

RESULTS OF THE DECENTRALIZATION REFORM IN UKRAINE: LAND USE

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Abstract

The article deals with the issues of decentralization of power reform in Ukraine as the transfer of authority from the state authorities to local governments, in particular the territorial communities. The focus is on the implementation of the decentralization of land use decision-making on through the prism of sustainable development. It is noted that world trends of political decentralization for implementation of sustainable development projects demonstrate the efficiency of rural development. Based on the transfer of power to local communities, this approach provides more realistic governance decisions with a high probability of sustainable development. An analysis of legislation on the implementation of extension of powers of territorial communities in Ukraine, which involves the establishment of capable territorial communities are done. The capacity of communities is manifested in the formation of the source of local budget revenues and prerequisites for the well-being of territorial communities and, in general, rural areas. Land and other natural resources that can be transferred to community property are considered in the study as the main source of revenues of local communities in Ukraine. The intermediate results of the process of decentralization of power in Ukraine in terms of land use are indicated, as well as a number of issues that need to be resolved in the next stage, are identified.

Key words: *decentralization, sustainable development, rural development, capable territorial communities, communal ownership, land use*

INTRODUCTION

In Ukraine, one of the main problems of the long and uncompleted process of economic reforms, including the land reform, started in 1991, consisting in the restructuring of the centralized and planned national economy to a more de jure and de facto decentralized, focused on competitive market environment, according to the concept of sustainable development, we consider the gap of an effective mechanism to ensure and encourage the balanced use of natural resources. First of all land use by territorial communities in order to achieve parity of environmental, economic and social aspects of social welfare and rural development.

According to the Constitution of Ukraine (1996), the land is exclusively national

property and at the same time may be owned by state, cooperative, public enterprises, organizations, institutions or individual citizens [3]. The Land Code of Ukraine (2001) regulates that land in Ukraine may be in private, communal and state property [15]. The communal property is: a) all lands within the settlements, except for land plots of private and state ownership; b) land plots where buildings, structures, and other objects of communal property are located, regardless of their location. The material and financial basis of local self-government is, in particular, the revenues of local budgets, other funds, land, and natural resources owned by territorial communities [3].

Ukraine also ratified the European Charter of Local Self-Government (1997). The above show that in Ukraine theoretically has been

established the legal basis of local self-government. In practice, self-government took place only at the regional (oblast) level. The main reason for this situation is the financial insolvency of the territorial communities, due to which their local government bodies were not able to perform their administrative functions inherent in them [6]. Due to this discrepancy, the Government of Ukraine has been implemented decentralization of power reform since 2014. According to the objectives of this reform, powers, resources and responsibilities from the central government are transferred to the territorial communities as primary independent entities in the administrative-territorial organization of Ukraine. Territorial communities can be voluntarily united in order to ensure economic efficiency, obtaining state support for development. The legal basis for the formation of united territorial communities is a Perspective Plan. The Perspective Plan contains a list of capable territorial communities, the names of the territorial communities that are part of them, information on the boundaries of the capable territorial communities, and their potential administrative centres.

The policy of extension of powers of territorial communities in Ukraine is also considered as a part of initiatives to support the development of rural areas. Most problematic aspect that arises in this case is the institutional – it is a duplication of competences of the authorities within one unit of governance, which also results in the negative consequences of inefficient management of the natural resource potential of rural areas and the country as a whole.

The extension of powers of local authorities is also intended to contribute to the more successful achievement of the Regional and National Sustainable Development Goals, as local needs will be focused.

The reduction of direct state (centralised) governance in the field of the use of natural resources and the transition to wider use of market-based regulatory and management methods will enable citizens to exercise their rights in accordance with the UNECE Convention on Access to Information, Public

Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention).

MATERIALS AND METHODS

Since the 1980s the search for consensus and the optimal balance of centralization and decentralization of state power in civil society have been intensifying to improving the partnership between decision-making centres at different governance levels - national, regional and local. If the process of centralizing governance occurs at a certain stage of society's development in response to the need for national unity, then decentralization is conditioned by the need for a variety of forms of governance and concentration of power. Decentralization by its very nature [12] is the transfer of part of the powers of the central government or regional authorities to local institutions. Decentralization is also seen [2] [12] as a means of determining the participation of citizens in the governance of public property. The local level ceases to be the point of implementation of the development policy identified by external actors of governance, the local community determines its own direction of development, and also ensures its implementation.

There are three main trends in governance associated with the transition to decentralization of power at the stages of social development in the twentieth century [12]:

- development of a deconcentration of power between national, regional and local governance levels as a limited form of decentralization;
- delineation of state and economic liberalization, which contribute to a new wave of decentralization through a devolution;
- activation of various forms of participation and partnership of local self-government in the adoption of decisions.

In the agrarian sector and, at the same time for the development of rural areas, the central governance method has been a long time centralised state regulation with limited delegation of functions related to finance,

marketing and technical support to semi-public authorities. The method did not justify itself due to poor managerial influence on the technical and economic parameters of projects. Such centralized regulation cannot properly take into account the needs of local communities and local agricultural producers, and therefore does not solve local development problems in their long-term strategic plans.

Standard decentralization model does not exist [1]. Decentralization processes and procedures differ from each other and depend on the main goals, tasks, as well as on the organizational structure and implementation mechanisms. Accordingly, various forms of decentralization are possible in the system of governance of natural resources, in particular land: political, administrative, fiscal and market.

The model of decentralization must be adapted to specific conditions, because each territory has its own features, but the main problem, the solution of which people have to work in the field and take appropriate action. Therefore, the process of decentralization of power in Ukraine must take into account both the positive and negative experience of other countries.

The global trends of political decentralization for implementation of sustainable development projects demonstrate the effectiveness of rural development based on small projects on the initiative of the rural population and varying degrees of responsibility [13].

This approach provides more realistic managerial decisions with high probability of sustainable development.

The data source is statistical form 2-zem the State Service of Ukraine for Geodesy, Cartography and Cadastre.

RESULTS AND DISCUSSIONS

The Verkhovna Rada of Ukraine (Ukrainian Parliament) during 2014-2015 adopted a number of laws that directly or indirectly implement decentralization of power reform in Ukraine. The organizational and legal framework for cooperation of territorial

communities is established in the Law of Ukraine “On Cooperation of Territorial Communities” (2014) [7]. The partnership of voluntary united territorial communities of villages, settlements, cities, as well as the procedure for their state support, is regulated by the Law of Ukraine “On Voluntary Unification of Territorial Communities” (2015) [5].

The Cabinet of Ministers of Ukraine approved Prescriptions “On Approval of the Concept of Local Self-Governance and Territorial Power Reforming in Ukraine” (2014) [6], “On Approval of the Action Plan for Implementation of the Concept of Reforming Local Self-Government and Territorial Organization of Power in Ukraine” (2014) [10], and Resolutions “On Approval of the State Strategy of Regional Development for the period until 2020” (2014) [8], “On Approval of the Methodology of Establishment of Capable Territorial Communities” (2015) [9].

All principles and mechanisms of development and partnership of territorial communities, defined in the aforementioned normative acts, are embodied in the Perspective Plans for the establishment of capable territorial communities. The Prospective Plan covers the whole territory of the region (oblast), it is being developed and approved to ensure that there are no incapable communities in the region that do not have their own resources for their development and resolve issues of local importance.

Local government reform and decentralization in Ukraine are also foreseen by the Strategy for Sustainable Development of Ukraine until 2020 (2015) [11]. This Strategy declares the necessity decomposition of governance model, providing financial opportunities for the development of local communities, building an effective new territorial system in accordance with the European Charter of Local Self-Government based on local interests. The purposes of the extension of powers of local authorities in Ukraine are the establishment of capable united territorial communities and stimulating their self-development on the basis of transferring them to the disposal of local natural resources and

earn revenue on it.

Territorial community directly or through its local self-government bodies performs functions such as: disposes of property that is in communal ownership; approves the budget of the community and development programs; establishes local taxes and fees; acts as a partner in a public-private partnership; decides on communal enterprises, organizations and institutions.

In Ukraine, in the period from 2014 to 2017, 665 united territorial communities were

established, on the territory of which there are approximately 759 thousand hectares of state-owned agricultural land that potentially can be transferred to communal property (Fig. 1) [4]. On January 31, 2018, the Cabinet of Ministers of Ukraine adopted the Order “On Transfer of Land Plots of Agricultural Designation of State Owned Property into the Communal Property of the United Territorial Communities”. This Order launched the process of transferring of agricultural land plots to communities.

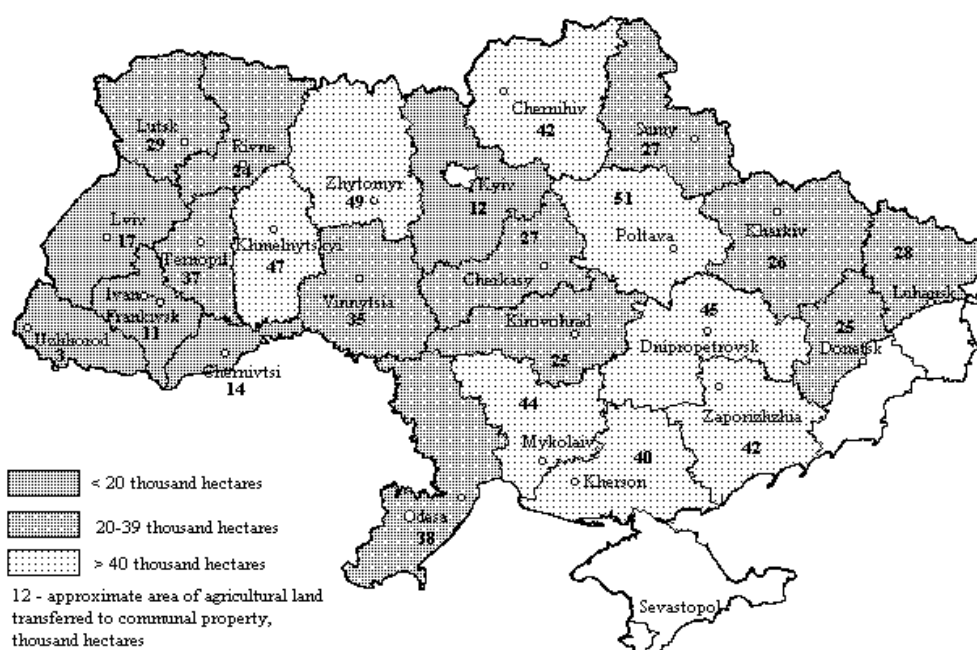


Fig.1. Information on the number of united territorial communities and the area of agricultural land of state ownership transferred to communal property in Ukraine
 Source: [4]

According to the State Service of Ukraine for Geodesy, Cartography and Cadastre, as of 1 January, 2016, 28 million hectares of land (47.6%) were owned by the state, private

property of legal entities and natural persons - 31 million hectares (52.2%), collective - 55 thousand hectares (0.1%), and communal - 52 thousand hectares (0.1%) (Table 1).

Table 1. Change of Land Ownership Form in Ukraine, 2013-2016

As of 1 January	Total area, thousand hectares	Ownership form							
		State		Private		Collective (according to state acts)		Communal	
		thousand hectares	%	thousand hectares	%	thousand hectares	%	thousand hectares	%
2013	60,354.9	28,950.1	48.0	31,346.0	51.9	58.8	0.1	-	-
2014	60,354.9	28,886.0	47.9	31,400.5	52.0	55.8	0.1	12.6	0.0
2015	60,354.9	28,824.6	47.8	31,442.7	52.1	55.3	0.1	32.3	0.1
2016	60,354.9	28,758.4	47.6	31,489.2	52.2	55.1	0.1	52.2	0.1

Source: According to the statistical form 2-zem the State Service of Ukraine for Geodesy, Cartography and Cadastre

At the end of December 2018, the first stage of the process of extension of powers of territorial communities in Ukraine (2014-2018) was completed. In general, during the first stage, 876 territorial communities were formed in Ukraine. In 2018 650 united territorial communities received in communal ownership more than 1.5 million hectares of agricultural land. The plan for the transfer of state agricultural land to the communal property of the united territorial communities of the Transcarpathian, Ivano-Frankivsk, Kirovograd, and Cherkasy regions (oblasts) is fully implemented on October 1, 2018. In other regions (oblasts), this process is still ongoing [14]. The transfer of state agricultural land to the communal property of the united territorial communities will continue in 2019 for 185 communities that united in 2018. In addition, the State Budget of Ukraine provides funds for inventory of land that has not yet been transferred to united territorial communities. The Government of Ukraine announced the beginning of a new stage of the extension of powers of territorial communities (2019-2020), which envisages the completion of the establishment of capable communities, the change of the territorial structure, and a clear separation of governance and management functions of different levels of power without duplication. The objectives of the decentralization of power reform are to establish 1,600-1,800 capable territorial communities [14]. At the same time, mechanisms of citizen participation in decision-making concerning the environment and the use of natural resources are important for sustainable development of capable territorial communities. However, they also need to implement.

CONCLUSIONS

The results of our study indicate that the decentralization of power reform in Ukraine is not political; it is primarily a fiscal phenomenon, despite the manifestation of some of the features of the first one. In Ukraine, legislative and organisational requirements for the reform of the local self-government system, the unification of

territorial communities, and the establishment of capable territorial communities on the basis of the Perspective Plan are created. The basis of the development of a capable territorial community is the natural resource potential of its territory. Therefore, plots of agricultural land of state ownership have already been transferred and will be transferred to the communal property of the united territorial communities.

The extension of powers of local authorities in Ukraine has not yet been completed, and its second stage has begun. It is necessary to apply the strategic planning procedures at the state, regional and local levels, which will ensure the coercive and regulated use, reproduction and protection of land resources, taking into account the interests of local communities and the state on the basis of sustainable development.

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