

UDC 327.075

**Sodoma R.**

*Ph. D. in Economics, Associate Professor,  
Department of Law and Management in the Field of Civil Protection,  
Lviv State University of Life Safety, Ukraine;  
e-mail: sodomaruslana@gmail.com; Scopus Author ID: 56669972700;  
Researcher ID: X-3004-2019; ORCID ID: 0000-0002-5020-6440*

**Dubynetska P.**

*Ph. D. in Economics,  
Department of Law and Management in the Field of Civil Protection,  
Lviv State University of Life Safety, Ukraine;  
e-mail: pavlina.dubynetska@gmail.com; ORCID ID: 0000-0001-6155-7716*

**Kupchak M.**

*Ph. D. in Pedagogicals,  
Department of Law and Management in the Field of Civil Protection,  
Lviv State University of Life Safety, Ukraine;  
e-mail: kupchakm35@gmail.com; ORCID ID: 0000-0003-2094-1871*

**Podzizei O.**

*Postgraduate student,  
Lesya Ukrainka Volyn National University, Lutsk, Ukraine;  
e-mail: olehpodzizej@gmail.com; ORCID ID: 0000-0002-3646-7687*

**Lesyk L.**

*Ph. D. in Economics,  
Associated Professor of the Department of Business Economics and Investment,  
Lviv Polytechnic National University, Ukraine;  
e-mail: lilia.lesyk@gmail.com; Scopus author ID: 56770123400;  
Researcher ID: S-1808-2017; ORCID ID: 0000-0003-1324-9027*

**Zhuk M.**

*Postgraduate student  
Lesya Ukrainka Volyn National University, Lutsk, Ukraine;  
e-mail: zhuk.mariia@vnu.edu.ua; ORCID ID: 0000-0003-3398-4416*

## **FINANCIAL DECENTRALIZATION OF TERRITORIAL COMMUNITIES IN THE CONTEXT OF THE IMPLEMENTATION OF INTERNATIONAL EXPERIENCE**

**Abstract.** The experience of European countries in terms of a perfect budget process and high financial discipline is important in the presence of a set of problems in the process of decentralization, which must be taken into account and eliminated in advance. This article examines the scientific and applied aspects of decentralization, analyzing the experience of European countries and outlines methodological approaches to assessing the development of local communities in modern conditions. Important aspects are outlined and the advantages and disadvantages of the impact of financial decentralization on the processes of effective development at the local level are systematized. Emphasis is placed on the need for a comprehensive reform of local self-government, which will primarily include a reform that will relate to the administrative-territorial system and the redistribution of powers and resources between different levels of government. Guidelines for the development of local budgets in the main are as have been identified. A conceptual model of territorial community development in the conditions of financial decentralization is proposed, which provides for an effective combination of budget potential, potential of economic entities, households and financial institutions and their interaction. The structure of budget revenues in European countries is analyzed. The focus is on the level of subsidies with in-depth analysis. A method of monitoring and evaluating the effectiveness of administrative and financial decentralization in terms of determining the financial capacity of the united territorial communities has been developed. It is noted that the solution of the problems of financial decentralization should be carried out on the basis of studying, generalizing and taking

into account the best international experience. The world experience in the structure of local budget revenues in European countries is studied. The scientific novelty of the obtained results is represented by a set of theoretical and practical aspects of the study, namely proposals on the current state of the main activities of local governments to enhance entrepreneurship in the community in the context of implementation of international experience.

**Keywords:** territorial community, financial decentralization, financial resources, local budget, tax revenues, subsidies, resource potential.

**JEL Classification** J11

Formulas: 0; fig.: 6; tabl.: 2; bibl.: 19.

**Содома Р. І.**

*кандидат економічних наук,*

*доцент кафедри права та менеджменту у сфері цивільного захисту,  
Львівський державний університет безпеки життєдіяльності, Україна;*

*e-mail: sodomaruslana@gmail.com; Scopus Author ID: 56669972700*

*Researcher ID: X-3004-2019; ORCID ID: 0000-0002-5020-6440*

**Дубинецька П. П.**

*кандидат економічних наук,*

*кафедра права та менеджменту у сфері цивільного захисту,  
Львівський державний університет безпеки життєдіяльності, Україна;*

*e-mail: pavlina.dubynetska@gmail.com; ORCID ID: 0000-0001-6155-7716*

**Купчак М. Я.**

*кандидат педагогічних наук,*

*кафедра права та менеджменту у сфері цивільного захисту,  
Львівський державний університет безпеки життєдіяльності, Україна;*

*e-mail: kupchakm35@gmail.com; ORCID ID: 0000-0003-2094-1871*

**Подзізей О. О.**

*аспірант,*

*Волинський національний університет імені Лесі Українки, Луцьк, Україна;*

*e-mail: olehpodzizej@gmail.com; ORCID ID: 0000-0002-3646-7687*

**Лесик Л. І.**

*кандидат економічних наук,*

*доцент кафедри економіки підприємства та інвестицій,  
Національний університет «Львівська політехніка», Україна;*

*e-mail: lilia.lesyk@gmail.com; Scopus author ID: 56770123400;*

*Researcher ID: S-1808-2017; ORCID ID: 0000-0003-1324-9027*

**Жук М. І.**

*аспірант,*

*Волинський національний університет імені Лесі Українки, Луцьк, Україна;*

*e-mail: zhuk.mariia@vnu.edu.ua; ORCID ID: 0000-0003-3398-4416*

## **ФІНАНСОВА ДЕЦЕНТРАЛІЗАЦІЯ ТЕРИТОРІАЛЬНИХ ГРОМАД У КОНТЕКСТІ ІМПЛЕМЕНТАЦІЇ МІЖНАРОДНОГО ДОСВІДУ**

**Анотація.** Важливим є досвід європейських країн щодо досконалого бюджетного процесу і високої фінансової дисципліни при існуванні комплексу проблем у процесі децентралізації, які потрібно завчасно врахувати і усунути. Розглядаються науково-прикладні аспекти децентралізації, аналізуючи досвід країн Європи, та окреслюються методичні підходи до оцінки розвитку територіальних громад у сучасних умовах. Окреслено важливі аспекти та систематизовано переваги і недоліки впливу фінансової децентралізації на процеси ефективного розвитку на місцевому рівні. Акцентовано на необхідності проведення комплексної реформи місцевого самоврядування, яка насамперед включатиме реформу, що стосуватиметься адміністративно-територіального устрою, та перерозподілу повноважень і ресурсів між різними рівнями управління. Визначено орієнтири розвитку місцевих бюджетів за основними напрямками. Запропоновано концептуальну модель розвитку територіальної громади в умовах

фінансової децентралізації, яка передбачає ефективне поєднання бюджетного потенціалу, потенціалу суб'єктів господарювання, домашніх господарств і фінансово-кредитних установ та їхню взаємодію. Проаналізовано структуру доходів бюджетів у країнах Європи, адміністративно-фінансової децентралізації в частині визначення фінансової спроможності об'єднаних територіальних громад. Зазначено, що розв'язання проблем фінансової децентралізації доцільно здійснювати на основі вивчення, узагальнення і врахування кращого міжнародного досвіду. Досліджено світовий досвід у структурі доходів місцевих бюджетів у країнах Європи. Наукова новизна отриманих результатів представлена сукупністю теоретичних і практичних аспектів дослідження, а саме пропозиціями щодо сучасного стану основних напрямів діяльності органів місцевого самоврядування для активізації підприємництва на території громади в контексті імплементації міжнародного досвіду. Зосереджено увагу на рівневі дотаційності в поглибленому аналізі. Розроблено методiku проведення моніторингу та оцінки результативності.

**Ключові слова:** територіальна громада, фінансова децентралізація, фінансові ресурси, місцевий бюджет, податкові надходження, дотаційність, ресурсний потенціал.

Формул: 0; рис.: 6; табл.: 2; бібл.: 19.

**Introduction.** Financial solutions to socio-economic problems at the local level are much more effective than at the state level, so the development of territorial communities is based on local budgets. The functioning of local budgets is usually aimed at strengthening domestic capacity and the use of mechanisms to increase the revenue base, ensure optimal use of community resources and its stable economic development. The experience of developed foreign countries shows that an important prerequisite for economic growth is an effective mechanism of financial independence of local governments.

In the modern scientific literature, the development of local budgets is insufficiently studied, taking into account financial decentralization and changes in the role of local governments in ensuring the socio-economic development of the community. Effective socio-economic development of regions is objectively limited by the level of its provision with financial resources, which are based on local budget revenues. The current challenges of decentralization and the transformation of the financial system at all levels necessitate the role of local budgets in pursuing the strategic goals of reform. Financial decentralization is an important lever in establishing them as financially independent entities of the state economy.

**Analysis of recent research and problem statement.** The study of theoretical aspects of the development of financial decentralization of territorial communities are the works of many Ukrainian and foreign scholars, in particular: D. Razuvaeva [14], I. Boyarko [7], L. Gritsenko [7], O. Zakharova [19]. Problems of economic development of territorial communities, including by uniting several communities for joint solution of problems of socio-economic development, have been covered in many scientific sources and works, in particular by such researchers as O. Bobrovska [2], Yu. Radetsky [13] and others development of territorial communities while the economic aspects of territorial communities development were addressed by I. Kolomiets [9], O. Nezdoimynoha [10], A. Pavliuk [11], A. Pelekhtyi [9]. According to V. Tantsa [17], the success of the introduction of financial decentralization reform depends solely on the «institution specific design» — the optimal interaction of public authorities [17, p. 13]. In particular, R. Ezcurra [6] and A. Rodriguez-Pose [6] examine the relationship between decentralization and different indicators: changes in GDP per capita and territorial disparities [6]. Analysing administrative decentralization in European countries, S. Davydenko [3] notes that European practice in the field of financial security confirms the fact that there are no universal models and algorithms for decentralization of powers, property and sources of local government funding.

However, we believe that consolidation of grassroots territorial structures will be an important component and expanding the financial base for the local budgets will be a mandatory priority. In particular, S. Yu. Kolodiy [8] believes that «...decentralized budget system under certain conditions is more effective than centralized and promotes economic growth» [8, p. 67]. That is, the main purpose of reforming the budget system should be the abolition of the principle of unity

of the budget system of Ukraine, because each of the branches of government must operate on the basis of its own revenue base.

**The purpose of the article** is to study the features and prospects of financial decentralization of territorial communities, implementing international experience.

**Research results.** Successful implementation of decentralization processes to create an effective management model in the system of decentralized government of Ukraine should be based on adequate social standards, independence, efficiency, accessibility and transparency of the judiciary. The goals of increasing the administrative capacity and efficiency of territorial administration were achieved through the unification of small territorial communities into large local governments, the goals of maintaining the relationship between government and the population were achieved through the formation of intermediate structures of inter-municipal cooperation [19]. The number of local governments in individual European countries is shown in Fig. 1.

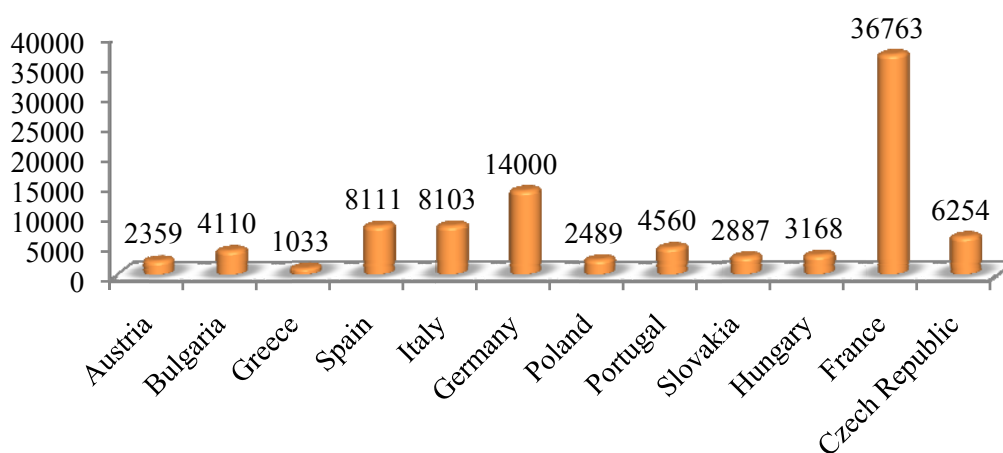


Fig. 1. **Number of local governments in some European countries, 2020**

Source: calculated by the author according to the [4; 18].

According to the concept of reform, in Europe, different basic size and powers of the basic links of the administrative-territorial system were formed. The largest number of local governments among the analyzed countries is in France, the average in Germany, Italy, Spain, and the least in Greece. In particular, in countries such as Denmark, Lithuania and Sweden, the number of local governments decreased by 80%, in the United Kingdom — by 77%, in Germany — twice. A separate stage of the decentralization reform, in addition to the formation of capable administrative-territorial entities, is the effective distribution of tasks and competencies of public authorities and the assignment of relevant powers to local governments. At the same time, the powers of local governments are granted on the basis of the principle of subsidiarity, with the maximum approximation of the provision of public services to the population, and the body that decides on its provision — to the problem it is designed to solve. In general, most European countries distribute powers at different levels based on the principle of general competence.

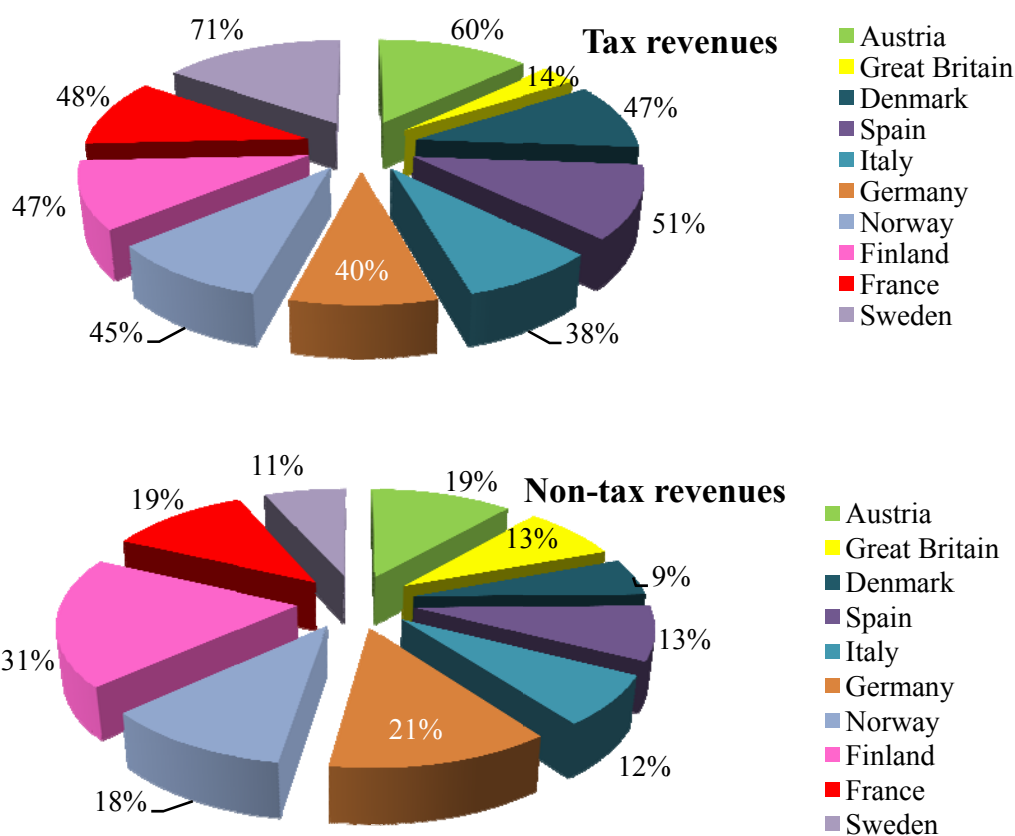
It is worth noting that the formation of the powers of local governments, based primarily on the possibility of maximum approximation of public services to their consumers, depends on the distribution of revenues between the budgets of different levels. Given the peculiarities of building the budget system of the EU, scientists identify three models of distribution of budget revenues at different levels, namely [15]:

- distribution of tax revenues and other revenues between different levels of the country's budget system — a model that is partly typical of the United States;

- splitting of tax revenues through the allocation to the budgets of different levels of specific shares of tax revenues within a single tax rate — a model that is partly typical of Germany;
- establishment at the level of administrative-territorial entities of allowances to national taxes — a model typical of Sweden.

If we analyze the main aspects that affect the level of tax autonomy of local budgets in Europe, we can draw the following conclusions [12]:

- only in eight countries do local governments have the right to set their own tax rates and determine the tax base for the taxation of individual taxes and fees. At the same time, the tax systems of these countries have a low share of local taxes;
- instead, local governments in most European countries independently determine the marginal tax rates at the local level (in Belgium, Spain, Great Britain, Denmark, the Netherlands, Sweden, Switzerland and Finland, such revenues provide about 84% of local budget revenues, in Poland, Norway, The Czech Republic and Hungary — 45%);
- in most European countries there is a distribution of tax revenues between local and central budgets, however, there are no states in which the proportion of distribution is determined by local governments.
- only in one European country (Portugal) at the central level are set the marginal rates of local taxes and determine the tax base of these taxes. Tax and non-tax revenues of individual countries are shown in *Fig. 2*.

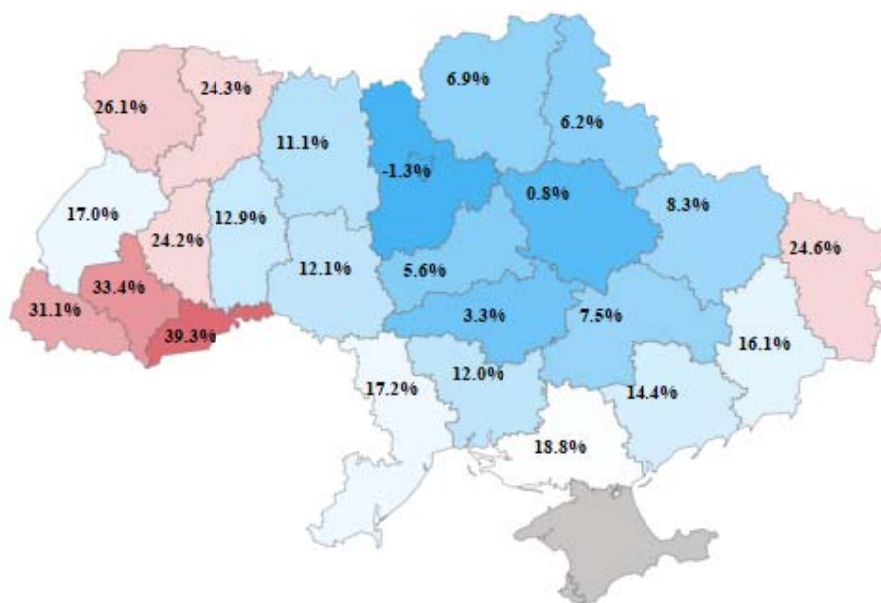


**Fig. 2. The structure of local budget revenues in European countries, 2020**

Source: calculated by the author according to the [4].



*Fig. 2* shows the highest percentage of tax revenues in Sweden — 71% and Austria — 60%, and the lowest in the UK — 14%, if we characterize non-tax revenues, the highest percentage — Finland (31%), and the lowest in Sweden (11%) and Denmark (9%). When studying the tax system of European countries at the local level, it is advisable to pay attention to the role and place of local taxes and fees in this system. Thus, in France, due to local taxes and fees, the revenue side of local budgets is replenished by 65%, in Germany — by 47%, in the UK — by 36%. At the same time, in European countries there is an extensive system of local taxes and fees: in Belgium they can be traced more than 100, in Italy — 70, and in France — 50 [14]. The organization of the tax system in European countries is different, it is characterized by the collection of tax payments to local budgets. As in Ukraine, the collection of personal income tax is one of the main sources of revenue for local budgets in European countries such as Austria, Belgium, Denmark, Norway, Poland and Switzerland. Instead, in the United Kingdom and the Netherlands, this budget-generating tax does not go to local budgets. Problems of financial decentralization are based on improving the efficiency of local taxes and fees, making changes in the administration of these taxes, clarification of the conditions for the creation and use of special funds and solving problems of control over the completeness, timeliness and reliability of the received financial tax revenues. Important tasks are to identify threats at the regional level, to develop methods to combat them using the resources available to local executive bodies and local governments, in the framework of building a national system of sustainability. The level of subsidies for individual regions is shown in *Fig. 3*.



**Fig. 3. The level of budget subsidies in 2020 (%)**

Source: own calculations.

The level of subsidies is 39.3% in Chernihiv region, 33.4% in Ivano-Frankivsk region and 31.1 in Zakarpattia region. Basic and reverse subsidies are opposite in the direction of cash flows, the main purpose of which is to ensure the horizontal equalization of the tax capacity of local budgets. Thus, if the value of the tax capacity index is 0.9—1.1, the equalization is not carried out; if less than 0.9 — the local budget is provided with a basic subsidy in the amount of 80% of the amount required to achieve the value of the index 0.9; if more than 1.1 — a reverse grant is transferred from the relevant local budget — 50% of the amount exceeding the value of the index 1.1. At the same time, equalization is carried out only taking into account the corporate income tax and personal income tax for regional budgets and personal income tax for other local budgets. The level of subsidies depending on the type of settlement and population (*Table 1*).

Table 1

**The level of subsidies**

Type of settlement	The level of subsidies (%)	Number groups	The level of budget subsidies (%)
Village	18.4%	More than 15000 people	11.4%
Town	16.4%	From 5000—15000 people	18.5%
City	8.1%	Less than 5000 people	13.5%
<b>Average</b>	<b>14.3%</b>	<b>Average</b>	<b>14.4%</b>

Source: own calculations.

Territorial communities with a population of 5,000 to 15,000 have the highest subsidy rates on average. The lowest average value of this indicator for a territorial community with a population of less than 5 thousand people — only 13.5%. If we analyze the type of settlement, then 18.4% falls on the village. Calculations on the indicator «level of subsidy of budgets» (the ratio of the amount of basic or reverse subsidy to the amount of income of the general fund of the territorial community without taking into account subventions from the state budget) indicate that the least dependent on subsidies from the state budget are communities — cities of regional importance: among which the highest level of subsidies is only 9.1%. Financial resources of local government are shown in *Table 2*.

Table 2

**Financial resources of local government, UAH billion**

Indexes	2021	Deviation (+/-)	2022 (prediction)	Deviation (+/-)
<i>Horizontal alignment</i>				
Basic subsidy to local budgets	15.7	+2.4	16.3	+0.6
Reverse subsidy from local budgets	10.4	+1.6	10.8	+0.4
<i>State support</i>				
State Fund for Regional Development	4.5	-0.4	11.2	+6.7
Socio-economic development of the territory	6.0	+4.3		
Construction, repair, maintenance of roads	18.1	-4.1	23.1	+5.0
Emergency credit programs for the recovery of Ukraine	1.2	+0.35	1.5	+0.2
Development of the CNAP network	0.23	new subvention	0.23	
Spatial development of community territories	0.06	new subvention	0.2	+0.13
Subvention to district councils			0,15	new subvention
<i>Education</i>				
Educational subvention	99.6	+18.7	108	+8.4
New Ukrainian school	1.4	+0.34	1.4	
Inclusive education	0.5		0.5	
A capable school for better results	1.0	+0.5	1.3	+0.3
To combat COVID-19 in secondary schools	1.0	new subvention	1.0	
Development of family forms of education, housing for orphans	0.8		0.8	
Establishment of vocational education centers	0.15	+0.05	0.25	+0.1
Renovation of food units in schools			1.5	new subvention
Fire safety in educational institutions			1.5	new subvention
<i>Other industries</i>				
Subsidy for the maintenance of educational and health care institutions	5.9	-2.0	2.95	-2.95
Support for individual facilities and activities in the health care system	2.9	+1.4	2.2	-0.7
Internet in the country side	0.5	new subvention	0.5	
Development of sports infrastructure	0.5	+0.3	0.65	+0.15
Establishment of cultural service centers	0.2	new subvention		
Ukraine's reconstruction program			0.5	new subvention

Source: own calculations.

Compared to previous years, the decline in 2021 can be traced to UAH 4.1 billion — construction, repair, maintenance of roads; UAH 0.4 billion — State Fund for Regional Development; UAH 2.0 billion — subsidy for the maintenance of educational and healthcare institutions. Forecasts in 2022 show a decrease of only UAH 2.95 billion — a subsidy for the maintenance of educational and health care institutions and UAH 0.7 billion — support for individual institutions and activities in the health care system. There are also many new subventions, as shown in the table.

The reliability of the obtained results, conclusions, and proposals is based on a comprehensive analysis of statistical data and scientific generalizations [1].

The main positive aspects of the introduction of horizontal equalization of tax capacity of local budgets are as follows: first, the formation of reverse subsidies is based on the analysis of revenues from two taxes (income tax and personal income tax), which does not affect the level of interest of local governments on the accumulation of the largest possible amount of revenue to local budgets; secondly, the basic subsidy provides 80% of the required financial resources, the other 20% should be accumulated at the level of the relevant local budget, which is one of the factors stimulating communities to development. Thus, the study of the formation of a new system of intergovernmental transfers and horizontal equalization of tax capacity of local budgets is characterized by the following aspects: change in the structure of intergovernmental transfers provided from state to local budgets in the direction of the use of subventions, resulting in a decrease in the influence of local governments on the volume and direction of use of resources and increasing centralization of financial resources; the possibility of using the mechanism of horizontal equalization of tax capacity of local budgets as a tool to stimulate the development of administrative-territorial units; strengthening the responsibility of line ministries for the development of relevant industries through their functioning as the main managers of funds in the allocation of financial resources and their provision in the form of appropriate subventions.

The situation in Ukraine due to the global risks of the COVID-2019 coronavirus pandemic reveals another perspective of possible interaction between regions and communities in the framework of the national tasks of anti-epidemic sustainability of the economy and the community. A number of areas of local community responsibility have a direct impact on public health (including through improving the overall environmental situation) and improving resilience to the pandemic, and should therefore be included in the national system of measures. These include:

- construction, reconstruction and equipment of primary and secondary medicine institutions, including with the use of energy efficient technologies in order to further save budget funds;
- conducting an anti-epidemic audit of territories and identifying the main points of epidemic risk;
- improving public health; dissemination of preventive measures, formation of a healthy lifestyle; providing psychological help to overcome the depression associated with the effects of the pandemic; formation of a culture of health protection at the community level;
- promoting community-specific health risks and endemic diseases through relevant research on public health factors;
- development of large-capacity municipal passenger transport and increase in the number of rolling stock with observance of anti-epidemic measures on a long-term basis, construction of routes taking into account the need for dilution of passenger flows and reduction of passenger congestion;
- development of retail chains of food products (including the arrangement of food markets to optimize sales of local producers);
- organization of uninterrupted supply of quality drinking water and drainage services;
- organization of removal and processing of solid household waste;
- development of remote mechanisms for providing administrative and financial services to individuals and legal entities to avoid unwanted crowds;



- strengthening the institutional and administrative capacity of communities to respond quickly and strategically to epidemic and other emergencies.

The level of financial security of the united communities remains one of the main aspects in determining their ability to ensure the fulfillment of the tasks and functions they are endowed with. Of course, the capacity of a community is measured by many factors and parameters, but the fundamental component of its life is financial resources. The concept of resources such as material, financial, labor and information serve the financial potential of the local community, as shown in Fig. 4.

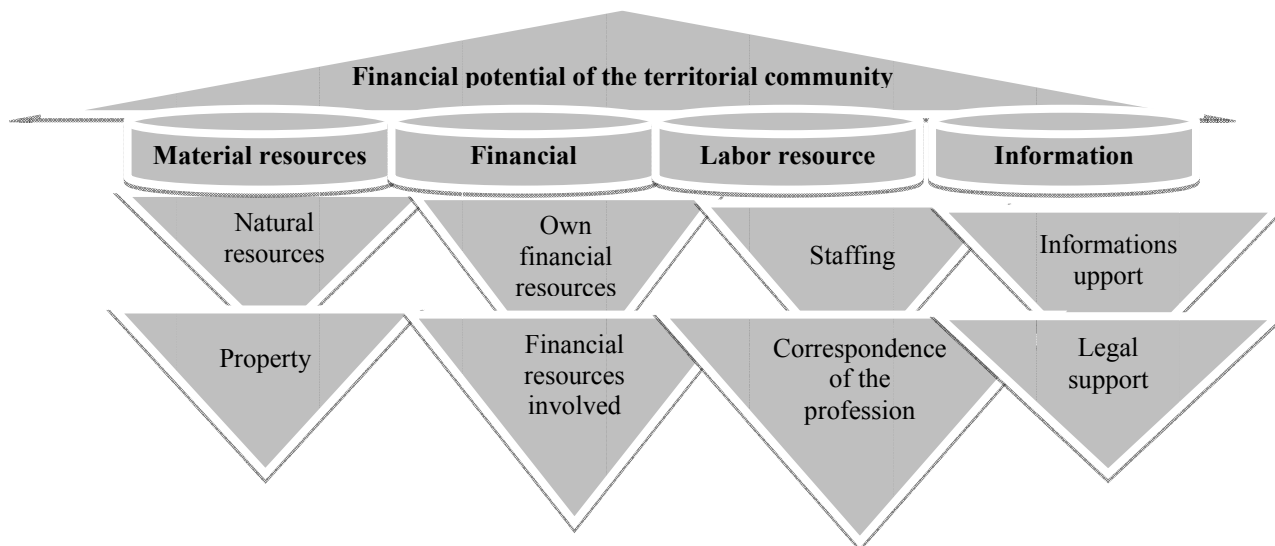


Fig. 4. Financial potential of the territorial community in modern conditions.

Source: own research.

Experience and current challenges show that the «top» are usually able to continue to develop within traditional models, they have a rather weak motivation to diversify livelihoods and innovations in management, tend to be passive recipients of policies formed at higher levels of government. Fig. 5 shows the impact of the community and the risks of effective formation and use of local community budgets.

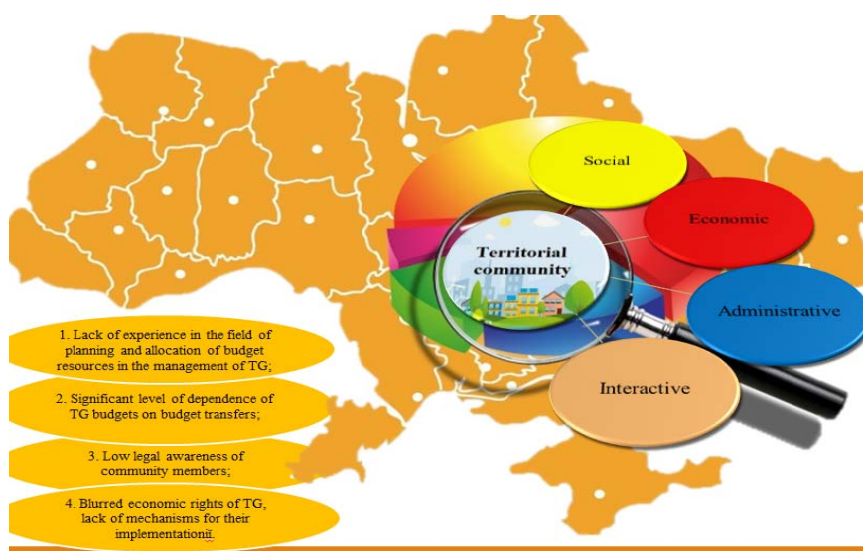


Fig. 5. Community impact and risks of effective formation and use of local community budgets

Source: own research.

Thus, the main arguments in favor of financial decentralization are its ability to ensure horizontal and vertical budget competition, which will contribute to the economic development of territories and regions and improve the quality of public services, as well as the possibility of increasing allocative efficiency of such services. preferences of the inhabitants of the territory. State financial support is growing every year (analyzing 2015—2020), *Fig. 6*. Thus, during 2019—2020, growth increased by UAH 10.2 billion.



Fig. 6. State financial support, 2015—2020 (billion UAH)

Source: own calculations.

The implementation of the task set before local governments depends on the location, the resource base available in the community and other aspects of community development that directly affect its perception as an environment for business development.

Achieving these goals will create appropriate conditions for socio-economic development of the community as a whole as well as all its components, while using the diversification mechanisms to address potential risks in rural areas [5].

Various ratings speak eloquently about the state of the investment climate in Ukraine and business expectations [16]. Having analyzed the approaches to determining the features of community development and its perception as an environment for business development, we can identify the main activities of local governments to enhance entrepreneurship in the community.

Including:

- stable fiscal policy at the local level, in particular in the frame work of the establishment and administration of local taxes and fees;
- stability and simplicity in resolving legal issues;
- ensuring efficient land use, formation of the planned and functional structure of land plots within the community, informing potential investors about the possibilities of community land use;
- the possibility of effective use of communal property of the community and informing potential investors about these opportunities;
- information policy and organizational culture at the level of local governments in relation to investors, support for business initiatives at the level of local authorities.

**Conclusions.** Emphasis is placed on the new regional development policy in Ukraine, which will be based on subsidiarity, which is one of the key principles of development policy and assumes that each action of individual policies is programmed and implemented at the lowest possible levels, and an integrated territorial approach. A project within the framework of regional policy is a territory characterized by a specific set of social, spatial, ecological and economic features.

The directions of development of local budgets in the context of administrative and financial decentralization are formulated. The focus is on the role of local budgets as a financial base for the functioning of communities, based on which the guidelines for the development of local budgets in the main areas are determined: increasing the revenue base; ensuring efficient implementation of expenditures; improving the procedure for providing intergovernmental transfers.

The development of each region is characterized by specific challenges, barriers or potentials, the development of which is especially important in terms of cohesion of the region or country. The scientific article proposes a conceptual model of effective use of economic and financial potential of territories in terms of administrative and financial decentralization, which provides effective use of internal community potential, combining budgetary potential, financial resources of businesses, households and financial institutions.

#### Література

1. Binert O., Sodoma R., Sadovska I., Begun S., Balash L., Shmatkovska T. Mechanisms for improving economic relations in the milk subcomplex of the agricultural sector: a case study of Ukraine. *Scientific Papers Series «Management, Economic Engineering in Agriculture and Rural Development»*. 2021. Vol. 21. Is. 2. P. 631—636 (date of access: 18.09.2021).
2. Бобровська О. Ю. Розвиток територіальних громад: базові поняття і показники оцінювання. *Публічне адміністрування: теорія та практика*. 2017. Вип. 1 (17). URL : [http://www.dridu.dp.ua/zbirnik/2017-01\(17\)/16.pdf](http://www.dridu.dp.ua/zbirnik/2017-01(17)/16.pdf).
3. Давиденко С. В. Европейские уроки децентрализации власти: разные подходы государства и органов местного самоуправления к административной реформе (финансовый аспект). 2008. URL : <http://www.soskin.info/newsfoto/file/Feodosiya/Davidenko.doc>.
4. Децентралізація влади. *Офіційний сайт*. URL : [www.decentralization.gov.ua](http://www.decentralization.gov.ua) (дата звернення: 20.09.2021).
5. Dubnevych Yu., Sodoma R., Dubnevych N. Socio-economic development of the united territorial community within the conditions of financial decentralization. *Scientific Papers Series «Management, Economic Engineering in Agriculture and Rural Development»*. 2021. Vol. 21. Is. 1. P. 241—251. URL : <http://managementjournal.usamv.ro/index.php/scientific-papers/2419-socio-economic-development-of-the-united-territorial-community-within-the-conditions-of-financial-decentralization> (date of access: 08.09.2021).
6. Ezcurra R., Rodriguez-Pose A. Political Decentralization, Economic Growth and Regional Disparities in the OECD. *Regional Studies*. 2012. № 47 (3). P. 388—401.
7. Gritsenko L., Boyarko I. Empirical evaluation of the use fulness of accounting and financial information for strategic management of enterprises of Ukraine. *Financial and credit activity: problems of theory and practice*. 2020. № 3 (34). P. 111—117.
8. Колодій С. Ю. Децентралізація бюджетної системи та економічне зростання. *Фінанси України*. 2001. № 3. С. 63—68.
9. Коломієць І. Ф., Пелехтій А. О. Теоретико-практичні аспекти формування об'єднаних територіальних громад в Україні. *Економіка України*. 2017. № 4 (665). С. 46—55.
10. Нездойминова О. С. Особливості формування бюджету територіальної громади. *Економіка і суспільство*. 2017. Вип. 11. С. 443—449. URL : [http://www.economyandsociety.in.ua/journal/11\\_ukr/71.pdf](http://www.economyandsociety.in.ua/journal/11_ukr/71.pdf).
11. Павлюк А. П. Економічні аспекти формування спроможних територіальних громад у Україні. Економічні аспекти становлення заможних територіальних громад в Україні. *Стратегічні пріоритети. Економіка*. 2016. № 1. С. 137—146. URL : [http://nbuv.gov.ua/UJRN/spe\\_2016\\_1\\_16](http://nbuv.gov.ua/UJRN/spe_2016_1_16).
12. Петик М. І. Оцінка фіскальної ефективності фізичних осіб з податку на прибуток. *Науковий вісник Національного лісотехнічного університету України* : зб. наук.-техн. пр. Львів : НЛТУ України. 2012. № 22.04. С. 267—271.
13. Radetsky Yu. Development of entrepreneurship in territorial communities as a factor of provision of socio-economic development. *Fundamentalis scientiam*. 2019. № 26. P. 18—21.
14. Разуваева Д. В. Вітчизняний та зарубіжний досвід формування місцевих бюджетів. *Управління розвитком*. 2014. № 10 (173). С. 69—71.
15. Shmatkovska T., Dziamulych M., Gordiichuk A., Mostovenko N., Chyzh N., Korobchuk T. Trends in human capital formation and evaluation of the interconnection of socio-demographic processes in rural area: a case study of Volyn region, Ukraine. *Scientific Papers Series «Management, Economic Engineering in Agriculture and Rural Development»*. 2020. № 20 (2). P. 437—444.
16. Sodoma R., Brukh O., Shmatkovska T., Vavdiuk N., Bilochenko A., Kupyra M., Berezhnyska G. Financing of the agro-industrial complex in the context of the implementation of international experience. *Financial and credit activity: problems of theory and practice*. 2021. Vol 1. № 36. P. 14—28. URL : <http://fkd.org.ua/article/view/227604>.
17. Tanzi V. Pitfalls on the road to fiscal decentralization. *Working papers*. 2001. № 19. URL : <http://carnegieendowment.org/files/19Tanzi.pdf>.
18. Yakubiv, V., Sodoma, R., Hrytsyna, O., Pavlikha, N., Shmatkovska, T., Tymbaliuk, I., Marcus, O., Brodska, I. Development of electronic banking: a case study of Ukraine. *Entrepreneurship and Sustainability Issues*. 2019. № 7 (1). P. 219—232. URL : [http://pa.stateandregions.zp.ua/archive/1\\_2015/15.pdf](http://pa.stateandregions.zp.ua/archive/1_2015/15.pdf).
19. Захарова О. В., Баштаннік В. В., Василішина А. П. Впровадження зарубіжного досвіду децентралізації управління. Дніпро : НАДУ при ПУ. Дніпропетровський обласний інститут державного управління, 2015. 23 с.

Статтю рекомендовано до друку 05.11.2021

© Содома Р. І., Дубинецька П. П., Купчак М. Я., Подзізей О. О., Лесик Л. І., Жук М. І.

#### References

1. Binert, O., Sodoma, R., Sadovska, I., Begun, S., Balash, L., & Shmatkovska, T. (2021). Mechanisms for improving economic relations in the milk subcomplex of the agricultural sector: a case study of Ukraine. *Scientific Papers Series «Management, Economic Engineering in Agriculture and Rural Development»*, Vol. 21, 2, 631—636.
2. Bobrovskaya, O. Yu. (2017). Rozvytok terytorialnykh hromad: bazovi poniattia i pokaznyky otsiniuvannia [Development of territorial communities: basic concepts and assessment indicators]. *Publichne administruvannia: teoriia ta praktyka — Public administration: theory and practice*, 1 (17). Retrieved from [http://www.dridu.dp.ua/zbirnik/2017-01\(17\)/16.pdf](http://www.dridu.dp.ua/zbirnik/2017-01(17)/16.pdf) [in Ukrainian].

3. Davidenko, S. V. (2008). *Evropejskie uroki decentralizacii vlasti: raznye podhody gosudarstva i organov mestnogo samoupravleniya k administrativnoj reforme (finansovyy aspekt) [European lessons of decentralization of power: different approaches of the state and local governments to administrative reform (financial aspect)]*. URL : <http://www.soskin.info/newsfoto/file/Feodosiya/Davidenko.doc> [in Russian].
4. *Detsentralizatsiia vladiv. Ofitsiyni sait. [Decentralization of power. Official site]*. (n. d.). Retrieved September 20, 2021, from [www.decentralization.gov.ua](http://www.decentralization.gov.ua) [in Ukrainian].
5. Dubnevych, Yu., Sodoma, R., & Dubnevych, N. (2021). Socio-economic development of the united territorial community within the conditions of financial decentralization. *Scientific Papers Series «Management, Economic Engineering in Agriculture and Rural Development», Vol. 21, 1, 241—251*. Retrieved September 8, 2021, from <http://managementjournal.usamv.ro/index.php/scientific-papers/2419-socio-economic-development-of-the-united-territorial-community-within-the-conditions-of-financial-decentralization>.
6. Ezcurra, R., & Rodriguez-Pose, A. (2013). Political decentralization, economic growth and regional disparities in the OECD. *Regional Studies*, 47 (3), 388—401. <https://doi.org/10.1080/00343404.2012.731046>.
7. Gritsenko, L., & Boyarko, I. (2020). Empirical evaluation of the usefulness of accounting and financial information for strategic management of enterprises of Ukraine. *Financial and credit activity: problems of theory and practice*, 3 (34), 111—117. <https://doi.org/10.18371/fcaptop.v3i34.215423>.
8. Kolodii, S. Yu. (2001). Detsentralizatsiia biudzhethnoi systemy ta ekonomichne zrostantia [Decentralization of the budget system and economic growth]. *Finansy Ukrainy — Finance of Ukraine*, 3, 63—68 [in Ukrainian].
9. Kolomiets, I. F., & Pelekhtyi, A. O. (2017). Teoretyko-praktychni aspekty formuvannia obiednanykh terytorialnykh hromad v Ukraini [Theoretical and practical aspects of the formation of united territorial communities in Ukraine]. *Ekonomika Ukrainy — Economy of Ukraine*, 4 (665), 46—55 [in Ukrainian].
10. Nezdoimynoha, O. Ye. (2017). Osoblyvosti formuvannia biudzhetu terytorialnoi hromady [Features of budget formation of the territorial community]. *Ekonomika i suspilstvo — Economy and society*, 11, 443—449. Retrieved from [http://www.economyandsociety.in.ua/journal/11\\_ukr/71.pdf](http://www.economyandsociety.in.ua/journal/11_ukr/71.pdf) [in Ukrainian].
11. Pavliuk, A. P. (2016). Ekonomichni aspekty formuvannia spromozhnykh terytorialnykh hromad u Ukraini. Ekonomichni aspekty stanovlennia zamozhnykh terytorialnykh hromad v Ukraini [Economic aspects of the formation of affluent territorial communities in Ukraine. Economic aspects of the formation of wealthy territorial communities in Ukraine]. *Stratehichni priorityety. Ekonomika — Strategic priorities. Economy*, 1, 137—146. Retrieved from [http://nbuv.gov.ua/UJRN/spe\\_2016\\_1\\_16](http://nbuv.gov.ua/UJRN/spe_2016_1_16) [in Ukrainian].
12. Petyk, M. I. (2012). Otsinka fiskalnoi efektyvnosti fizychnykh osib z podatku na prybutok [Assessment of fiscal efficiency of individuals from income tax]. *Naukovyi visnyk Natsionalnoho lisotekhnichnoho universytetu Ukrainy — Scientific Bulletin of the National Forestry University of Ukraine*, 22.04, 267—271. Lviv: NLTU Ukrainy [in Ukrainian].
13. Radetsky, Yu. (2019). Development of entrepreneurship in territorial communities as a factor of provision of socio-economic development. *Fundamentalis scientiam*, 26, 18—21.
14. Razuvaeva, D. V. (2014). Vitshyzniani ta zarubizhnyi dosvid formuvannia mistsevykh biudzhetyv [Domestic and foreign experience in the formation of local budgets]. *Upravlinnia rozvytkom — Development management*, 10 (173), 69—71 [in Ukrainian].
15. Shmatkovska, T., Dziamulych, M., Gordiichuk, A., Mostovenko, N., Chyzh, N., & Korobchuk, T. (2020). Trends in human capital formation and evaluation of the interconnection of socio-demographic processes in rural area: a case study of Volyn region, Ukraine. *Scientific Papers Series «Management, Economic Engineering in Agriculture and Rural Development», 20 (2)*, 437—444.
16. Sodoma, R., Brukh, O., Shmatkovska, T., Vavdiuk, N., Bilochenko, A., Kupyra, M., & Berezhnyska, G. (2021) Financing of the agro-industrial complex in the context of the implementation of international experience. *Financial and credit activity: problems of theory and practice, Vol 1*, 36, 14—28. <https://doi.org/10.18371/fcaptop.v1i36.227604>. Retrieved from <http://fkd.org.ua/article/view/227604>.
17. Tanzi, V. (2001). Pitfalls on the road to fiscal decentralization. *Working papers*, 19. Retrieved from <http://carnegieendowment.org/files/19Tanzi.pdf>.
18. Yakubiv, V., Sodoma, R., Hrytsyna, O., Pavlikha, N., Shmatkovska, T., Tsymbaliuk, I., Marcus, O., & Brodska, I. (2019). Development of electronic banking: a case study of Ukraine. *Entrepreneurship and Sustainability Issues*, 7 (1), 219—232. [http://doi.org/10.9770/jesi.2019.7.1\(17\)](http://doi.org/10.9770/jesi.2019.7.1(17)) [in English]. Retrieved from [http://pa.stateandregions.zp.ua/archive/1\\_2015/15.pdf](http://pa.stateandregions.zp.ua/archive/1_2015/15.pdf).
19. Zakharova, O. V., Bashtannik, V. V., & Vasylishyna, A. P. (2015). *Vprovadzhennia zarubizhnoho dosvidu detsentralizatsii upravlinnia [Introduction of foreign experience of decentralization of management]*. Dnipro: NADU pry PU. Dnipropetrovskiy oblasnyi instytut derzhavnogo upravlinnia [in Ukrainian].

The article is recommended for printing 05.11.2021

© Sodoma R., Dubynetska P., Kupchak M., Podzizei O., Lesyk L., Zhuk M.