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DEVELOPMENT OF RURAL AREAS IN THE CONDITIONS OF DECENTRALIZATION OF POWER IN UKRAINE

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Abstract

The article considers measures of reorganization of the economic mechanism of territorial administration in the context of decentralization of power. It is indicated that the decentralization reform is directly related to the development and optimal use of the resource potential of rural areas. It is emphasized that one of the fundamental conditions for the independence of local governments is financial decentralization, which reflects the financial powers of regional authorities. It is stated that the process of voluntary unification of territorial communities has created the preconditions for the transformation of the territorial structure and subregional level. It is emphasized that the main alternatives to agriculture today are the spheres of construction, trade, social services, etc. It is highlighted that in the Ukrainian realities there is a significant untapped potential of inclusiveness in the form of self-organizational activity of rural territorial communities and productive activity of rural business in solving local socio-economic problems. It is concluded that local communities can regulate the process of accumulation of funds, provision of appropriate services, based on short- and long-term planning. It can also be argued that decentralization should be seen as a factor that directly affects the diversification of rural development.

Keywords: decentralization, rural areas, united territorial communities, inclusive development, potential, State Fund for Regional Development.

Deployment of decentralization of the current management system in Ukraine causes the emergence of new processes and phenomena in the social development of rural settlements due to strengthening the subregional level of government, radical changes in the principles of rural communities and finding new forms of local government at the local level, focused on self-organization and community selfdevelopment. In difficult socio-political and socioeconomic conditions, the country is rapidly implementing decentralization reform with significant economic and social risks, possible negative effects for rural communities, which are currently not properly informed about the nature of the transformations and are essentially unprepared for such radical changes. for various objective and subjective reasons. As a result, social conflicts often arise, which only complicate the conditions of rural business or worsen the living conditions of rural residents in general [1; 5]. Based on this, the article considers possible scenarios for the development of rural settlements in terms of decentralization of management, their impact on the organization of rural communities, the potential for self-development. Institutional traps have been identified for the development of rural settlements in the conditions of unification of rural territorial communities and implementation of decentralization processes.

It must be acknowledged that the current problems of the Ukrainian countryside are a manifestation of systemic territorially localized social problems, the successful solution of which depends on the state mechanism of their administrative and financial support and local initiative to create a new living environment by rural residents. In the process of market economy formation, rural areas have undergone destructive changes caused by the mismatch of socioeconomic transformations of rural development to the interests of rural communities [10]. Excessive centralization of power, which directed local governments and self-organization of the population to comply with the instructions of the competent structures, necessitated a radical overhaul of socio-economic policy of rural development.

The processes of unbundling of lands and property of agricultural enterprises in Ukraine, which were carried out without bringing into line with the new economic conditions and functioning of the social sphere of the village, the structure of bodies and principles of public management of socio-economic development of the agricultural sector, led to negative consequences.

There was a need for such a socio-economic policy of rural development, the strategic goal of which was to significantly improve living standards based on qualitatively improved use of resource potential, fundamentally new approaches to the formation of productive forces, radical improvement of the ecological state of regions. The European integration vector chosen by Ukraine requires the formation of the principles of structural policy of rural development [15]. In addition, it was important to justify measures to reorganize the economic mechanism of territorial governance in the context of decentralization, giving greater independence to the regions and responsibility for economic and social development of rural areas on the basis of public-private partnership, economic management methods, levers and tools to enhance economic activity level of rural development.

Strategic principles of rural development in the context of decentralization of power have been the subject of in-depth research by domestic and foreign scientists, in particular I.V. Honcharuk, O.V. Dovhal, V.S. Yehorova, T.A. Zaiats, H.M. Kaletnika, T.V. Yemchyk, Yu.O. Lupenka, V.V. Lutsiaka, K.V. Mazur, R.P. Mudrak, V.V. Lahodiienko, N.V. Lahodiienko, A.V. Movchaniuk, V. Rossokhy, M. Plotnikova, M.P. Talavyria, A.O. Horai, I.O. Tsymbaliuk, O.H. Shpykuliaka, H.F. Mazur and others. The scientific works of these authors are devoted to solving important problems. However, they lack a systematic integration approach to the territorial management of rural development in the context of decentralization of power and the formation and prospects for the devel-

opment of united territorial communities, which actualizes the scientific search in this area of research.

The purpose of the article is to consider the state, problems, legislation, trends and justification of ways of rural development in terms of decentralization and administrative-territorial reform.

After the Cabinet of Ministers of Ukraine approved the Concept of Reforming Local Self-Government and Territorial Organization of Power in Ukraine, which became one of the requirements of the International Monetary Fund, the process of decentralization of power began. Within the framework of local self-government reform, the Law of Ukraine "On Cooperation of Territorial Communities" was adopted, which defined the organizational and legal principles of cooperation of territorial communities, principles, forms, mechanisms of such cooperation, its stimulation, financing and control [15].

There was a need for such a socio-economic policy of rural development, the strategic goal of which was to significantly increase living standards based on qualitatively improved use of resource potential, fundamentally new approaches to the formation of productive forces, radical improvement of the ecological state of regions [4; 9]. The substantiation of measures of reorganization of the economic mechanism of territorial management in the context of decentralization of the power, granting of greater independence to regions and responsibility for economic and social development of rural areas on the basis of public-private partnership, economic methods of management, levers and tools of economic activity for increase of level of rural development became important.

Decentralization reform is directly related to the development and optimal use of the resource potential of rural areas. In particular, the preamble to the Concept of Reforming Local Self-Government and Territorial Organization of Power in Ukraine states that currently problems that directly relate to the development of rural areas need to be resolved effectively and quickly (Table 1).

Table 1

The main problems of rural development in Ukraine

	The main problems of fural development in Okrame				
Ŋoౖ	Main characteristics				
1	Deterioration of the quality and accessibility of public services due to the resource inability of the vast majority of local governments to exercise their own and delegated powers;				
2	wear and tear of heat, sewage, water supply networks and housing and the risk of man-made disasters in conditions of limited financial resources of local government;				
3	difficult demographic situation in most territorial communities (population aging, depopulation of rural areas and monofunctional cities);				
4	inconsistency of local policy on socio-economic development with the real interests of territorial communities;				
5	underdeveloped forms of direct democracy, inability of community members to act in solidarity to protect their rights and interests, in cooperation with local governments and local executive bodies and achieve common goals of community development;				
6	reducing the level of professionalism of local government officials, in particular due to the low competitiveness of local governments in the labor market, reducing the prestige of positions, which leads to low efficiency of management decisions;				
7	corporatization of local self-government bodies, secrecy and non-transparency of their activities, high level of corruption, which leads to reduced efficiency of resource use, deterioration of investment attractiveness of territories, increase of social tension;				
8	excessive centralization of powers of executive bodies and financial and material resources;				
9	removal of local self-government from addressing issues in the field of land relations, increasing social tensions among the rural population due to the lack of ubiquity of local self-government.				

Source: [3]

Today, the decentralization reform in Ukraine is entering a new stage, which is outlined in the implementation of six main tasks (Fig. 1).

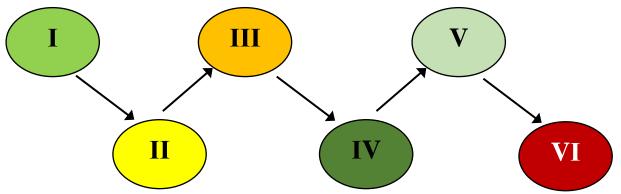


Fig. 1. The main tasks of decentralization reform in Ukraine

- *I* Formation of a new territorial basis for the activities of authorities at the level of communities and districts.
- **II** Transfer of powers of executive bodies to local self-government bodies and their delimitation on the principle of subsidiarity.
- *III* Creating an appropriate resource base for the exercise of local government powers.
- IV Formation of an effective system of service in local governments.
- V Streamlining the system of state control and supervision over the legality of local government.
- **VI** Development of forms of direct democracy: elections, referendums. Source: [6]

The material and financial basis of local self-government is being fixed. In particular, it is determined that such a basis is land, movable and immovable property, natural resources, other objects that are in the communal property of the territorial community; local taxes and fees, part of national taxes and other revenues of local budgets [10]. It is proposed to determine that the state ensures the proportionality of financial resources and the scope of powers of local governments, defined by the Constitution and laws of Ukraine.

However, decentralization does not mean weakening the central government in issues such as defense, foreign policy, national security, the rule of law, respect for human rights and freedoms. Decentralization is the process of redistributing or dispersing functions, powers, people, or things from central government. Under conditions of decentralization, opportunities for rural development are expanding.

Recent events in Ukraine show that people in local communities are ready to unite and take development initiatives. Ukraine's European integration intentions require a large number of various reforms, including financial decentralization, ie financial security [7]. In the table 2 presents the main problems of rural areas that should be solved by the decentralization reform in Ukraine.

Table 2

Problems of rural areas to be solved by decentralization reform in Ukraine

Characteristic

The optimal system of administrative-territorial organization for Ukraine has been formed

- 1. To complete the development and approval of Perspective plans for the formation of communities in all regions of Ukraine.
- 2. To improve the mechanism of recognition of united territorial communities as capable by the decision of the Cabinet of Ministers of Ukraine in order to prevent the formation of united territorial communities, unable to fully perform the powers specified by law.
- 3. To determine the principles of formation of the administrative-territorial system, conditions and procedure for the formation of administrative-territorial units, their reorganization through the adoption of a separate Law "On the principles of the administrative-territorial system of Ukraine".
- 4. Complete the formation of the administrative-territorial structure by adopting laws on the approval of the administrative-territorial structure of each region on the basis of a long-term plan and the formation of communities

Capable local government that is able to exercise its own and delegated powers

- 1. Expand the tax base and the ability to regulate the rates of local taxes and fees, including real estate tax. Go to a similar formula for real estate tax for individuals as for legal entities; not to determine the size of the area that is not taxed; legally limit the range for setting the tax to prevent its redundancy.
- 2. To standardize the revenue part of local budgets in accordance with the expenditure powers assigned to them
- 3. To resolve the issue of extending the jurisdiction of local self-government bodies of the united territorial communities to the entire territory of the united territorial community.
- 4. Grant the right to the united territorial communities to approve the planning of the territory of the united territorial community and to manage land resources within their jurisdiction in accordance with the approved planning documentation.
- 5. Give the right to local governments to monitor the use of land resources in accordance with the approved urban planning documentation.
- 6. To increase the transparency and efficiency of the use of budget funds through the introduction of a program-targeted method of drawing up and using local budgets. Introduce procedures for transparent preparation of local budgets with public participation and reporting on budget execution, electronic procedures for pre-threshold procurement, etc.
- 7. To improve the mechanism for determining the amount of the subvention for the formation of the infrastructure of the united territorial communities and the state guarantee of the amount of financial assistance

Communities are involved in addressing issues of local importance

SJECTIVE 3

- 1. Introduce effective mechanisms for citizen participation in local government decision-making: local initiatives, e-petitions, public hearings, general meetings of citizens, public examinations, advisory bodies, public consultations, public participation budgets.
- 2. Ensure the right of territorial communities to a local referendum and determine the range of issues that can be considered in a local referendum.
- 3. To improve the procedure for establishing bodies of self-organization of the population, to define a clear procedure for granting them part of the powers of local self-government bodies, except for those of a governmental nature, as well as providing funds for the exercise of these powers.

Funding for regional policy ensures the development and increases the competitiveness of communities and regions

- 1. To increase the size of the State Fund for Regional Development to 1.5% of the State Budget, providing for the direction of 1/3 of the Fund for the implementation of national priorities in the regions.
- 2. To improve the mechanism of distribution of funds of the State Fund for Regional Development, part of which will be used to finance the implementation of the State Strategy for Regional Development in the regions for the period up to 2020.
- 3. Introduce a transparent process of selecting projects of local governments for funding from the State Fund for Regional Development.
- 4. Ensure monitoring of the use of funds of the State Fund for Regional Development, control over the compliance of their purpose with the established performance indicators, reporting system.
- 5. Ensure medium-term budgeting of regional development projects.
- 6. Improve the procedure for project preparation within the State Fund for Regional Development by determining the planned amounts of funds for the regions for the next year in January this year.

OBJECTIVE 5

The state controls the legality of the activities of local governments

1. To streamline the system of state supervision and control over the activities of local self-government bodies through the adoption of a separate law.

Source: [13]

One of the fundamental conditions for the independence of local governments is financial decentralization, which reflects the financial powers of regional authorities. A prerequisite for an effective institution of self-government is the formation of most of the revenues of local budgets, along with local taxes and fees, which are set independently by local governments. The united community receives additional financial and property resources. The main ones are revenues to the local budget of 60% of personal income tax (currently this type of tax goes to the district budget), state medical and educational subventions [12]. In addition, the united territorial community has the right to independently dispose of the land resources of its community both within and outside the

settlements within the administrative boundaries of the territory of the united community.

The united territorial communities have direct inter-budgetary relations with the state budget. Before the reform, they had only regional and district budgets, budgets of cities of regional importance. In order to fulfill the powers delegated by the state, they are provided with appropriate transfers: grants, educational and medical subventions, subventions for community infrastructure development, etc. Legislative changes have also given local governments the right to approve local budgets regardless of the date of adoption of the law on the State Budget [4]. In fig. 2 provides information on the implementation of local budget revenues in Ukraine for January-November 2019 compared to January-November 2018.

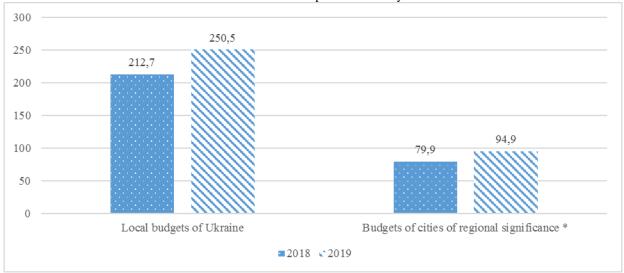


Fig. 2. Execution of own revenues of local budgets in Ukraine for January-November 2019 compared to January-November 2018 UAH billion (%)

State policy of Ukraine in the field of local self-government is based primarily on the interests of residents of territorial communities and provides for radical changes and systemic reforms, decentralization of power, ie the transfer of executive power to local governments much of the powers, resources and responsibilities. This policy is based on the provisions of the European Charter of Local Self-Government and the best world standards of public relations in this area [4]. Voluntary amalgamation of territorial communities during 2015-2020 yielded significant positive results and changes for the better. Therefore, promoting the maximum further process is one of the main tasks. Capable and capable local self-government bodies of

the basic level - territorial communities - should be created throughout Ukraine.

The process of voluntary unification of territorial communities has created the preconditions for the transformation of the territorial structure and the subregional level. The consequence is that at the district level the district state administration, district council, executive bodies of united territorial communities with the powers defined by law, mostly duplicated, function simultaneously [4; 9].

In fig. 3 shows the dynamics of the established centers of administrative services in Ukraine in 2015-2019, in fig. 4. shows the distribution of administrative service centers in Ukraine in terms of the bodies that created them.

^{*} Excluding 24 cities of regional significance, which were joined by territorial communities Source: [2]

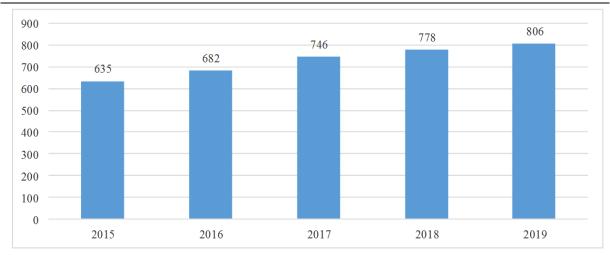


Fig. 3. Dynamics of established centers for administrative services in Ukraine in 2015-2019, units Source: [2]

That is why it is proposed that local self-government bodies introduce the institution of prefects to supervise the observance of the Constitution and laws of Ukraine. The draft stipulates that the prefect is appointed and dismissed by the President of Ukraine

on the proposal of the Cabinet of Ministers of Ukraine. The prefect suspends the acts of local self-government on the grounds of their inconsistency with the Constitution or laws of Ukraine with a simultaneous appeal to the court [6].

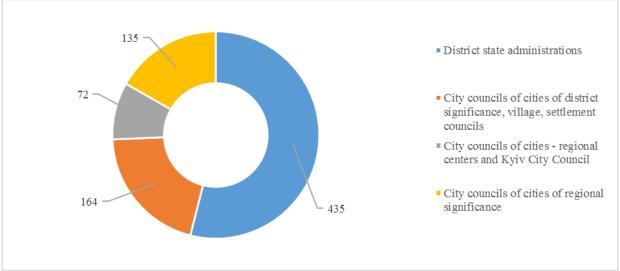


Fig. 4. Distribution of administrative service centers in Ukraine in terms of the bodies that created them, units Source: [2]

As of January 10, 2020, 1,029 united territorial communities with a population of 11.7 million people have been created in Ukraine. 90.3% of the country's territory is covered by long-term plans for the formation of community territories [2]. In addition, the process of joining communities to united territorial communities and cities of regional significance was significantly intensified in 2019. More than 100 united territorial communities have already passed the procedure of joining neighboring communities. In total, almost 250 neighboring village and settlement councils joined them. Under the simplified procedure,

more than 100 communities joined 44 cities of regional significance.

Over the past year, the five leading regions of the reform have not changed significantly. At the beginning of 2019, the rating of oblasts for the formation of affluent communities was headed by Khmelnytsky, Zhytomyr, Chernihiv, Zaporizhia and Volyn oblasts. At the beginning of 2020 - Zhytomyr, Dnipropetrovsk, Chernihiv, Khmelnytsky and Zaporizhia regions [2]. In fig. 5 and in table 3 provides information on the number of created united territorial communities in Ukraine for 2015-2020.

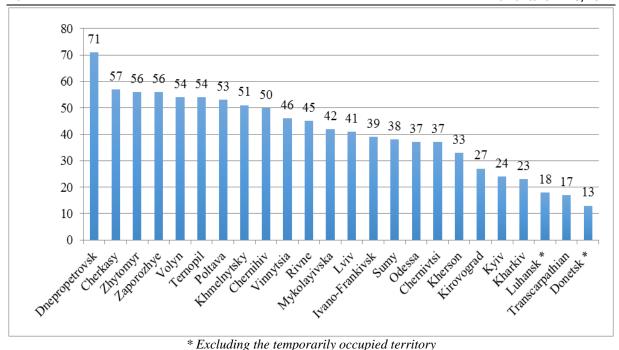


Fig. 5. Number of created united territorial communities in Ukraine for 2015-2020, units Source: [2]

The urgent need to consolidate districts and communities, as well as the redistribution of powers due to the fragmentation and small size of most territorial communities, which leads to their financial insolvency, lack of reserves and resources for their own economic development [3].

The results of experimental research indicate that modern decentralization changes in the country and its regions are carried out by intensifying the self-government of territorial communities, which must clearly understand their own needs and the need to achieve balanced development of settlements, be sufficiently motivated as permanent residents social uplift.

Table 3

Number of created united territorial communities in Ukraine for 2015-2020, units

$N_{\underline{o}}$	N₂ Name of the Number of created united territo- Perspective plans of affluen			Deviation,
	area	rial communities for 2015-2020		
1	Vinnytsia	46	63	17
2	Volyn	54	53	
3	Dnepropetrovsk	71	85	14
4	Donetsk *	13	66	53
5	Zhytomyr	56	65	9
6	Transcarpathian	17	64	47
7	Zaporozhye	56	67	11
8	Ivano-Frankivsk	39	61	22
9	Kyiv	24	69	45
10	Kirovograd	27	48	21
11	Luhansk *	18	37	19
12	Lviv	41	73	32
13	Mykolayivska	42	52	10
14	Odessa 37		91	54
15	Poltava 53 61		61	8
16	Rivne	Rivne 45 64		19
17	Sumy	imy 38 51		13
18	Ternopil	54	55	1
19	Kharkiv	23	56	33
20	Kherson	33	49	16
21	Khmelnytsky	51	60	9
22	Cherkasy	57	67	10
23	Chernivtsi	37	52	15
24	Chernihiv	50	57	7
		983	1466	

Source: [2]

The issue of land reform, which actually began with Ukraine's independence, deserves special attention in the decentralization reform. The main goal of the land reform was to replace the inefficient, technologically backward collective farm system, which focused on the extensive use of agricultural land by a European type of land use system based on strong

farms, based on the operation of private land owner-ship [1; 10].

Consider the experience of implemented projects for sustainable development of rural areas in developed European countries, which allows them to highlight the main emphases, which in the future may be implemented in Ukraine (Table 4).

Table 4

European experience of sustainable rural development projects

	The main components	Characteristics of programs		
I	Complexity	The development projects consider all possible types of economic activities that can increase the income of the rural population. Each proposal to increase employment and income is fully justified from a legal, economic and social point of view. The solution to the problem of employment and income growth is coordinated with the solution of other regional problems and the development of rural areas in general;		
II	In the development of project activities using methods of interactive (with the partition of the population) planning; the achieved results and problems are comprehens covered in local mass media, discussed at village meetings, meetings with the popular as a result of these discussions, appropriate adjustments should be made to the project			
III	Wide participa- tion Of the popula- tion	In the process of project development and implementation the knowledge, experience and ideas of the population about the most effective ways to provide employment and income are used to the maximum, the features of economic and social behavior of different social groups are taken into account, their interests and intentions are coordinated, joint efforts are consolidated local self-government and activities of public organizations;		
IV	Reliance on local resources	Achieving the goals of sustainable development of rural areas is ensured primarily through the mobilization of local financial, logistical, social and natural resources, which is of paramount importance for the creation of sustainable mechanisms for employment and income. But this does not preclude the use of external sources of resources for rural development.		

Source: formed according to the results of the study [7]

Already today, the process of uniting local communities has facilitated the transfer of a significant share of responsibilities from districts to communities. According to the current Constitution of Ukraine, directly elected upper subregional councils of current districts are responsible for representing the common interests of settlements within each such district. However, amalgamation often results in relatively large and powerful aggregated territorial communities that no longer require the administrative support of councils or leaders (ie, heads of upper subregional

state administrations) at the district level. Thus, most districts have already transferred extensive responsibilities and financial resources to the united territorial communities [6]. In fig. 6 provides information on the share of revenues of the united territorial communities of Ukraine in the revenues of local budgets (general fund). In fig. 7 provides information on the dynamics of the share of own revenues of local budgets (general fund) in the Gross Domestic Product of Ukraine. In fig. 8. information on own revenues of the general fund of local budgets is given.

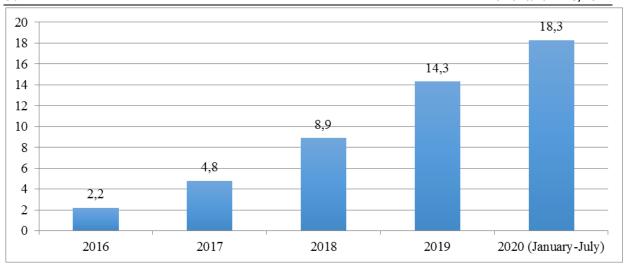


Fig. 6. The share of revenues of the united territorial communities of Ukraine in the revenues of local budgets (general fund),%

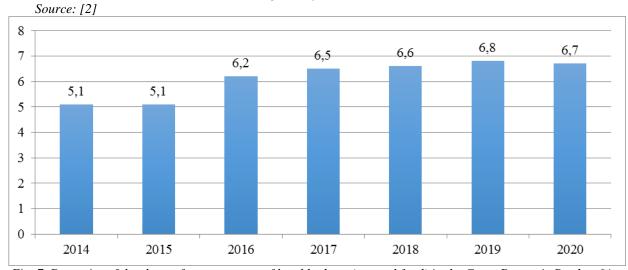


Fig. 7. Dynamics of the share of own revenues of local budgets (general fund) in the Gross Domestic Product,% Source: [2]

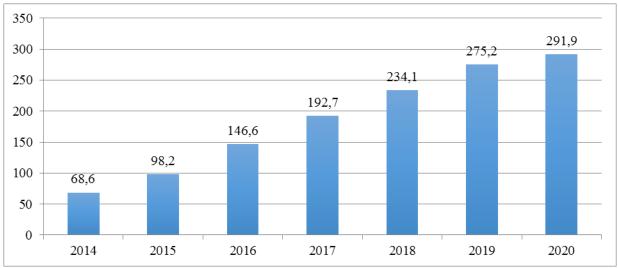


Fig. 8. Own revenues of the general fund of local budgets, UAH billion

Source: [2]

In the course of decentralization, the authority to provide social services to the population is transferred from the central level to the local level, ie to the united territorial communities. From January 1, 2020, the

new version of the Law of Ukraine "On Social Services" becomes effective. Thus, from the beginning of 2020, the distribution of powers of central and local authorities will change, as well as the system of social

services and its participants will be established [3], the stages of needs identification, planning, organization and financing of social services.

Powers in the field of social services are transferred to communities - as close as possible to the recipients of these services. Such powers are defined by the new version of the Law as the own powers of communities. To implement them, the community must create an appropriate structural unit. Each united territorial community will be obliged to provide basic

social services. At the same time, each social service will be provided according to the relevant social standard approved by the Ministry of Social Policy [14].

The development of rural areas due to the functions that are within the competence of local governments of the united territorial communities, provides favorable conditions for socio-economic development (Fig. 9).

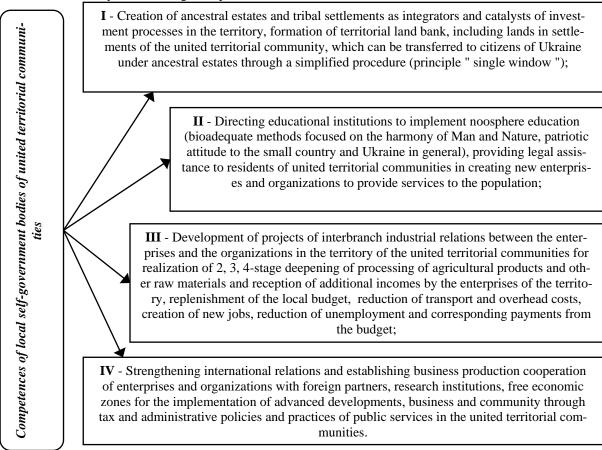


Fig. 9. The main functions of local governments of the united territorial communities

Source: formed based on the results of the study Simultaneously with the diversification of economic activities, it is necessary to pay special attention to improving the efficiency of agriculture.

The main alternatives to agriculture today are construction, trade, social services and more. At the same time, due to the above obstacles to their active development, they are currently unable to provide a significant number of people with sufficient income to live on, and for some rural residents are only additional activities that they combine with agriculture [14; 16]. It should also be noted that for the part of the

population that is self-employed in agriculture and carries out activities on personal plots, there are no requirements for the payment of insurance premiums in favor of social insurance, so if they lose the opportunity to do so, they can not count on social state protection.

According to Yu.O. Lupenko, five main models of rural development have been formed in Ukraine (Fig. 10).

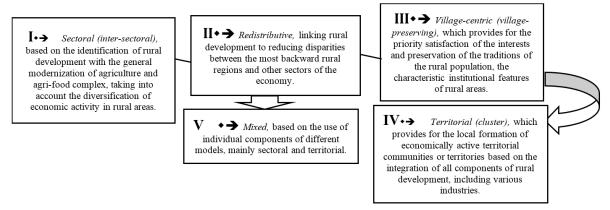


Fig. 10. Basic models of rural development

Source: [8].

In our opinion, the territorial or cluster model of rural development deserves special attention. It best reveals the potential of decentralization reform aimed at increasing the managerial and economic independence of the regions [11]. Because it allows us to consider two elements of the mesoeconomy - territories and intersectoral complexes as complementary factors in the formation of regional socio-economic systems.

However, the social well-being, labor and political activity of the rural population is at a passive-expected level, which is explained by a number of reasons: a significant distinction in the country's socio-economic and political processes, people's values and social expectations; insufficient awareness of the population about the causes of the crisis, the nature of market relations, specific ways of self-initiative in these conditions; low level of political and moral trust in the former and now formed institutions of power, parties and movements; lack of real experience, convincing and successful actions in market relations; fear of unemployment, defects of social infrastructure, culture and leisure, normal life, social security, etc. [9; 10].

Problems also lie in the qualification of management staff for the distribution and administration of the community budget, unreasonable hopes for attracting grants, investments and funds of various programs without a strategic vision of development prospects and mechanisms for its provision [15].

The foundations laid by the legal framework for the reorganization of the economic mechanism of territorial governance in the context of territorial reform and decentralization of power have legally ensured the independence of the regions. At the same time, the expansion of the powers of local governments involves responsibility for socio-economic development of rural areas, use of resource potential, intensification of economic activity and public-private partnership in the region [15; 16].

The issue of inclusive development of rural areas deserves special attention. In modern conditions, the idea of inclusiveness is actively developing and advancing at the level of the world's most authoritative organizations. Inclusive growth is defined as "growth that not only creates new economic opportunities, but also provides equal access to them for all segments of

the population, especially for its vulnerable members." A necessary component of the effective implementation of the concept of inclusive development of the region is to ensure an appropriate level of financial decentralization, the imperatives of which are sufficient funding of local budgets, expanding the powers of local governments to generate revenue and most responsible positions.

One form of inclusive economic institutions is participatory budgeting, a democratic process that enables each resident to participate in the distribution of local budget funds through the creation of and / or voting for projects to improve the city / united territorial community. Any resident of the city / united territorial community can submit a project related to the improvement of life in the city / united territorial community, participate in the competition, win the vote and observe how his project is implemented within the budget year [17].

Therefore, the leading feature of the development of rural settlements at the present stage should be inclusiveness, ie active involvement in the reform process of all actors, each of which is important and valuable, regardless of their level of socio-economic development and available potential. Under modern conditions, the governments of many countries, both economically developed and poor, try to implement the concept of inclusive development, seeing it as an effective means of the consequences of complicating the socio-political and socio-economic situation in the country and the world [5; 12]. There is no doubt that any social programs and projects, including those implemented in rural areas, should be based on the idea of social inclusion.

In the context of settlement issues, inclusiveness is gaining a broader interpretation, as it involves the use of untapped local resources and opportunities for rural development - material, human, financial. In the Ukrainian realities there is a significant untapped potential of inclusiveness in the form of self-organizational activity of rural territorial communities and productive activity of rural business in solving local socio-economic problems, the implementation of which will promote, in particular, integration processes in the settlement network transport infrastructure, logistics systems and other means of communication

[5; 8]. The safety of rural settlements is achieved through rational planning of their territory and optimal location of industrial and non-industrial facilities, taking into account the requirements of man-made and natural safety, sanitary and hygienic norms and standards, rules of emergency prevention.

It is important to substantiate measures to reorganize the economic mechanism of territorial governance in the context of decentralization, giving greater independence to regions and responsibility for eco-

nomic and social development of rural areas on the basis of public-private partnership, economic management methods [7], levers and tools to enhance economic activity. level of rural development.

To implement the state regional policy, which determines the legal, economic, social, environmental, humanitarian and organizational bases of regional development, the Law of Ukraine "On the principles of state regional policy" was adopted [17] (Table 5).

Table 5

Principles of state regional policy

Main characteristics						
I	II	III	IV	V		
Stimulation and support of local initiatives on effective use of internal potential of regions for creation of a high-grade living environment, improvement of quality of life of people;	Reduction of territorial differen- tiation according to the index of regional human development;	Development and implementation of programs and projects to increase the competitiveness of territories;	Improving material, financial, informational, personnel and other resource support for the development of regions;	Facilitating the exercise of powers by local governments.		

Source: [15]

The powers and resources obtained as a result of decentralization have provided local governments with more opportunities for the development of territories, the creation of modern educational, medical, transport, housing and communal infrastructure.

Local authorities are now interested in developing the investment attractiveness of their territories for the benefit of the community, because the taxes paid here will improve the quality of life of residents of this area. Various permits and registration documents for doing business will be available on the ground, communities will be able to attract investment [4], promoting socio-economic development.

Local self-government, first of all, should direct the activities of the united territorial community to the organization of strategic socio-economic tasks, scientific and technical projects of enterprises and organizations located on its territory. It is important to promote the search for and implementation of the most effective forms of cooperation of all participants in social processes, including research institutions, institutions of higher education, producers, intensification of the formation of a regional cluster. The strategic goals of the management of the united territorial community should be based on the achievement of selfdevelopment, self-sufficiency and self-employment through the use of the internal potential of the community [15; 18], which will result in self-sufficiency in all spheres of its life.

In the conditions of the process of decentralization of power in Ukraine, new opportunities for the development of rural areas are emerging. Prospects for local development, reproduction of the social sphere, the fight against poverty, improving the living standards of the rural population, the restoration of cultural institutions, health care, etc. are the main motivating factor for decentralization for local communities [11]. In the context of decentralization of power, local governments have the potential to function more efficiently than central governments.

Territorial communities can regulate the process of accumulation of funds, provision of appropriate services, based on short- and long-term planning. The empowerment of local governments at different levels should be carried out in such a way as, on the one hand, to bring the decision-making process as close as possible to the citizens, and on the other hand, to ensure that the authorities have the organizational, material and financial resources. and the quality of services provided to the population in accordance with national social standards [16; 18].

It can also be argued that decentralization should be seen as a factor that directly affects the diversification of rural development. After all, we consider the diversification of rural development as a set of measures aimed at diversifying agricultural and non-agricultural activities in rural areas, expanding sources of funding for activities organized by united territorial communities, within the strategies [12; 14], rural development programs and projects in order to expand the spheres of employment and income of the rural population on the basis of an integrated approach.

The task of the government to promote the development of local self-government in the transition to decentralization of public administration is to ensure the inclusion of a motivating factor for the reform of local self-government.

Only interest in the results will help intensify the work of local governments in the direction of finding ways to expand their own financial base. Decentralization of public administration in this aspect is manifested, in particular, in enabling local governments to enter the financial market in order to accumulate additional financial resources for development budgets. This approach will allow local governments to gain access to financial resources circulating in regional markets and turn them into investments in local development.

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