовій практиці і відсутні універсальні рецепти вирішення цієї проблеми, проте, як правило, фінансові ресурси органів місцевої влади складаються з двох основних частин – державних відрахувань у вигляді дотацій, субсидій та субвенцій, а також доходів від місцевих податків та зборів. Основа фінансової незалежності регіонів повинна полягати в оптимальному врахуванні інтересів держави, підприємницьких структур, населення і місцевого самоврядування, оскільки нічим не обмежена фінансова незалежність регіонів має такі ж негативні наслідки, як і надмірна централізація у використанні фінансових ресурсів, що створюються на даній території. Доведено, що для побудови в нашій державі ефективної системи місцевого самоврядування та для досягнення реальної економічної безпеки регіонів необхідна реалізація обґрунтованої комплексної регіональної політики в усіх аспектах її прояву.

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элементы, которые могут быть внедрены в Украине. Определены основные пути повышения эффективности деятельности органов местного самоуправления в контексте решения экономических проблем региона. Установлено, что решение проблемы взаимодействия государственных и региональных органов управления на современном этапе в значительной степени сдерживается по причине отсутствия баланса экономических интересов государства и регионов, государственного регламента по распределению функций управления. Именно поиск такого баланса, по нашему мнению, и должен стать приоритетным направлением научно-практических исследований в сфере местного самоуправления. Реализация обоснованной комплексной региональной политики во всех аспектах ее проявления является необходимым условием построения в нашем государстве эффективной системы местного самоуправления и достижения реальной экономической безопасности регионов.

Ключевые слова: местное самоуправление, экономическая самостоятельность регионов, финансирование местного развития.

В статті проаналізовано моделі місцевого самоврядування та фінансового забезпечення регіонів в світі, виявлено ті їх елементи, які можуть бути впроваджені в Україні. Визначено основні шляхи підвищення ефективності діяльності органів місцевого самоврядування в контексті вирішення економічних проблем регіону. Дослідження проведено з метою пошуку шляхів підвищення ефективності діяльності органів місцевого самоврядування в контексті вирішення економічних проблем регіону на основі критичного аналізу світового досвіду розв'язання цього питання. Встановлено, що розв'язання проблеми взаємодії державних та регіональних органів управління на сучасному етапі в значній мірі стримується з причини відсутності балансу економічних інтересів держави та регіонів, державного регламенту по розподілу функцій управління. Саме пошук такого балансу, на нашу думку, і повинен стати пріоритетним напрямом науково-практичних досліджень у сфері місцевого самоврядування. Проблема впровадження нової системи фінансового забезпечення діяльності органів місцевого самоврядування не може бути розв'язана лише на вищому державному рівні. Вона потребує комплексної роботи всіх органів виконавчої та законодавчої влади, наукових установ, а також певного проміжного часу. Для прискорення її розв'язання необхідно, перш за все, завершити роботу над визначенням норм соціальних витрат за окремими сферами для того, щоб досягти однакового забезпечення населення благами та послугами за рахунок бюджету на різних територіях. Визначено, що формування фінансової бази місцевого самоврядування – одне із найважливіших питань при побудові високоєфективної системи влади в країні та регіоні. Хоча в світовій практиці і відсутні універсальні рецепти вирішення цієї проблеми, проте, як правило, фінансові ресурси органів місцевої влади складаються з двох основних частин – державних відрахувань у вигляді дотацій, субсидій та субвенцій, а також доходів від місцевих податків та зборів. Основа фінансової незалежності регіонів повинна полягати в оптимальному врахуванні інтересів держави, підприємницьких структур, населення і місцевого самоврядування, оскільки нічим не обмежена фінансова незалежність регіонів має такі ж негативні наслідки, як і надмірна централізація у використанні фінансових ресурсів, що створюються на даній території. Доведено, що для побудови в нашій державі ефективної системи місцевого самоврядування та для досягнення реальної економічної безпеки регіонів необхідна реалізація обґрунтованої комплексної регіональної політики в усіх аспектах її прояву.

Ключові слова: місцеве самоврядування, економічна самостійність регіонів, фінансування місцевого розвитку.

Introduction. In every country in the world, citizens' appeal to power is primarily focused at the local level. Law, housing, transport or other issues are mostly solved in villages, cities, and districts. The proximity of the system of self-government to people's lives makes it an urgent task to study and improve this system [1].

At the same time, the main problem at all levels of government in Ukraine is the lack of a clear delineation of functions, financial support for their performance and responsibility between central and local authorities. Often, analytics note the duplication of certain functions of central government and local self-government, or the existence of an inefficient system

of financial provision for certain functions at all levels of government [2-4]. All this leads to inefficient organization of local government in our country, making ineffective management decisions, conflicts between individual branches and levels of government, etc.

Analysis of recent research and publications. Problems of the local self-government system improvement and the increase of efficiency of regional power bodies activity are devoted to scientific works of many scientists, in particular V.I. Kravchenko [3], V. Naniwska [4], V.P. Petrenko, M.O. Danilyuk, A.V. Popadyuk, Z.O. Maniv [5], M.A. Khvesyk, S.O. Lyzun, A. Sunduk [6-7], V.A. Holian, O.V. Sakal, O.V. Kalenska [8] and others. At the same time, the questions of finding the balance of economic interests of the state and the regions, the state regulation on the distribution of management functions, as well as the practical implementation of scientific achievements in the field of activity of local self-government bodies in the practice of their work remain unresolved.

Setting objectives. The purpose of this study is to find ways to increase the effectiveness of the local government in the context of solving the economic problems of the region, based on a critical analysis of the world's experience in solving this issue.

Results. When considering the local government in the world, it is worth noting that there is no optimal model of it. Moreover, even it is sometimes difficult to find a single model within a single state. So there are three major schemes in the US and five in Germany. At the same time, with all the differences, there are two characteristic trends of self-government in the world.

The first of them is to gain some self-government. This model of local self-government was called "state". In practice, this means that the self-government bodies mainly perform the functions delegated by the state government, and their autonomous powers are very limited. A similar trend is clearly evident in the UK and in recent decades in Germany.

On the contrary, the other tendency is based on the decentralization of the local self-government system; the corresponding model was called "public". In practice, this means extending the autonomous powers of the local authorities, transferring to their jurisdiction and under their responsibility those areas that were previously under the control of the central authorities. A similar trend is typical for both the United States and modern France [3].

Analyzing the structure of local government in the world, it should be noted that there are several basic schemes and their many variations. In one of the schemes, the population elects the head of the executive power in the region (for example, the governor in the USA, the voivode in Poland) and in the city (for example, the mayor in the USA and Italy, the burgo-master in Bavaria (Germany)). In parallel, there is a representative body whose powers (primarily control-

ling and budgetary) are separated from the functions of the executive body. Another scheme involves the election of the head of the executive power by the deputies themselves. In this situation in some cases the elected chairman simultaneously heads the representative body that elected him/her, in other cases these positions are divided.

Local government functions also vary depending on the specificities of different countries and even their individual territories. At the same time, they are subdivided into functions of self-government and functions delegated by the state. The first are the tasks of road and housing construction, social assistance, secondary education, energy supply, water supply and sewerage, and more. The second is law enforcement, emergency and rescue services, civil defense, population census, national elections and more. This distinction is not absolute, since there is another gradation: the division of functions between the "top down" self-governing bodies. For example, the prospective planning of housing construction is the prerogative of the region (region, state, province), its financing: the district (department, county), and direct construction: cities, villages.

It is worth noting that the implementation of local government functions in practice is fraught with many difficulties. And in the most developed countries, one can often hear the mutual grumble of representatives of different levels of government. The authority of the more local level complains of ignoring its needs and the authority of the higher level complains of local selfishness. The main problem is often financing both abroad and in Ukraine [6; 8-10].

Formation of local self-government financial base is one of the most important issues in building a highly efficient system of government in the country and in the region. Although there are no universal recipes for solving this problem in the world, as a rule, the financial resources of local authorities consist of two main parts: state payments in the form of grants and subsidies, as well as revenues from local taxes and fees. The types and rates of local taxes and fees also vary by country and territory. However, it is mainly based on real estate taxes, land, and income tax.

The basis for the financial independence of the regions must be the optimal consideration of the interests of the state, business structures, population and local self-government. However, it should be noted that unlimited financial independence of the regions has the same negative consequences as the excessive centralization in the use of financial resources. In Ukraine local self-government is developing and improving, although many are not satisfied with the pace of its development. At this stage in our country it is necessary to form a model of self-government, which would be based on local traditions and incorporate all the best from the models of other countries.

According to the President of the National Academy for Public Administration under the President of Ukraine V. Naniivska, it is advisable for our country to learn from the experience of Western countries that have established an effective system of power distribution, including powers and their financial support. In England, for example, the lowest level of authority is responsible for garbage collection (the local authority and, accordingly, the taxes collected for such purposes are fully directed to those authorities); education is overseen by a higher level (the county government, which fully withholds education taxes); central authorities, which, for example, withhold taxes on military security, bear full responsibility for it [4, p. 58].

In this way, the goal is achieved not only to building a clear system of accountability, but also to an efficient distribution of funds. These issues are so interconnected that the resolution of one determines the effectiveness of solving the other, the primary issue being the problem of financial security and the responsibility is already derived from the given one.

The basis of the local model of local self-government should be the system of financial institutions, which, however, is not yet complete in Ukraine. Practical experience during independence allows concluding that within the structure of the local financial institutions system in Ukraine the following institutes are formed: independent local budgets, extra-budgetary, currency and trust funds of local self-government bodies, local taxes and fees, municipal loans, municipal payments, utilities finances.

In this structure, the public service institution is only emerging, though foreign experience shows that it is foremost in the local finance system [3, p. 112]. This is due to the fact that the volume and form of local finances determine the allocation of state responsibilities for public services. Local governments build their own local finance systems according to the needs of public in alignment with their inventory, structure, scope and quality. In Ukraine, there is no clear legislative definition of the quantitative characteristics of services provided by different levels of executive power and local government, so the whole system of local financial institutions cannot be considered holistic.

Parallel to determining the parameters of services provided by the region, it is necessary to ensure the independence of local budgets. They are those funds that mobilize the bulk of the financial resources needed to provide public services. The basis for the independence of the local budget are its own and fixed revenues, which are defined in the legislation of Ukraine on the budget system. However, the legal acts do not provide a detailed and exhaustive list of local budget revenues, and the procedure for the formation and use of the own revenue sources is not clearly regulated. Thus, in this direction it is necessary to proceed to the formation of local, regional budgets

from the bottom to the top by stable standards of all taxes, to delegate to local and district bodies of state power the right to dispose of natural resources and land [7; 8].

It is also advisable to give local authorities the right to regulate and carry out foreign economic relations, to create special economic zones and districts. The consequence of such steps will be the ability of each region to carry out its internal economic policy, to ensure, within the limits of the powers delegated to it, the achievement of its own goals, which will contribute to the achievement of national goals [5, p. 72].

Improvement of the existing system of distribution of taxes and fees in the context of increasing the economic autonomy of local authorities requires the implementation of the following steps:

- 1) raising the level of own revenues of regional and local budgets;
- 2) bringing current legislation in line with existing sources of funding;
- 3) establishing fixed shares of each level of government in general taxes and securing them at the appropriate levels of budgets for a long period;
- 4) solving the problem of rational separation of expenditures and revenues between all units of the budget system;
- 5) defining the norms of distribution of national taxes between state and local budgets at the same level for all regions of the country;
- 6) providing targeted grants and subsidies to the regions and strengthening control over their use.

It is worth noting that the current state of economic autonomy of the regions and significant problems in the financial support of local self-government activities are largely due to the fact that the existing deployment of productive forces, the level of regional economic potential were determined not by the national interests of Ukraine, but by the current needs of the former Soviet Union, the consequences of which are still tangible. The concept of regional policy implemented in Ukraine envisages giving the regions considerable economic autonomy, clear separation of powers, conducting reasonable budgetary policy, and assisting the regions in the optimal allocation of productive forces. In our opinion, the consequences of implementation of this concept are already beginning to be felt in all regions of our country. Along with the expected economic growth, which is projected at the level of more than 5% per annum in 2020-2024 [11], as well as increasing the well-being of the population, the financial autonomy and economic security of the regions will increase.

The Association of Cities of Ukraine (ACU), which has been in operation since June 1992, is also intended to promote such growth. This Association was established after the official adoption of the European Declaration of Urban Rights dated 18.03.1992. The relevant document sets out 20 basic principles

that contribute to the comprehensive development of the population and urban infrastructure in Europe. The document focuses on security issues – legal, environmental, a number of topics dealing with social issues: the right to work, housing, recreation, health care and prevention, sports. Relevant issues are also addressed in the national declaration, and the main purpose of the ACU is to protect the legal rights and interests of its members in public authorities, to interact with governmental bodies and international organizations in order to become an effective socially oriented market economy. The ACU has demonstrated its need for the development of a democratic society and for improving the effectiveness of the local self-government bodies' growth over 17 years [12].

Conclusions. Summarizing the above, it should be noted that the solution of the problem of interaction between state and regional authorities at the present stage is largely restrained due to the lack of economic interest balance of the state and regions, state regulation on the division of management functions. In our opinion, the search for such a balance should become a priority area of scientific and practical research in the field of local self-government. The problem of introducing a new system of financial support for the activities of local self-government bodies cannot be solved only at the highest state level. It requires a comprehensive work of all executive and legislative bodies, scientific institutions, as well as a certain period of time. In order to accelerate its resolution, it is necessary first of all to complete the definition of social spending standards in individual areas in order to achieve equal provision of goods and services to the public at the expense of the budget in different territories.

Thus, in order to build an effective system of local self-government in our country and to achieve real economic security of the regions, it is necessary to implement a well-grounded comprehensive regional policy in all aspects of its manifestation.

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LOCAL RESOURCES MANAGEMENT UNDER CONDITIONS OF DECENTRALIZATION

The purpose of the article. To find ways to increase the local governments effectiveness in the context of solving the economic problems of the region, based on a critical analysis of the world's experience in solving this issue.

Methodology. The following methods, methodological techniques and tools were used in the process of research: method of logical and historical approach, making managerial decisions, analysis and synthesis, a system approach.

Results. The main problem at all levels of government in Ukraine is the lack of a clear delineation of functions, financial support for their performance and responsibility between central and local authorities. Often, analytics note the duplication of certain functions of central government and local self-government, or the existence of an inefficient system of financial provision for certain functions at all levels of government. All this leads to inefficient organization of local government in our country, making ineffective management decisions, conflicts between individual branches and levels of government, etc.

Formation of local self-government financial base is one of the most important issues in building a highly efficient system of government in the country and in the region. Although there are no universal recipes for solving this problem in the world, as a rule, the financial resources of local authorities consist of two main parts: state payments in the form of grants and subsidies, as well as revenues from local taxes and fees. The types and rates of local taxes and fees also vary by country and territory. However, it is mainly based on real estate taxes, land, and income tax.

The basis for the financial independence of the regions must be the optimal consideration of the interests of the state, business structures, population and local self-government. However, it should be noted that unlimited financial independence of the regions has the same negative consequences as the excessive centralization in the use of financial resources. In Ukraine local self-government is developing and improving, although many people are not satisfied with the pace of its development. At this stage in our country it is necessary to form a model of self-government, which would be based on local traditions and incorporate all the best from the models of other countries.

In this way, the goal is achieved not only by building clear system of accountability, but also by an efficient distribution of funds. These issues are so interconnected that the resolution of one determines the effectiveness of solving the other, the primary issue being the problem of financial security and the responsibility is already derived from the given one.

The basis of the local model of local self-government should be the system of financial institutions, which, however, is not yet complete in Ukraine. Practical experience during independence allows concluding that within the structure of the system of local financial institutions in Ukraine the following institutions are formed: independent local budgets, extra-budgetary, currency and trust funds of local self-government bodies, local taxes and fees, municipal credit, municipal payments, utilities finances.

Practical implications. It is established that the solution of the problem of interaction between state and regional authorities at the present stage is largely restrained due to the lack of balance of state and regions economic interests, state regulation on the division of management functions. In our opinion, the search for such a balance should become a priority area of scientific and practical research in the field of local self-government.

The problem of introducing a new system of financial support for the activities of local self-government bodies cannot be solved only at the highest state level. It requires a comprehensive work of all executive and legislative bodies, scientific institutions, as well as a certain period of time. In order to accelerate its resolution, it is necessary first of all to complete the definition of social spending standards in individual areas in order to achieve equal provision of goods and services to the public at the expense of the budget in different territories.

Implementation of a well-grounded comprehensive regional policy in all aspects of its manifestation is a prerequisite for building an effective system of local self-government in our country and achieving real economic security for the regions.

Value/originality. In our work the models of local self-government and regional development financing in the world are analyzed and their elements which can be used in Ukraine are exposed. The basic ways of efficiency increase of local self-government bodies' activity in the context of decision of regional economic problems are determined in the article.