

PERSPECTIVES OF THE DEVELOPMENT OF LOCAL GOVERNMENT IN UKRAINE: ANALYSIS OF THE ESSENCE AND MAIN CHARACTERISTICS

ПЕРСПЕКТИВИ РОЗВИТКУ МІСЦЕВОГО САМОВРЯДУВАННЯ В УКРАЇНІ: АНАЛІЗ СУТНОСТІ ТА ОСНОВНИХ ХАРАКТЕРИСТИК

The article analyzes the problems and prospects of decentralization in Ukraine, focusing on financial autonomy, infrastructure development, resource management, and citizen participation. It highlights the serious challenges faced by local communities, including insufficient coordination between different levels of government and a weak institutional framework, especially in small communities lacking qualified specialists. The identified issues of financial autonomy are characterized by budget imbalances, unpredictable revenue streams, and corruption risks. Proposed development directions include implementing financial forecasting systems and attracting international investments to ensure stability. The highlighted infrastructure development issues are caused by bureaucratic barriers and a lack of funding, which can be mitigated through the simplification of permitting procedures and active use of innovations by implementing «smart city» projects. Regarding citizen participation, it is limited due to insufficient public awareness and weak communication channels with the authorities. However, the development of educational programs and the implementation of digital platforms to increase citizen engagement can help address these issues. It is noted that resource management suffers from a lack of transparency and modern monitoring technologies, but the introduction of new accounting systems and enhanced environmental control can improve these processes. The study also found that partnerships between the state and business are complicated by distrust and legal uncertainty, but the creation of special economic zones and the establishment of clear rules for interaction can help overcome these obstacles. The proposed development directions for key elements of local governance in Ukraine will contribute to a more effective restructuring of synergistic components related to decentralization processes, strengthening financial autonomy, developing infrastructure, increasing citizen participation, improving resource management, and deepening partnerships between business and the state.

Key words: decentralization, local self-government, directions of development, public participation, infrastructure, financial autonomy.

У статті проведено аналіз проблем і перспектив децентралізації влади в Україні, акцентуючи увагу на фінансовій автономії,

розвитку інфраструктури, управлінні ресурсами та участі громадян. Виділено серйозні виклики, з якими стикаються місцеві громади, включаючи недостатню координацію між рівнями влади та слабку інституційну базу, особливо в малих громадах, де не вистачає кваліфікованих спеціалістів. Визначені проблеми фінансової автономії характеризуються бюджетними дисбалансами, непередбачуваністю надходжень та ризиками корупції. В якості запропонованих напрямків розвитку виділено впровадження систем фінансового прогнозування та залучення міжнародних інвестицій для забезпечення стабільності. Виділені проблеми, які пов'язані в розвитком інфраструктури спричинені бюрократичними бар'єрами та нестачею фінансування, які можна уникнути шляхом спрощення дозвільних процедур та активне використання інновацій шляхом впровадження проектів «розумні міста». Що, стосується громадської участі, то вона обмежена через недостатньою поінформованість населення та слабкими каналами взаємодії з владою, але розвиток освітніх програми та впровадження цифрових платформ для підвищення залученості громадян, допоможе уникнути цих проблем. Визначено, що управління ресурсами страждає від недостатньої прозорості та сучасних технологій моніторингу, однак впровадження нових систем обліку та посилення екологічного контролю допоможе покращити дані процеси. Досліджено, що партнерство між державою та бізнесом ускладнюється, через недовіру та правову невизначеність, однак створення спеціальних економічних зон та формування чітких правил взаємодії, дозволить уникнути цих факторів. Запропоновані перспективні напрямки розвитку ключових елементів місцевого самоврядування в Україні сприятимуть більш ефективній перебудові синергетичних компонентів, які пов'язані з процесами децентралізації, зміцненню фінансової автономії, розвитку інфраструктури, підвищенню рівня громадської участі, покращенню управління ресурсами та поглибленню партнерства між бізнесом і державою.

Ключові слова: децентралізація, місцеве самоврядування, напрямки розвитку, громадська участь, інфраструктура, фінансова автономія.

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Formulation of the problem. The decentralization process in Ukraine, despite significant achievements, has revealed complex, multifaceted issues related to the governance of local communities, which impact the further development of the state. Decision-making at the local level, which was expected to become more flexible and efficient, often encounters obstacles such as an imperfect legal framework, limited financial resources, and weak administrative capac-

ity. While some communities have made notable progress, others remain unable to effectively utilize their granted powers due to uneven development, lack of infrastructure, and low levels of staff training. The absence of unified coordination between central and local authorities creates a situation where communities are forced to operate in uncertainty, without a clear understanding of future development priorities. This raises concerns about the effectiveness of resource

management and the formulation of sustainable development strategies. Consequently, the current system of community governance finds itself at a crossroads of multiple challenges, requiring a comprehensive reevaluation to ensure stable growth and development in the context of decentralization and integration into European structures.

Analysis of recent research and publications: The following Ukrainian experts have examined the essence, characteristics, and functions of local self-government in Ukraine: O. N. Yevtushenko [1], O. A. Nazarenko [2], N. V. Kaminska [3], L. A. Sydorчук [4], V. S. Zhuravskiy [5], V. Senchuk [6], B. A. Rusnak [7], T. B. Shapoval, A. S. Chubina [8], V. I. Klyutsevskiy [9]. One of the unresolved issues is the need for a comprehensive analysis of the essence, characteristics, key problems, and challenges of local self-government, along with exploring new directions for its development in Ukraine.

The purpose of the article is to conduct a comprehensive analysis of the essence, characteristics, key problems, and challenges related to the governance of local communities in Ukraine, as well as to explore new directions for the development of local self-government.

Results of the research: For over a decade, Ukraine has been implementing an ambitious decentralization project aimed at creating capable and autonomous local communities. This process involves the transfer of certain powers, responsibilities, and resources from the central government to the local level, which in theory should lead to more efficient governance and an improved quality of life for citizens. However, decentralization is not just a technical process of transferring authority; it is a deep structural reform that transforms the very essence of public administration. One of the key challenges in this process is the disparity in the capabilities of different communities. While large cities and communities with a strong economic base quickly adapt to new conditions and leverage decentralization for their development, rural and less developed areas face numerous difficulties. Given the ongoing social, economic, and security challenges in Ukraine, it is crucial to rethink the role of local communities in public administration and ensure their sustainable development by creating conditions for independent resource management and the effective implementation of local initiatives.

Let's consider the definition of the essence of «local self-government» with reference to legal acts and works of domestic specialists.

The Constitution of Ukraine defines local self-government as the right of a community to

independently address matters of local significance, supported by state guarantees, emphasizing the legal foundation and scope of local bodies activities, which are subject to the law [10]. Compared to other authors, this definition establishes a basic legal framework but does not delve into the democratic and social context, where the connection between the state and self-government is evident, placing communities in a certain dependency on state institutions. This emphasis on legal accountability serves as a starting point for deeper definitions offered by other authors. The Law of Ukraine «On Local Self-Government in Ukraine» clarifies this definition, adding that communities not only have the legal right but also real mechanisms for addressing local issues [11]. In contrast to the Constitution, the Law focuses more on the functionality and effectiveness of local self-government. While the Constitution provides only the foundation, the Law details how these rights are realized, highlighting the ability of communities not only to exist but to actively influence the life of their regions. O. N. Yevtushenko examines local self-government through the lens of democracy and civil society, complementing the legal aspects with an emphasis on the direct implementation of popular power [3]. Compared to the Constitution and the Law, which focus on legal and functional aspects, O. N. Yevtushenko broadens the view by incorporating the concept of democracy. He emphasizes that local self-government is the closest exercise of power by the people, underlining that it is not just a legal institution but also a fundamental tool of democracy. N. V. Kaminska expands the definition by adding the element of an organizational form of self-government, based on local traditions and the needs of the population [5]. Her approach builds on O. N. Yevtushenko's definition, adding sociocultural elements. While O. N. Yevtushenko focuses on the democratic aspect, N. V. Kaminska introduces the importance of cultural and historical factors that influence the functioning of self-government. In her view, local self-government becomes not only a mechanism of popular sovereignty but also a form of self-organization that takes into account local characteristics. L. A. Sydorчук deepens the topic by introducing the aspect of a specific level of authority, emphasizing that self-government is not just community autonomy but also a distinct level of power that enables addressing issues at the local level [6]. This expands N. V. Kaminska's definition, emphasizing not only the social and organizational aspects but also the managerial functions of local bodies. Compared to previous definitions, L. A. Sydorчук focuses more on the fact that self-government has its own power structure, which operates inde-

pendently but within the framework of state law. V. S. Zhuravskiy adds to this approach the element of public authority, which is not part of the state system [7]. He highlights that local self-government is an autonomous form of power and operates independently, but within the bounds of the law. While L. A. Sydorchuk emphasizes that self-government is a distinct level of authority, V. S. Zhuravskiy draws attention to its autonomy and independence from the state system, raising questions about the balance between local and central authorities. V. Senchuk emphasizes the role of local self-government in the development of a democratic state, highlighting the link between the functioning of self-government and the establishment of democratic institutions [8]. He views local self-government not only as a management mechanism but also as a factor contributing to the democratization of society. Compared to previous authors, V. Senchuk underscores the importance of community self-regulation and their participation in state-building, making self-government a key tool for democratic development at the local level. Thus, a comparison of definitions of local self-government shows how each author adds new elements to the basic legal definition, expanding it through social, cultural, democratic, and managerial aspects.

Let's consider the structure of the functioning of the local self-government system in Fig. 1.

As shown in Fig. 1, the local self-government system in Ukraine consists of several key elements, with the territorial community playing the central role. It is the primary subject of local self-government, responsible for forming govern-

ing bodies, conducting referendums, and managing the local budget and municipal property. The system also includes local councils, which represent the interests of the community, and executive bodies that are responsible for implementing decisions. Local councils are elected bodies that aggregate the interests of the community and make decisions on its behalf. In addition, there are district and regional councils that represent the collective interests of several territorial communities. It is important to note that these councils do not represent the interests of district or regional communities, as such entities of local self-government are not recognized by the Constitution of Ukraine. Self-organized bodies, such as neighborhood or block committees, are also part of this system, helping to address management issues at the local level. Legislative changes related to the voluntary amalgamation of territorial communities have restricted the rights of communities to make independent decisions, transferring some of these powers to local councils.

This creates a legal conflict, as the definition of a community remains unchanged, but its capabilities have been significantly limited. In practice, such changes often lead to deadlock situations where the community loses its ability to influence decisions, and local councils are not always able to make them effectively.

Consider the structural characteristics of the elements and sub-elements of «Decentralization of Power» in Fig. 2.

According to the data in Fig. 2, decentralization of power is aimed at transferring authority from central bodies to local communities, which

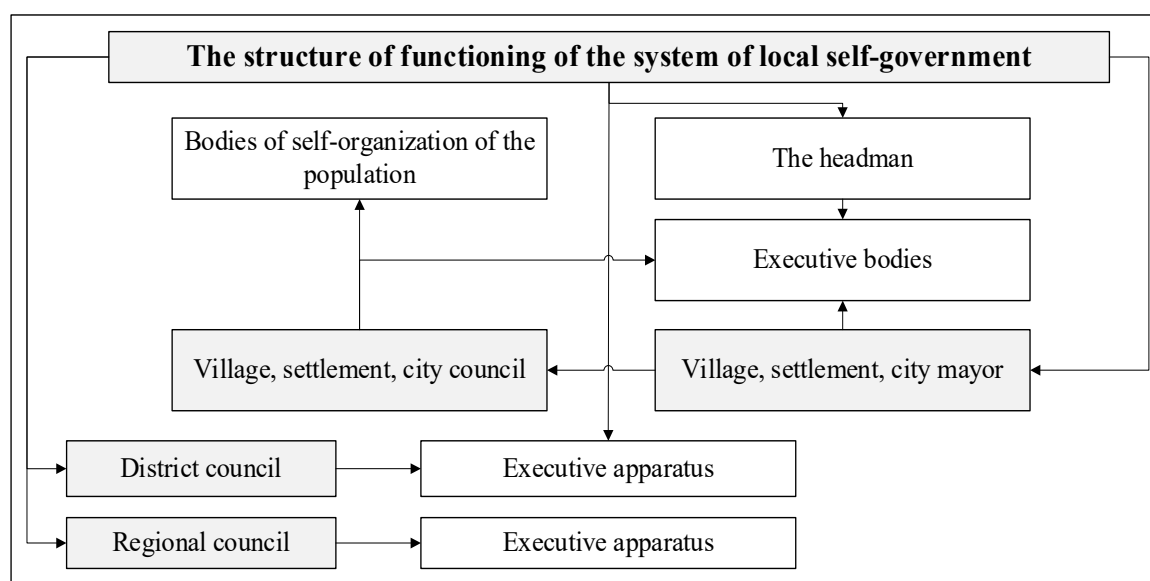


Fig. 1. The structure of functioning of the system of local self-government

**formed based on the source [9, c. 21]*

enhances local autonomy. Communities gain legal independence and the ability to adopt their own regulations within the framework of national legislation, increasing their accountability for decisions made. City and village mayors perform executive functions, while local councils shape policy and budget priorities, forming the foundation for territorial development. Transparency in governance is strengthened through electronic platforms that ensure public oversight of local authorities' actions.

However, despite these positive aspects, significant challenges remain, including weak coordination between different levels of government, which leads to management chaos, particularly in situations where communication between central bodies and local councils is flawed. Corruption risks and insufficient oversight at the local level

pose a constant threat to effective governance. Additionally, the institutional weakness of small communities, which lack sufficient specialists and resources, undermines the effectiveness of decentralization, as not all communities are able to successfully carry out their new functions. This issue requires greater attention to the transfer of resources alongside authority, as well as improving control and coordination systems between different levels of government.

Let's consider the structural characteristics of the elements and sub-elements of «Financial Autonomy» in Fig. 3.

As shown in the data from Fig. 3, the financial autonomy of communities is based on ensuring stable revenues to local budgets through taxes, fees, grants, and subsidies, which allows communities to manage funds more independently.

1. Interaction of elements and sub-elements of functioning "Decentralization of power"		
1.1. "Central bodies"	1.2. "Local bodies"	1.3. "Public initiatives"
transfer powers, providing a normative and legal framework for the functioning of communities	make decisions on the development of territories and provision of services to the community	through the mechanisms of public participation, ensure the participation of the population in the management of the community
2. Features of the functioning of the element "Decentralization of power"		
2.1. Legal autonomy	2.2. Transparency of processes	2.3. Responsibility for decisions
allows to adopt its own normative acts within the limits of national legislation	is enhanced by electronic platforms that allow citizens to monitor the actions of local authorities	lies with the local government, which should be accountable to the community
3. Main processes of functioning of elements and sub-elements "Decentralization of power"		
3.1. Delegation of authority	3.2. Information openness	3.3. Prompt execution of decisions
requires a match between new functions and resources that are transferred to the local level	provides the availability of information about budgets, costs and projects	is carried out through clearly defined procedures and time frames
4. Main roles of "Decentralization of Power" interaction		
4.1. City/village head	4.2. Deputies of local councils	4.3. Public organizations
performs executive functions, representing the community and ensuring the implementation of council decisions	form policy, make decisions and set budget priorities	control the actions of the authorities through participation in hearings and monitoring
5. The main barriers and shortcomings of "Decentralization of power"		
5.1. Weak coordination	5.2. Corruption risks	5.3. Institutional weakness
between different levels of government can lead to inefficient management	at the local level due to insufficient control and low accountability	local authorities, especially in small communities that do not have sufficient resources and specialists

Fig. 2. Structural characteristics of elements and sub-elements of «Decentralization of power»

**formed on the basis of the source [3, 4, 7, 9, 11]*

This increases flexibility in implementing local projects and more effectively addresses local needs and priorities. The financial bodies of local councils and oversight agencies play a key role in planning, allocating, and controlling expenditures, while public organizations can enhance the transparency of the budgeting process.

However, the main barriers to financial autonomy include significant financial imbalances between wealthy and poor communities, which complicates equitable territorial development. Additionally, the unpredictability of revenues, particularly from taxes or government subsidies, can hinder long-term planning. A lack of financial literacy at the local level sometimes leads to inefficient use of funds, undermining the communities' potential for sustainable development.

Therefore, optimizing the budgeting process and improving transparency in reporting are

crucial steps toward increasing public trust and improving local governance.

Let's consider the structural characteristics of the elements and sub-elements of «Infrastructure» in Fig. 4.

According to the data in Fig. 4, infrastructure development is critically important for improving the quality of life in communities, and its effectiveness depends on coordination between local authorities, state financial mechanisms, and businesses. Local authorities act as the initiators of infrastructure projects, focusing on the needs of the community, while government subsidies and grants provide funding, especially for large-scale projects. Business entities, through public-private partnerships, contribute resources and help accelerate implementation. Infrastructure development priorities are shaped by specific needs, such as transportation networks, water supply, or

Interaction of elements and sub-elements of the functioning of "Financial Autonomy"		
Tax system	Grants and subventions	Local bodies of financial control
provides sustainable financial income to local budgets, with an emphasis on local taxes and fees	from the state budget help to equalize the opportunities of financially weak communities	are responsible for the correct use of budget funds
1. Features of the functioning of the "Financial autonomy" element		
1.1. Financial independence	1.2. Allocation of resources	1.3. Financial accountability
ensures the flexibility of communities in the distribution of funds for the implementation of local projects	based on local needs and priorities, allowing for more efficient spending	is ensured by regular reporting to the community and supervisory bodies
3. The main business processes of the functioning of elements and sub-elements of "Financial Autonomy"		
3.1. Formation of the budget	3.2. Cost optimization	3.3. Reporting to the community
should be based on the real needs of the community and strategic development plans	involves the use of available resources in such a way as to meet the needs of the community as efficiently as possible	should be regular and accessible in order to increase the level of trust of citizens
4. The main roles of the interaction of "Financial Autonomy"		
4.1. Financial departments	4.2. Controlling bodies	4.3. Public committees
local authorities are responsible for budget planning and management	review the use of funds and make recommendations for improving processes	can participate in monitoring the transparency of the budget process
5. The main barriers and shortcomings of "Financial Autonomy"		
5.1. Budget inequality	5.2. Unpredictability of income	5.3. Low level of financial literacy
between rich and poor communities leads to financial imbalances	from taxes or government subsidies can make long-term planning difficult	in some communities, which leads to inefficient use of funds

Fig. 3. Structural characteristics of elements and sub-elements «Financial autonomy»

* formed on the basis of the source [3, 4, 7, 9, 11]

educational institutions. Transparent tender procedures and project monitoring help avoid corruption risks and unnecessary expenses.

However, significant barriers include insufficient funding in small communities, complicated permitting procedures, and corruption risks in selecting contractors. To overcome these obstacles, financial support from the state and a transparent system of collaboration with the private sector are needed, while clear planning and oversight of project implementation will allow communities to achieve sustainable development, minimizing delays and improving resource efficiency.

Let's consider the structural characteristics of the elements and sub-elements of «Public Participation» in Fig. 5.

As seen in Fig. 5, public participation is a key element of democratic governance at the local level. The analysis of interactions between citizens, authorities, and civil society organizations shows that active involvement of residents in

decision-making processes, through petitions, public hearings, and initiative groups, significantly improves the quality of governance. Civil society organizations play an important role in this process, acting as intermediaries between citizens and local authorities, helping to bring initiatives to life. Open channels of feedback, access to information, and public discussions are critical for ensuring transparency and increasing trust in authorities.

However, the effectiveness of public participation depends on the level of public awareness. Information campaigns that educate citizens about their rights and opportunities are essential for activating broader segments of the population.

The use of digital platforms simplifies the participation process and provides greater opportunities for citizen engagement. Key barriers include public passivity due to a lack of information and ineffective communication channels between authorities and citizens, often leading to the disregard of

Interaction of elements and sub-elements of the functioning of "Infrastructure"		
Local government	State subsidies and grants	Business structures
initiates and plans infrastructure projects to improve the community's quality of life	help finance major infrastructure projects	can join the implementation of projects through public-private partnership
1. Features of the functioning of the "Infrastructure" element		
1.1. Priority for infrastructure development	1.2. Attracting private investments	1.3. Performance monitoring and evaluation
determined based on the needs of the community, namely transport, water supply, schools, etc	through transparent conditions of cooperation, which allows the implementation of large projects	projects, to avoid unnecessary costs, focusing on ensuring long-term sustainability
2. Basic business processes of the functioning of "Infrastructure" elements and sub-elements		
2.1. Project planning	2.2. Tender procedures	2.3. Implementation of projects
involves a comprehensive analysis of community needs and available resources	must be transparent to attract qualified contractors and minimize corruption	requires a clear schedule and control by local authorities
3. The main roles of "Infrastructure" interaction		
3.1. Local council	3.2. Executive bodies	3.3. Business partners
approves projects financed from the local budget or borrowed funds	provide control over the implementation of infrastructure projects	can act as contractors or investors for the implementation of projects
4. The main barriers and shortcomings of the "Infrastructure"		
4.1. Lack of funding	4.2. Long procedures for obtaining permits	4.3. Corruption risks
in small communities where large investments are needed to develop basic infrastructure	for the start of projects, which delays their implementation	during the distribution of contracts and the implementation of projects

Fig. 4. Structural characteristics of elements and sub-elements «Infrastructure»

* formed on the basis of the source [3, 4, 7, 9, 11]

public initiatives and a decrease in trust in governance bodies. Overall, fostering public participation requires creating conditions that encourage citizen activity and enhance engagement through educational programs, improved communication, and the digitization of processes.

Consider the structural characteristics of the «Resource Management» elements and sub-elements in Fig. 6.

According to the data in Fig. 6, effective resource management is a critical element for the sustainable development of communities. The interaction between local authorities, environmental organizations, and community activists ensures the rational use of natural, financial, and land resources. Local authorities play a key role in decision-making regarding resource allocation, while environmental organizations monitor ecological aspects, and community activists influence transparency and fairness in processes through monitoring mechanisms. Rational man-

agement involves ecological oversight, transparency in the use of financial resources, and long-term planning to avoid resource depletion. Key processes include developing management strategies, monitoring resource use, and assessing environmental impacts at each stage.

However, significant barriers include low resource efficiency due to a lack of modern technologies, corruption risks, and the absence of long-term strategies, which threaten the sustainable use of resources and create environmental challenges, jeopardizing the sustainable development of communities.

Overcoming these barriers requires the implementation of new technologies, strict oversight, and active public participation in monitoring resource allocation through the development of clear long-term management plans.

Let's consider the structural characteristics of the elements and sub-elements «Partnership with the state and business» in fig. 7.

Interaction of elements and sub-elements of "Public Participation" functioning		
Citizens	Local government	Public organizations
participate in the formation of decisions through petitions, public hearings and initiative groups	provides open channels for feedback and response to public initiatives	play the role of mediators between the community and local authorities
1. Features of the functioning of the "Public participation" element		
1.1. Direct influence of citizens	1.2. Transparency of decision-making	1.3 Involvement of broad sections of the population
on decision-making processes makes it possible to improve the quality of community management	provided through public discussions and access to information	through available platforms such as electronic petitions or public initiatives
2. The main business processes of the functioning of elements and sub-elements of "Public participation"		
2.1. Information campaign	2.2. Organization of public hearings	2.3. Collection and processing of public initiatives
to inform citizens about their rights and participation opportunities	following a procedure that guarantees the participation of every interested resident	through electronic platforms or special public centers
3. The main roles of "Civil Participation" interaction		
3.1. Local activists	3.2. Local government	3.3. Public organizations
initiate issues of importance to the community and gather support among residents	is obliged to respond to citizens' requests and make decisions taking into account their opinion	help in the promotion of public initiatives and control the actions of the authorities
4. The main barriers and shortcomings of "Public participation"		
4.1. Passivity of the population	4.2. Inefficient communication channels	4.3. Lack of legal literacy
due to lack of information or interest in local self-government issues	between the community and the authorities, which can lead to ignoring public initiatives	among the population, which makes it difficult to protect their rights

Fig. 5. Structural characteristics of elements and sub-elements «Public participation»

* formed on the basis of the source [3, 4, 7, 9, 11]

According to the data in Fig. 7, the partnership between the government, businesses, and local authorities is key to developing infrastructure and the economic potential of communities. This interaction is based on public-private partnerships (PPP), where businesses invest in projects and receive benefits, while communities gain new jobs and infrastructure. Local authorities act as coordinators, setting project priorities and attracting business partners, while government bodies provide legal and financial support. The effectiveness of this partnership depends on the transparency of contract formation, a clear division of responsibilities, and ongoing project monitoring. However, the main barriers remain a lack of trust between the parties, unclear legal mechanisms, and the absence of attractive conditions for businesses.

To overcome these challenges, it is necessary to improve the legal framework, create favorable

conditions for business and increase the level of transparency of processes.

Let us consider the prospects for the development of the main elements of local self-government in Ukraine in Fig. 8.

According to the data in Fig. 8, effective local self-governance is based on the harmonious combination of decentralization, financial autonomy, infrastructure development, active public participation, and efficient resource management in cooperation with both business and the state. For decentralization to succeed, it is necessary to enhance the professional skills of local officials and strengthen public oversight, ensuring transparency and accountability in decision-making.

Expanding the powers of communities will allow them to influence the socio-economic development of regions, while financial autonomy will require improved tax administration and the attraction of investments and grants to stabi-

Interaction of elements and sub-elements of "Resource Management" functioning		
Local authorities	Environmental organizations	Public activists
manage the distribution of resources and make decisions about their rational use	control the environmental aspects of resource use	influence resource allocation processes through public monitoring
1. Features of the operation of the "Resource Management" element		
1.1. Rational management of natural resources	1.2. Transparency in the distribution of financial resources	1.3. Long-term planning
includes environmental monitoring and planning for sustainable development of the community	provided through reporting and public access to budget information	use of land and natural resources to ensure sustainable development
2. Basic business processes of the functioning of "Resource Management" elements and sub-elements		
2.1. Development of resource management strategies	2.2. Monitoring of resource usage	2.3. Environmental impact assessment
taking into account environmental, social and economic factors	to ensure their effective use and prevent corruption schemes	performed at each stage of natural resource management
3. The main roles of "Resource Management" interaction		
3.1. Local government	3.2. Public committees	3.3. Environmental organizations
is responsible for the efficiency of management and use of resources	can monitor the transparency of resource allocation processes	conduct an independent audit of the ecological state of the community and give recommendations on nature conservation
4. The main barriers and shortcomings of "Resource Management"		
4.1. Low resource utilization efficiency	4.2. Corruption risks	4.3. Lack of long-term strategies
due to the lack of modern management technologies	in the management of natural resources, which may lead to their irrational use	management of resources can lead to their depletion

Fig. 6. Structural characteristics of elements and sub-elements «Resource Management»

** formed on the basis of the source [3, 4, 7, 9, 11]*

Interaction of elements and sub-elements of the functioning of "Partnership with the state and business"		
Local authorities	Business structures	State bodies
coordinate cooperation with business and government bodies for joint implementation of projects	can invest in community development and participate in public-private partnerships	provide a legal framework and financial support for the implementation of local initiatives
1. Features of the functioning of the "Partnership with the state and business" element		
Public-private partnership (PPP)	State support	Mutual benefit
allows businesses to invest in infrastructure projects while reaping the benefits	consists in financing projects and creating a legal basis for cooperation with business	business gets economic opportunities, and the community gets infrastructure and new jobs
2. Basic business processes of the functioning of elements and sub-elements "Partnership with the state and business"		
2.1. Formation of PPP contracts	2.2. Project implementation monitoring	2.3. Reporting to the community
on a transparent basis, with clear terms of cooperation and division of responsibilities	involving business and government to ensure compliance with agreements	about the results of cooperation with business and the state in order to increase the trust of the population
3. The main roles of the interaction "Partnership with the state and business"		
3.1. Local government	3.2. Business partners	3.3. State bodies
determines project priorities and involves business in their implementation	invest in projects and provide technological and expert support	provide legal support and monitor compliance with the terms of cooperation
4. The main barriers and shortcomings of "Partnership with the state and business"		
4.1. Mistrust between the parties	4.2. Unclear legal mechanisms	4.3. Lack of financial incentives
business may doubt the transparency of procedures, and the community — the fairness of the distribution of benefits	for the implementation of projects, which can lead to delays and conflicts	for business in some regions due to low level of infrastructure or lack of attractive conditions

Fig. 7. Structural characteristics of elements and sub-elements «Partnership with the state and business»

* formed on the basis of the source [3, 4, 7, 9, 11]

lize local budgets. Improved financial forecasting will help avoid deficits and ensure the efficient use of resources. At the same time, innovations and simplified permitting procedures will accelerate the implementation of infrastructure projects, particularly in key sectors such as transportation and energy. Community engagement will be more effective through educational programs and digital solutions, while the creation of community centers will encourage residents' involvement in addressing local issues. Modern resource management requires the introduction of advanced accounting systems, increased environmental responsibility, and the incorporation of international experience. Transparent rules for cooperation with the state and businesses, particularly through special economic zones, will attract international investors and help implement large-scale projects that will promote regional development.

Conclusions. The development of local self-governance in Ukraine has made significant

progress but faces several challenges that hinder the effective implementation of decentralization. Key issues include weak coordination between levels of government, financial inequality among communities, infrastructure delays, public passivity, and inefficient resource management. To overcome these obstacles, it is essential to improve the competencies of local officials, enhance tax administration, streamline permitting procedures, and actively attract investments and international grants. The implementation of digital platforms is also crucial for increasing public participation and ensuring transparent governance, while cooperation with businesses through public-private partnerships needs to become clearer and more transparent. Only a comprehensive approach, which includes educational programs, modernization of resource management systems, and international support, will ensure the sustainable development of communities and strengthen local self-governance.

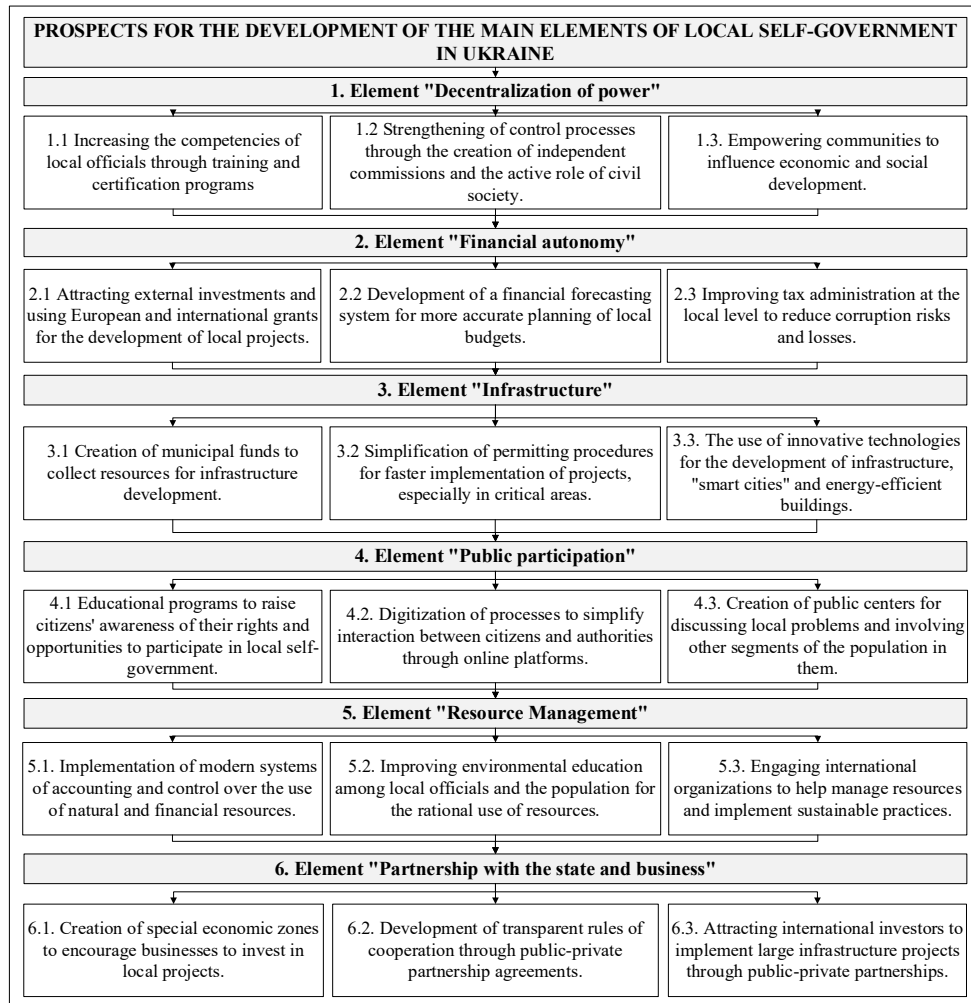


Fig. 8. Development prospects of the main elements

* developed by the author himself

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