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EUROPEAN INTEGRATION PRINCIPLES OF TERRITORIAL – ADMINISTRATIVE REFORM IN UKRAINE

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The declaration of independence of Ukraine and the deep social, economic and political transformation of Ukrainian society are the historical factors that trigger the need for the new regional policy based on the improvement of territorial and administrative structure. Such reforms should be based on a strategic vision of new Ukrainian ideology of regional development governance, local government and territorial organization of national economy.

The current importance of faster solution of the issues is derived from the negative developments across all areas of society in Ukraine and in the regions; the necessity to avoid threats to its integrity; the addressing the problems of military operations in the eastern regions.

In this regard we propose to reform the regional policy of Ukraine in direct connection with the implementation of the comprehensive territorial and administrative reorganization.

The implementation of new territorial and administrative system in Ukraine may be considered as one of the important steps towards ensuring the reform of regional policy based on the current features of social and economic regional development, the changes in their geospatial organizations due to the gravitational processes taking place at the interregional and intraregional levels.

At the moment the Ukrainian government believes that the territorial and administrative reform should be carried out only at the community level based on the principles of decentralization and improving of the effectiveness of local governments. The evidence of this approach is the amalgamation of villages, towns and cities in order to enhance their social and economic potential and to expand their financial capabilities.

***Key words*:** Ukraine; territorial-administrative structure; regional policy; community; district; area.

Decentralization as a basis for reformation of Ukrainian regional policy

The reformation of regional policy in Ukraine has started with decentralization of public administration and reformation of local government based on experience of the EU members and in particularly, Poland.

In Ukraine the decentralization is first mentioned in the Constitution of Ukrainian People's Republic on April 29, 1918, which states: without breaking unitarily power UNR provides its lands and communities rights for wide self-government according to the principle of decentralization.

The excessive centralization of regional development, which has been a norm for Ukrainian regional policy till 2013, has resulted in many negative consequences. It has contributed to the increase of contradictions between «center» and regions, and between «communities–districts–regions», that impeded regional social and economic development, and led to the emergence of destructive ideas of federalization. The process of reformation of public administration in Ukraine should be comprehensive and consistent.

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The priority aspects of decentralization should include: the shift away from centralized model of regional development; the economic viability of regions and local self-government; the building of the effective system of territorial organization of power.

The decentralization of state government as a base for reformation of Ukrainian regional policy involves: i) the transfer of powers, responsibilities and resources from national level to local governments and regional authorities; ii) the increase of the power of local communities in their relations with the center; iii) granting regions the right to develop and implement their own development strategies; iv) the concentration of resources required for internal development. Under decentralization the great importance must be given to the issues of financial security of regions based on the securing of stable sources of tax revenue, and the differentiated provision of educational and medical subventions.

The implementation of such trends will contribute to social and economic development of regions and communities, create opportunities to provide high-quality services to all citizens, strength the principle of democracy in work, and ensure the formation and implementation of their own strategies for social and economic development without excessive administrative control of national government.

Ukraine anticipates the fiscal decentralization, the strengthening of the fiscal autonomy of local governments on the basis of revenue sharing between the center, local authorities and local governments, which requires changes in the existing system of the interaction of budget levels (that is, the list of fixed incomes and standard withholdings from regulated revenues at all levels for a long term, not less than 5 years).

The decentralization of the budget process stipulates the increasing number of financial sources for local budgets, in particular by the attaching for local budgets some part of the corporate income tax of the companies operating within the respective territories, excise duty, environmental tax, subsoil use fees, the fees for special use of national natural resources etc.

The state budget should be formed in the amount needed to finance the government, the defense and security, important national programs and funds of convergence of social and economic development of regions. The state should thus make the budgetary provision for residents in all administrative units at the guaranteed level established by law.

Essence and importance of administrative and territorial reform

Ukraine has so far retained the two-level territorial divisions that emerged in former USSR [7]. First level is region (oblast), second is districts and all settlements (cities of regional subordination, urban settlements, and villages). As of 1 January 2014 the territorial and administrative system included: the Autonomous Republic of Crimea, 24 regions, cities of Kyiv and Sevastopol, 490 districts, 460 cities, 885 towns, 10 279 village councils, 28 397 villages [2].

The current territorial structure of Ukraine is characterized by: the existence of disparities in regional development; the different availability of services including administrative ones; the uneven funding of territorial and administrative units

calculated as per capita; the complex mechanism of interaction between local authorities and locals; the imperfect system of local self-government.

The inefficiency, inconsistency, excessive centralization, distance from the interests of real people are typical for the current territorial and administrative system. The existing territorial and administrative structure does not promote the effective regional development. It causes problems of social and economic recession and the depopulation of much of the country.

Under current conditions a comprehensive territorial and administrative reform has become particularly important and necessary taking into consideration an aggravation of political and economic situation and European line of development in Ukraine. The territorial and administrative reform should provide for the changes in the territorial and administrative structure and organizational system, and the national and local authority performance. The government work should be aimed at creating more supportive environment for social development based on the balance of individual, collective (public) and national interests.

The goal of reform is to strengthen territorial unity of the country and to ensure more effective regulation of society development, allocation of economic and financial resources, expansion of facilities and financial framework of territorial and administrative units. The decentralization of power will reduce social and political tensions in the country, and promote its comprehensive development.

The necessity for administrative and territorial reform is caused by obsolescence and mismatch of the current structure to the modern development of Ukrainian economy and to the system of its functioning mechanism that has negative impact on political and economic system of the country.

The current territorial structure of Ukraine is characterized by the excessive dissemination of administrative units on local level. Most of them do not have sufficient economic potential for development.

The main tasks of territorial and administrative reform in Ukraine should be following: the decentralization of public authority, the enhancing role of local self-government and its reformation through consolidation of territorial units in accordance with the NUTS system.

In the process of territorial and administrative reform it is necessary to ensure: the transition to new system of territorial and administrative structure based on formation of integral territorial and administrative units; their administrative, financial, economic, social, demographic security with respect to the regional features. It is also necessary to define the nature and limits of national government control over the local governments; to develop the organizational and economic mechanism for the strengthening of economic base and the providing of financial and managerial autonomy of administrative units.

The important issues on the principles and criteria of formation of territorial and administrative units at various levels were described in research publications of A. Lisovy, I. O. Kresin, A. Tkachuk, N. I. Ruban [1; 4, s. 28–39; 6, s. 20–26].

The reform of territorial and administrative structure and spatial organization of power in Ukraine is one of the fundamental reforms, which affect almost all spheres of

society. Thus its successful accomplishment requires broad public support. This, in turn, requires the frank and broad media exposure of reform process and problems.

The efforts of regional authorities at all levels should be aimed at the promoting of convergence. For this purpose it is necessary to develop the science-based innovation strategy for the restructuring of regional economy; to provide the broader support for development of business environment; to promote the consulting, education, research and technological development; to provide for the concessional loans to industrial enterprises and organizations conducting research and development; to involve the government orders mainly in the form of contracts for R&D and production of new innovative products; to promote the development of international leasing, joint venture, venture capital; to ensure priority allocation of investment, financial and credit resources for creation of new jobs in information-intensive industry sectors; to use more efficiently the existing scientific potential by means of reducing gaps of interdisciplinary connections in cycle «fundamental research–development–commercialization of knowledge in production»; to create the national database to monitor the development of research and innovation process in every region of Ukraine.

Currently, there are no adopted framework regulations concerning new model of territorial and administrative structure of Ukraine. It is necessary to adopt law «On territorial and administrative structure», which will define stages of reform, objectives and criteria of evaluation at every stage; specific provisions and clear requirements for the formation of territorial and administrative units on each level. It has to suggest the optimal model, which will combine power of central government, on the one hand, and on the other, will contribute to the development of democratic governance by strengthening the role of local self-government.

Model of territorial and administrative reform

At different stages of historical development the territorial and administrative system of Ukraine has undergone significant changes. In early 20th century country was divided between Russian and Austro-Hungarian Empire. In Russian Empire Ukrainian ethnic territory consisted of 9 governorates divided into 90 counties. As part of the Austro-Hungarian Empire there were such Ukrainian lands as Galicia, Bukovina, and Transcarpathian Ruthenia with corresponding division into counties. After the collapse of both empires in the beginning of 20th century Soviet Ukraine was divided into circuits and districts, and later division was changed to regions (oblasts) and districts. In 1962 there was an attempt to unite oblasts into seven economic zones (councils of national economy) – Donetsk, Kyiv, Lviv, Dnipro, Kharkiv, Black sea, but later they switched to the division into regions (oblasts) and districts. This division has remained until now.

The new model of territorial and administrative division should be based on the spatial paradigm providing for the metropolitan spatial economic systems drawing on the existing settlement systems, which have been transforming under the influence of processes of economic zoning and metropolisation. The economic zoning should rest on the consideration of historical, natural, ecological, social and economic characteristics of Ukrainian territory.

European integration processes taking place in Ukraine afford ground for the conducting of territorial and administrative reform in accordance with the EU common system of classification of territorial and administrative units for statistics – NUTS (Nomenclature of Territorial Units for Statistics: NUTS I (3 million of people – 7 million of people), NUTS II (800 thousand of people – 3 million of people), NUTS III (159 thousand of people – 800 thousand of people).

The implementation of NUTS in Ukraine may be considered as one of most important steps towards enabling Ukraine's joining the single European Statistical System, that will provide a unified, transparent and effective monitoring and as a result the implementation of effective regional policy.

I argue that the reformation of existing Ukrainian territorial structure envisages the creation of first-degree units – NUTS III communities (a group of villages, settlements, towns); NUTS II – counties that will cover several modern administrative districts. The third level will be presented by economic areas that be created by combining existing regions in accordance with the level of NUTS 1.

Taking into account experience of CEE countries, where under European integration the territorial and administrative reform took place gradually in two stages, the territorial and administrative reform in Ukraine should be also conducted in two stages.

At first present stage, it is important to guarantee the reformation of basic level NUTS III, which should be formed by combining local communities (with a population of at least 5–6 thousand people in accordance with the recommendations of the World Bank).

The formation of territorial communities should be based on existing regional settlement systems through the merger around a certain core (centers of economic development) of village, town and city councils in accordance with economic, social, demographic, historical, infrastructural, administrative and managerial, natural and geographical, mental features of their territories, as well as the principle of territorial access to social, administrative and public services and proper economic fundamentals: property, appropriate property rights, natural and other resources, assets of local budgets, which should be sufficient for resolving local issues within their competence [8].

The greatest distance of settlements from the center of the community is determined, as a rule, by basic requirements of social services at this level, especially by timing: emergency aid (15–20 min), delivery of secondary school students by school bus (15–20 min), emergency rescue (15 min). Regional public authorities have to develop systems of local communities.

At the end of 2015, most regions of Ukraine approved long-term plans of territorial communities reforming, but their implementation requires a proper institutional and methodical support. Still the regulatory acts about system of organization and legal, financial and economic mechanisms aimed at the establishment and development of territorial communities has not been adopted. Ukrainian experts have offered some methods [5].

For example, in Lviv region the Perspective plan of creation of 140 capable territorial communities was developed. For the stimulation of social and economic development it is expected to provide people with state financial support in the amount of three million hryvnias, and in addition, to transfer to the communities over 190 thousand hectares of land beyond their territories.

Existing district level in Ukraine (150–800 thousand of people) does not meet the level of NUTS II (from 800 thousand to 3 million of people). It is necessary to unite areas on the basis of existing settlement systems and interrelationships, and to form appropriate territorial units of the second level – that is districts (powiets) with the corresponding amount of population. Moreover, because of existing interdistrict connections in some regions the system may cover the administrative regions of adjacent regions that should be considered during the formation of NUTS I.

Districts should deal with the matters that the community cannot solve themselves: protection of public order, disaster management, flood and fire control, maintenance of general hospitals, social assistance, unemployment, and construction of roads.

Thus, as a result of the first stage of reform, territorial and administrative division of Ukraine will consist of communities (NUTS III) and district (NUTS II).

As an example I single out with help of gravitational model five districts in Lviv region – Lviv, Drogobych, Zolochiv, Brody, Chervonohrad – and five districts in Ternopil region – Ternopil, Chortkiv, Kremenets, Berezhany, Shuya.

I agree with V. Kolosov that the current population of the highest level of territorial and administrative division of Ukraine – region (oblast) – corresponds by quantitative parameters to NUTS II level [3].

In this regard, at the second stage of territorial and administrative reform it is necessary to start formation of NUTS I by combining economic areas with regard to agglomeration-metropolitan method. The centers of selected economic areas should become large cities with million or more people, on basis of which metropolitan spatial economic systems would be formed. Those systems are the foundation of national economy, sources of new ideas, technologies and innovations, generators, stimulants of economic growth.

The economic zoning involves the division of national economy into relatively independent systems, each of which differs by appropriate level of public, economic, social integrity and independence. The economic areas may be considered as the concentration of historical, economic, political and social processes in a specific cultural environment, as part of the spatial structure of society. The economic areas might become businesses-structures which «are able to adapt to the global economy and produce wealth», in other words, it should be optimal space to get the best social and economic results.

Studying of national economic space zoning involves two interrelated approaches: qualitative (system) and quantitative (cybernetic). The goal of economic zoning should be the realization of strategy of increasing competitiveness of national economy based on sustainable long-term spatial social and economic development. The maintenance of regional transport infrastructure, specialized health care and specialized secondary education, development of culture, sports, tourism, providing a

higher level of service (higher education, health care, cultural institutions) is proposed to transfer to NUTS I level.

The economic area level should also include the development and implementation of social and economic development policy and resolving of issues of inter-regional and national importance: the creating of conditions for economic development; the balancing of labor market; the implementation of projects to support small and medium-sized enterprises; advertising; the initiation of appropriate organizational forms to attract investment and international financial assistance (agencies, foundations of regional development); the organization of inter-regional cooperation, development and implementation of strategies and programs for regional development; the maintenance and development of regional social and technical infrastructure to support the science education, and culture (theaters, philharmonic, museums); the sustainable use of natural resources and preservation of the environment; the maintenance of emergency medical care facilities, specialized medical care and rehabilitation, diagnosis, as well as specialized schools.

During first years of independence (1990–1996) Ukrainian scientists have proposed various options for integrated economic zoning. Authors proposed to single out from ten to six economic regions in Ukraine. The main principles of their allocation were: social and historical features; commensurable levels of industrial development, scientific and technological and cultural potentials. The researchers of such schemes includes O. I. Shabliy, O. M. Marynych, V. A. Popovkin, F. D. Zastavny, V. M. Turyeyev, S. I. Dorohuntsov, A. M. Fedoryshchev, P. O. Maslyak i P. H. Shyshchenko, V. K. Symonenko etc.

I agree with O. I. Shabliy that taking into account current scientific approaches to economic zoning the most optimal will be the allocation of six integrated social and economic regions: Central (Vinnytsya, Zhytomyr, Kyiv, Khmelnytsky, Cherkasy, Chernihiv regions), Eastern (Donetsk, Luhansk regions), Western (Volyn, Transcarpathian, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Chernivtsi region), East-Central (Dnipropetrovs'k, Zaporizhia regions), Southern (Mykolaiv, Odesa, Kherson regions and Autonomous Republic of Crimea), Northeastern (Poltava, Sumy, Kharkiv region), with corresponding centers Kyiv, Donetsk, Lviv, Dnipropetrovsk, Odesa, Kharkiv.

For the development of proposals for the improving of legal regulation of regional development and local self-government reformation in Ukraine the Ukrainian-Polish advisory group was created by the signing of the Memorandum of Cooperation about the support of local government reform in Ukraine on December 17, 2014 in Warsaw.

The Ukrainian-Polish advisory group plans to assess the implementation of existing decisions on financial decentralization; prepare the proposals regarding amendments to the Budget and Tax Code of Ukraine in terms of financial decentralization; strengthen the financial basis of local self-government considering the budgetary performance; work out the mechanisms to ensure public and state control of public finances.

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ЄВРОІНТЕГРАЦІЙНІ ЗАСАДИ ТЕРИТОРІАЛЬНО-АДМІНІСТРАТИВНОЇ РЕФОРМИ В УКРАЇНІ

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Проголошення незалежності України, глибока соціальна, економічна та політична трансформація українського суспільства – це ті історичні чинники, які ініціюють необхідність формування нової регіональної політики на основі вдосконалення її територіально-адміністративного устрою. Таке реформування необхідно базувати на стратегічному баченні запровадженої в Україні нової ідеології державного управління регіональним розвитком, місцевого самоврядування та територіальної організації національної економіки як діяльності щодо забезпечення реалізації прав і свобод громадян на основі компетентності і розмежування повноважень органів державної та місцевої влади на всіх регіональних рівнях.

До основних принципів, з якими необхідно реформувати регіональну політику, належить субсидіарність, партнерство, програмування, компліментарність, когерентність, урахування яких наближає Україну до реалізації основних принципів спільної регіональної політики ЄС.

Євроінтеграційні процеси, які відбуваються в Україні, дають підстави для проведення територіально-адміністративної реформи відповідно до розробленої в ЄС єдиної системи класифікації територіально-адміністративних одиниць для статистики – NUTS (Nomenclature of Territorial Units for Statistics: NUTS I (3–7 млн), NUTS II (800 тис. – 3 млн, NUTS III. (159 тис. – 800 тис.).

Реформування існуючого територіального устрою України передбачає створення територіальних одиниць першого ступеня – громад (група сіл, селищ, міст) – NUTS III; другого ступеня – округів – NUTS II, які охоплюватимуть декілька сучасних адміністративних районів. Третій рівень представлятимуть економічні райони – NUTS I, утворені шляхом об'єднання існуючих областей.

Впровадження системи NUTS в Україні можна розглядати як один із важливих кроків на шляху надання можливості приєднання України до єдиної європейської статистичної системи, що

забезпечить уніфіковану, прозору та ефективну модель статистичного моніторингу, а на її основі – реалізацію ефективної регіональної політики.

Ключові слова: Україна; регіональна політика; децентралізація; територіально-адміністративна реформа; громада; повіт; регіон.