

# EXPERIENCE OF THE UNITED TERRITORIAL COMMUNITIES OF THE WESTERN REGION OF UKRAINE: SOCIO-ECONOMIC ASPECT

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**Abstract.** The relevance of the study is marked by the general global trend of reorientation of the public administration system, namely through the introduction of a viable institution of local self-government in order to build the socio-economic environment of the newly formed united territorial communities. Forms of change in the Ukrainian model of public administration have become irreversible in the decentralization of central government and have entered the stage of a new active increase in the practical experience of territorial self-government of newly created communities. The purpose of the study is to analyze the consequences of the reform of local self-government and primarily in the socio-economic aspect and the real perception of such changes at the level of ordinary Ukrainians in the western regions of Ukraine. The object of the research is the dynamic and long-term process of decentralization of state power in Ukraine and the development of an effective and self-sufficient institution of people's democracy of local self-government. The study uses methods to assess the trend of decentralization of power in Ukraine and the process of deployment of local government in the historical-logical approach and analyze the socio-economic consequences of this dynamic process through economic analysis and predict the end result for both domestic economy and joint development. territories of local communities. The study notes the main stages of this reform, proves the existence of customers of such large-scale transformations of the Ukrainian original territorial ethnic group and calculates the role and assessment of these changes by ordinary Ukrainians. A comprehensive socio - economic assessment of the initial consequences of the introduction of a new institutional model of territorial governance is also presented and the further course of realization of such shifts of the Ukrainian society is forecasted.

**Keywords:** united territorial community, local government reform, local budgets, basic and reverse grants, reform indicators, image projects, united territorial community consolidation, public services, profitable united territorial community of Administrative Services Center, administrative fee.

**JEL Classification:** H70, B55

**Formulas:** 0; **fig.:** 0; **tabl.:** 4; **bibl.:** 16

**Introduction.** The development of local self-government in Ukraine was started in 1997 by the relevant law “on local self-government”. For almost thirty years of development of Ukrainian democracy, extremely significant reforms have taken place both in the economy itself and in the consciousness of Ukrainians. Dynamic government reforms have affected all aspects of the country's life. The development of the territorial structure of Ukraine with the participation of local communities is noted by all experts and government officials as one of the most important achievements of Ukrainian democracy. However, such outstanding democratic changes did not lead to a corresponding socio-economic regional development.

**Literature review.** Domestic scientific opinion on the unification of territorial communities and the decentralization of state power in general were divided in the following areas of research, including:

- financial direction, when new patterns and possibilities of financing both the financing itself and the current united territorial community system are researched and determined (Y.O. Redelitsky, M. Troshke);
- elaboration of economic and legal aspects in carrying out the reform (O.V. Zaychuk, O.A. Burbelo, S.M. Seryogina, Y.P. Sharova, A. Savchenko);
- study of socio-economic changes in the regions at the expense of a united territorial community (Y.S. Rogozyan, I.V. Zablocka), specifically in the western region - V.A. Pustimenko, A. Maksymenko, Sirnyk Z., Levitska O., Patytska H.);
- study of domestic reform processes through the prism of EU criteria and requirements (Shtapf J., Lawrence Mayer, Senchenko A.E.).

Among foreign authors who have studied the socio-economic aspects of the united territorial communities of Europe should be noted Wollmann H, Andre C., Garcia C. and others.

The issue of forming an effective system of local self-government for this period remains in the circle of scientific and social research. However, the emphasis of these studies has shifted towards the need and feasibility of a new administrative zoning. No specific assessment of the reform in economic and social dimensions has been provided.

**Aims.** The purpose of the study is to analyze the consequences of the reform of local government in socio-economic terms and the real perception of such changes at the level of ordinary Ukrainians in the western regions of Ukraine. Therefore, the following tasks are set:

- study the perception of the population of the western regions of Ukraine of the reform of local self-government;
- identify and outline the main problems of further decentralization of domestic public administration and development of local self-government;
- quantify the socio-economic consequences of the development of territorial communities through the formation of an effective mechanism of self-government of territorial communities in the western region of Ukraine.

**Methods.** The following methods were used to solve the purpose and objectives of the study:

- historical method - to identify the conditions and start the process of reforming public administration and local self-government;
- formal-logical method - in order to understand the logical relationship with the goals and consequences of reform;
- systematic approach that allowed for analysis and assessment of the consequences of long-term and incomplete reform.

**Results.** Despite all social scientific theories, real changes in society are marked by the living conditions and activities of people before and after the reform process. Therefore, we will conduct research from the standpoint of changes caused by reform in various aspects of society.

According to the economic and financial situation of Ukraine, the decentralization reform was initiated as a need to change inter-budgetary relations. In 2012, 90% of all Ukrainian budgets were financially equalized through government subsidies. Local budgets did not have sufficient financial resources. Almost all regions of Ukraine received subsidies, the share of which in local budget revenues amounted to 46.3% in 2008 and increased to 48.8% in 2010 and to 52.3% in 2011. In the regional context, the subsidy of local budgets has become not only heterogeneous, but has become critical. The worst situation is in the Western Ukrainian region. The largest increase in the share of subsidies in 2010-2011 was observed in Zakarpattia, Ternopil and Volyn regions - 72.3% (78%), 71.9% (84.9%) and 71.1% (75.8%), respectively. In 2010 the share of transfers was 60-70% in only nine regions of Ukraine, in a year it has become eleven. The local budgets of Volyn, Zakarpattia and Ternopil oblasts became the most dependent, while only the local budgets of Kyiv and Dnipropetrovsk oblasts remained self-sufficient. The share of transfers was 25.2% and 37.1% in 2010-2011, respectively. During 2010-2011, the share of own revenues in the general fund of local budgets decreased by more than 5%. The ratio of tax fees to transfers of local budgets is a factor of 0.59 for Ivano-Frankivsk region and was lower than in Vinnytsia and Volyn regions. In fact, the western regions of Ukraine have traditionally been considered recipients of financial aid in contrast to Kyiv, Dnipropetrovsk, Sumy and Poltava regions. However, in 2012 there was a decrease in tax revenues in sufficiently industrial regions - Zaporizhia and Luhansk [1].

In fact, in Ukraine there is a peculiar situation when most oblasts (recipient oblasts) began to receive subsidy transfers from donor oblasts, and the share of donor oblasts began to decrease steadily. Structural changes in Ukraine's economy have not provided economic growth, resulting in clearly underdeveloped areas in which basic socio-economic indicators have become significantly different even from the national average. It should also be noted that a number of such depressed regions include those regions that have long had a high level of industrial development and infrastructure.

From 1997 to 2012, Ukraine underwent the first stage of administrative reform, in which the priority was only to outline the need for reform, or to declare it at the highest level of government.

This transformation of the country's economy has led to the loss of its own financial resources to local budgets, and thus the potential for territorial development has been blocked. Therefore, an imbalance began in the socio-economic system of Ukraine, which quickly grew into a form of protest and resulted in a revolution of dignity on the square in Kyiv. However, a coup d'etat was carried out in Ukraine under the guise of popular dissent.

Having lost confidence in the newly formed Ukrainian government, the Ukrainian government, in accordance with the decision of the Maidan (March 16, 2014), announced the holding of a constituent congress of representatives of Kyiv local communities. However, this event did not fully take place. Most community representatives were sent to the Security service of Ukraine for a "preventive

interview”, and all others refused to participate without registration. Therefore, April 27, 2014 became the day of the end of Ukrainian democracy and the beginning of a period of full governmental control over all socio-political processes in Ukraine.

From 2012 to 2014, the second stage of reform took place. At the same time, the inefficiency of the transformed and market model of the Ukrainian economy became clearly visible and especially noticeable due to the financial distribution of transfers. This period formed a comprehensive protest against the current government and the government.

Since 2014, real reform of local self-government has begun under the full control of the government, and this is the third stage of reform. Such reform was forced into government and was marked by the need for the authorities not only to declare their democratic intentions, but also to witness real steps in its implementation. With the total economic downturn, the government only managed to redistribute financial flows in favor of local self-government (when more than half of taxes remained in local budgets). Legally, this period began with the adoption of the Concept of reform of local self-government and territorial organization of power (01.04.2014), the Laws “On cooperation of territorial communities” (17.06.2014), “On voluntary association of territorial communities” (05.02 .2015) and amendments to the Budget and Tax Codes. Therefore, since 2014, the largest and long-term decentralization reform has been underway in Ukraine. As a result of its implementation, more than 800 united territorial communities (United Territorial Communities) were created at the initial stage, which covered a third of the territory of Ukraine, and by the beginning of 2019 there were already 876 United Territorial Communities in Ukraine. According to the legal regime, only 806 UTCs officially functioned, as the legal condition for the start of functioning of the United Territorial Communities is the election of governing bodies of the United Territorial Communities [2].

The fourth stage of reform in Ukraine began in 2020, when the Verkhovna Rada adopted and began implementing the resolution “On the formation and liquidation of districts”. According to this decision, elections of deputies to the new district councils were held and the powers of deputies of district councils in the liquidated districts were automatically terminated.

It was the elections and the public's perception of them that indicated the commitment of all these government reforms. Thus, the 2019 presidential election in Ukraine as a whole marked a relatively high turnout, voter turnout in the country was 63.52%. In comparison, this figure was lower than in the 1999 election, when voter turnout was 73.8%, and in the re-run of the February 7, 2010 presidential election, turnout was 69.15%. In the Western region, the highest turnout (in Ukraine) was shown by voters in Lviv region - 67.34%, Volyn region - 64.25%, Ivano-Frankivsk region - 59.86%, and in Rivne region - 60.71% and Ternopil region - 63.90 % [3].

In fact, these indicators indicate a partial loss of confidence in the Ukrainian government by a third of Ukraine's population. At the same time, the western regions, more than any other region, support the government and relatively trust it.

**Table 1. Assessment of Ukrainian reform through the criterion of voting in the Presidential elections**

Regions of Ukraine	Voter turnout, %
Volyn region	41,89
Ivano-Frankivsk region	41,18
Lviv region	43,82
Rivne region	39,34
Ternopil region	44,68
<b>Average value for the Western Region</b>	<b>42,18</b>
Mykolaiv region	32,02
Odessa region	35,46
Poltava region	37,74
Sumy region	35,58
Kharkiv region	32,33
Kherson region	32,39
Khmelnysky region	40,71
Cherkasy region	35,76
Chernivtsi region	34,84
Chernihiv region	41,64
Vinnitsia region	39,39
Dnipropetrovsk region	34,16
Donetsk region	31,67
Zhytomyr region	37,47
Transcarpathian region	41,25
Kyiv region	36,66
Kirovograd region	35,29
Luhansk region	38,12
Zaporozhye region	33,93
<b>Total in Ukraine</b>	<b>36,88</b>

Source: developed by the author on the basis [4]

The local elections have already fully noted the attitude of the population to both the local elite and recognized the rating of power reform of local self-government.

**Table 2. Assessment of decentralization reforms through the criterion of the number of voters who voted in 2019 in the regions of the Western region of Ukraine**

Regions of Ukraine	Number of voters who received a ballot	Absence of voters, %	Number of able UTC	Percentage of votes per 1 UTC, %	Number of people who voted for one UTC, persons
Ivano-Frankivsk region	429025	41,18	33	1,25	13001
Volyn region	316202	41,89	51	0,82	6200
Rivne region	331616	39,34	35	1,12	9475
Lviv region	829945	43,82	40	1,10	20749
Ternopil region	357787	44,68	49	0,91	7302
<b>Total in the Western region</b>	<b>2264575</b>	<b>42,182</b>	<b>208</b>	<b>0,20</b>	<b>10887</b>

Source: developed by the author on the basis [5]

The percentage of votes for those who support the new Ukrainian model of self-government is rather meager. And it can't be otherwise - two thirds of the population of Ukraine protested to all the authorities by not voting. And this was their choice against such a deployment of reform.

Therefore, Valentina Poltavets, Executive Director of the UTC Association, noted that the statistics system itself needs to be reformed [6]. Ihor Abramyuk, Director of Development, Deputy Head of the Executive Directorate of the All-Ukrainian Association of Communities, pointed out quite clearly and unequivocally the Ukrainians' perception of such a reform: Objective - means given its format and in accordance with the financial and managerial capacity. This is not an assessment of the effectiveness of governance, which is also extremely important. The effectiveness of governance is corrected by elections, not by changing the format of the community" [6].

Former Ambassador of Canada Roman Vashchuk pointed out the reality not only of Ukrainian reforms, but also of the role and self-consciousness of Ukrainians in this process: "Ukrainians are the absolute majority of Ukraine. Residents of villages, smaller towns and district centers, which have long suffered from economic decline, felt forgotten in the period from 2014 to 2019. They were among those who volunteered to go to war, but they felt that Kyiv, and even more so abroad, did not care... people in villages and small towns felt forgotten and how angry they really are for life, for Kyiv, for people, for politicians... And while the IMF cared about macrofinance, while we cared about other marginalized groups, these 50% or more of Ukrainians, whom no one cared about, just became the electorate that last year rubbed the noses of all these reformers and their Western partners. Let us add that they pointed out the filthiness of all these and similar reforms, which are not based on the real values of ordinary people in these regional territories of Ukraine" [7].

Another fact that expresses the population's distrust of the government and its reform is the creation of an independent polling station independent of the CEC in the village of Sosnivka, Konotop district, Sumy region. The inhabitants of this village thus expressed their right to freely define the UTC and against forcible joining the Popovska UTC. This is the first such open case in a Ukrainian election institution and a complete disregard for government laws. The authorities managed to curb such a public challenge by nominating a member of this commission under Article 3 353 - arbitrary appropriation of power or the title of official - members of the commissions and № 110 - encroachment on the territorial integrity and inviolability of Ukraine [8].

Although there have been no violations of constitutional law. This is evidenced by the following articles of the Constitution of Ukraine: 5, 7, 8, 19, 22, 24, 34, 38. Article 140 of the amendments to the Constitution provides: "Local self-government is exercised by the territorial community both directly and through local governments through independent regulation of public affairs local significance and their management within the Constitution and laws of Ukraine" [9]. Only the forceful pressure of the current system of power suppressed this expression of the will of the people (not the inhabitants, but the self-conscious people) of a particular settlement.

Table 3 shows the nature of the reorganization of local government in three important stages, namely:

- Period of 2012 -2018, during which the bulk of UTC was created.
- Period of 2019, when UTCs were completed at a rapid pace and the processes of consolidation of existing UTCs for future administrative zoning took place.
- Period from 2020, when the reformatting of communities and the consolidation of the full legal status of these communities was completed.

**Table 3. Dynamics of the process of local self-government reform in Ukraine during 2015-2020**

No.	Name of the area	Total (gr.5 + gr.6 + gr.9 + gr.14)	Capable in total (gr.5 + gr.6 + gr.9-gr.12)	Formed in 2015-2018				Formed in 2019				Formed in 2020		Elections are expected	
				elections were held in 2015-2018	by joining cities of regional importance	total	share in the able	Total	elections were held in 2019	by joining cities of regional importance	of them did not gain authority	share in the able	by joining cities of regional importance		share in the able
1	Ivano-Frankivsk	39	33	29	1	30	91	9	7	2	6	27		0	1
2	Lviv	41	40	40		40	100	1	1		1	3		0	3
3	Ternopil	54	49	47	2	49	100	5	4	1	5	10		0	1
4	Rivne	45	35	31	1	32	91	13	12	1	10	37		0	2
5	Volyn	54	51	50		50	98	4	3	1	3	8		0	
Western region		233	208	197	4	201	97	32	27	5	25	15	0	0	7
6	Vinnysia	46	42	35	2	37	88	9	8	1	4	21		0	3
4	Dnipropetrovsk	71	62	60	2	62	100	9	8	1	9	15		0	3
7	Donetsk	13	12	10		10	83	3	1	2	1	25		0	6
6	Zhytomyr	56	53	51	2	53	100	3	3		3	6		0	3
8	Transcarpathian	17	7	6		6	86	10	9	1	9	143	1	14	3
9	Zaporizhia	56	48	43	1	44	92	12	12		8	25		0	5
10	Kyiv	24	18	13	3	16	89	8	7	1	6	44		0	9
11	Kirovograd	27	21	20		20	95	7	7		6	33		0	
12	Luhansk	18	17	9		9	53	9	9		1	53		0	6
13	Mykolayivska	42	41	28	1	29	71	13	13		1	32		0	1
14	Odessa	37	31	28		28	90	9	9		6	29		0	1
15	Poltava	53	47	44	1	45	96	8	7	1	6	17		0	4
16	Sumy	38	37	29	1	30	81	8	5	3	1	22		0	
17	Kharkiv	23	18	16		16	89	7	5	2	5	39		0	1
18	Kherson	33	31	27	1	28	90	5	4	1	2	16		0	4
19	Khmelnysky	51	47	44	1	45	96	6	5	1	4	13		0	2
20	Cherkasy	57	55	53	1	54	98	3	3		2	5		0	3
21	Chernivtsi	37	33	32	1	33	100	4	4		4	12		0	2
22	Chernihiv	50	44	37	2	39	89	11	11		6	25		0	
Total		982	872	782	23	805	92	176	157	19	109	20	1	0	63

Source: calculated by the author

The period of 2012-2018 was characterized by the centralized nature of propaganda (through the creation of UTC unions, training, conferences, round tables, training, seminars and various consultations) the need and feasibility of UTC formation and, accordingly, an intensive form of UTC. Thus, for the Western region in this period, Volyn, Ternopil and Lviv regions are distinguished by quantitative indicators. And in Ukraine, Dnipropetrovsk, Cherkasy, Zhytomyr, Khmelnytsky, Poltava and Zaporizhia regions became leaders in reducing the number of UTCs created.

The period of 2019 defines the vast majority of compulsory-voluntary sign consolidation of UTC under the defined new administrative zoning. In fact, pulling certain areas in line with the already directed reform process. In the western region it concerned Rivne and Ternopil regions, and in Ukraine primarily the territory of Luhansk and Donetsk regions in the so-called frontier borders, as well as Zaporizhia, Mykolaiv, Chernihiv regions, where dozens of UTCs were formed.

Accordingly, 2020 already fully and definitively enshrines all these changes and the newly created UTCs by the current legal mechanism. Respectively, there are 7 units in the western region, and in Ukraine it is the center - Kyiv region and the territories of Luhansk and Donetsk regions. Thus, the model of the new territorial structure of "independent" Ukraine programmed by foreign experts was completely consolidated.

The International Center for Policy Studies clearly states that the purpose of local government reform is, first of all, to ensure its ability to independently address local issues at its own expense. It is about endowing territorial communities with more resources and mobilizing their internal reserves [10].

The government has repeatedly stated that the main goal of reforming the system of public administration and territorial organization of power is to ensure effective local self-government, building institutions of direct democracy in the regions, creating comfortable living and working conditions for Ukrainians, and involving all residents in high quality and affordable public services. At the same time, it was clarified that this is possible provided that the appropriate level of economic development of the territories, their financial support and sufficient sources of local budgets [11].

In fact, this means that the priority is the formation of independent UTCs, and in the future they will deal with the economic component of regional development of their territories. This would be possible in the implementation if there was an economic situation of economic growth. At the same time, it would be possible to direct surplus funds to these programs.

But when the state is in complete economic chaos due to external governance and even simple reproduction is stopped, which is greatly complicated by ill-conceived and unconstitutional measures to combat the pandemic, such reforms are purely populist and will not ensure full economic development of the regional economy.

An example of this thesis is the territory of the western region of Ukrainian Polissya for amber mining. These are districts that have a strong resource potential,

but all governments have failed to reorganize these areas economically and establish an economic center for the development of Ukrainian Polissya. In the future, the formed community will only ensure the rise of the social sphere (education, medicine, partly roads). After all, nothing has fundamentally changed. The amber business has remained shady and corrupt with a well-defined scheme of financial and material flows, and capital will not change its flows.

Confirmation of this thesis is a public discussion of the new zoning of Ukraine from 20.07.2020. In particular, the People's Deputy, Chairman of the Subcommittee on Administrative Services and Procedures, L. Bilozir, said that they are working on a draft law "On Amendments to Certain Legislative Acts of Ukraine on Optimizing the Network and Functioning of Administrative Service Centers and Improving Access to Administrative Services" in electronic form. The aim of the project is to ensure the establishment of Administrative Service Centers in each of the 1,470 communities. During the year it is planned to transform 390 Centers for the provision of administrative services, which are located in the administrative district centers. In addition, funding in the amount of UAH 2-4 billion is planned for two years. It is also envisaged that by January 1, 2022, Administrative Service Centers located in administrative district centers will be transformed into UTC Administrative Service Centers and create Administrative Service Centers in communities with a population of over 10,000 people, and by January 1, 2024, communities less than 10,000 also require the establishment of Administrative Service Centers.

In fact, MP Bilozir pointed out that this task is set by external management, as the Centers for Administrative Services are image projects of international assistance, and in particular the program "U-LEAD with Europe". She also notes that although the Centers for Administrative Services are very prestigious for communities, they are unprofitable and must be self-sustaining to begin with. As a result, a new tax levy, the administrative levy, should be introduced.

This means that foreign entities have invested currency in this infrastructure and are already making a profit from it - about 200-300 thousand UAH per month, but this is not enough because the costs are about 1 million UAH. The introduction of an administrative fee will mainly ensure the full return of the invested currency and will form the receipt of excess profits without production costs for decades due to tax levies on local residents. Therefore, it becomes clear that the success of the functioning of the united territorial communities largely depends solely on funding.

**Discussion.** According to the criteria for the effectiveness of UTC, there is no single balanced method. Both foreign experts and Ukrainian government officials are working on this. The Ministry of Development of Communities and Territories of Ukraine submits official reports on 14 indicators, which reflect the progress of the democratization process in a predominantly quantitative context and the quantitative reflection of changes in local budgets [13].

Qualitative indicators of regional development (number of established enterprises, employment, level of personal income, etc.) are not even taken into account. If quality indicators are indicated, they are exclusively reduced to the

provision of high quality administrative services, although the criterion of high quality itself is not explained, or is reduced to an indicator of success [14].

Another approach in assessing the effectiveness of UTC is the assessment of seven indicators, which generally characterize the financial aspects of the activities of the united territorial communities [15]. This approach is more economical, as it reflects the ratio of expenditures and revenues. Therefore, based on these indicators, we note the effectiveness of the UTC of the Western region (Table 4).

Let's compare the efficiency of UTC in the western region with the most economically developed Dnipropetrovsk region. First of all, in Dnipropetrovsk oblast 8 UTCs are self-financed, while only Lviv oblast contains the maximum number of self-financed UTCs - 3. In terms of the share of salaries with accruals in general fund expenditures, Western UTCs exceed UTCs of Dnipropetrovsk oblast. This is due to the fact that in general the level of average wages in industrial regions has always been higher. In addition, wages exceed all UTC expenditures, which indicates an unfavorable socio-economic environment for the population, namely the lack of income from industrial and economic activities of UTC residents. The Volyn region stands out from this trend. This is due to entrepreneurial activity and cross-border location of the region, which provides additional income opportunities, it is tracked by the highest reverse subsidy and the largest number of self-funded UTCs. Almost all UTCs are subsidized from the state budget, which covers a third of local budgets. Realization of investments is the largest in Lviv UTC (almost a third of the budget), which exceeds the indicator of Dnipropetrovsk region, and the lowest in Ternopil region, which does not reach 10%.

**Table 4. Efficiency of UTC in the Western region of Ukraine**

Indicators	Share of the amount of wages with accruals in general fund expenses, (%)	Average value of the level of budget subsidization (the share of basic (+)/reverse (-) subsidies in income), (%) and the number of UTC on self-sufficiency	Share of capital expenditures in the total amount of expenditures (general and special funds), (%)
Ivano-Frankivsk region	75,85	+33,65 / -8,86 (2)	16,7
Volyn region	66,25	+ 34,55 / -24,4 (3)	15,9
Rivne region	78,45	+ 33,7 / -8,45 (2)	14,6
Lviv region	76,6	+ 32,65 / -12,5 (2)	31,8
Ternopil region	67,15	+ 28,5 / -11,3 (1)	8,65
<b>Total for the Western Region</b>	63,90	+ 31,57 / -13,11 (2)	17,53
<b>Dnipropetrovsk region</b>	<b>65,70</b>	<b>+ 23,75 / -16,6 (8)</b>	<b>29</b>

Source: calculated by the author based [13]

Ivano-Frankivsk and Rivne regions pay the least for subsidies. This is explained by the shadow amber flows in the Rivne region by a significant share of the mining and processing industry in the Ivano-Frankivsk region, which potentially creates the possibility of establishing legal and semi-legal schemes of commodity-money flows.

**Conclusions.** After conducting the analysis, we can indicate the following conclusions:

1. The reform of decentralization of power in Ukraine and the introduction of an effective institution of self-government was initiated and implemented through relevant programs of foreign experts and consultants and accordingly funded their launch for foreign financial assistance.

2. The economic goal of the reform is to ensure a profit for decades through the introduction of administrative fees for public services provided to the population by foreign ideologues of these programs.

3. Changes in the socio - economic environment should not be expected from reforms in Ukraine. Investment in the development of the territorial economy is virtually absent, and if it happens then it is a source of the shadow sector of the local economy.

4. The country's budget will benefit only by reducing the labor costs of the UTC management staff by reducing the number of UTCs and reducing the staff of district administrations.

5. The assessment and attitude of the population of Ukraine to the reform of local self-government took place as a result of the refusal to vote and attempts to implement democracy without administrative resources. As for the local elections, it is the share of the population that did not take part in this vote that has determined complete disregard for all reforms and specifically for the implementation of this self-government reform, and these are two thirds of Ukrainian voters.

6. No such reforms are able to change the stable decline of socio - economic development of Ukraine without the use of the mechanism of real investment in the regions and the country as a whole. Private investment is connected to the next step after the implementation of public investment, when the initial return is already visible. Western UTCs practically do not implement the investment mechanism.

**Author contributions.** The authors contributed equally.

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