

THE IMPACT OF DECENTRALIZATION REFORM ON THE FINANCIAL VIABILITY OF LOCAL BUDGETS

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The article analyses the process of decentralization of public administration, the redistribution of powers between branches of government, changes in the relationship between citizens and government. Outlined basic principles for the implementation of decentralization in Ukraine. We analysed the results of decentralization for 3 years in the context of revenue and expenditure of local budgets, to study the structure of the consolidated territorial communities in the country. The issue of decentralization came to the fore in a crisis period of development of Ukrainian statehood because this process is one of the basic conditions for independent and effective activities of local authorities.

To date, the economic and political situation in Ukraine is in a difficult position. One of the reasons for this situation is the inefficiency of the current administrative system of the state administration and administrative-territorial device. The country needs

significant reforms that should be aimed at creating an open political system and the development of civil society, and increase the welfare of every individual citizen.

Decentralization was one of the priority reforms in the country. Its goal is to make a strong community and give people the opportunity to control the authorities. And, it seemed that the local elections would need to increase the interest in these issues because these elections were after the last presidential and parliamentary, which would have completed a “reboot” of the authorities at all levels.

The government aims to create a system where existing financial resource needs to work effectively for the Ukrainian citizens. Therefore, under fiscal decentralization, not only revenue needs to grow but also obligations, in which local communities must act in the interests of local residents. The principle laid down in the budget 2017.