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**DECENTRALIZATION MATRIX IN THE MULTILEVEL GOVERNANCE  
(THE CASE OF UKRAINE)**

The paper examines the functioning of multilevel governance as a holistic system within a matrix of decentralization. The paper reveals the definitions of «decentralization» and determines the role of decentralization in the mechanism of multilevel governance. The roles of decentralization in a democratic system are studied. The paper analyses the parts of the matrix of decentralization consisting of de-concentration, delegation, devolution, and divestment. The paper also examines the most common types of decentralization (administrative decentralization, political decentralization, economic (market) decentralization, financial decentralization) and horizontal decentralization and vertical decentralization. These types of decentralization are distinguished by subjects and spheres of influence. The dynamics of decentralization matrix is studied in comparison with various stages of Ukraine's independence and in comparison with the neighboring European countries.

**Key words:** multilevel governance; decentralization; decentralization matrix; types of decentralization; dynamics of decentralization matrix; Ukraine.

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**МАТРИЦЯ ДЕЦЕНТРАЛІЗАЦІЇ У СИСТЕМІ БАГАТОРІВНЕВОГО ВРЯДУВАННЯ  
(НА ПРИКЛАДІ УКРАЇНИ)**

У статті розглядається функціонування багаторівневого управління як цілісної системи в рамках матриці децентралізації. Стаття розкриває поняття «децентралізація» та визначає роль децентралізації в механізмі багаторівневого управління. Досліджено роль децентралізації в демократичній системі. У статті проаналізовано ті частини матриці децентралізації, що складаються з деконцентрації, делегування, деволуції та дивестиції. У статті також розглядаються найпоширеніші типи децентралізації (адміністративна децентралізація, політична децентралізація, економічна (ринкова) децентралізація, фінансова децентралізація) та горизонтальна децентралізація і вертикальна децентралізація. Ці типи децентралізації розрізняють за суб'єктами та сферами впливу. Динаміка матриці децентралізації вивчається порівняно з різними етапами незалежності України та порівняно з сусідніми європейськими країнами.

**Ключові слова:** багаторівневе управління; децентралізація; матриця децентралізації; типи децентралізації; динаміка матриці децентралізації; Україна.

Постановка проблеми

Multilevel governance is an extremely dynamic system which is characterized: with flexibility and diversification of interactions between governing entities within cross-territorial and cross-sectoral dimensions; when various combinations of actors are formed regarding their nature and form, degree of formalization and unification of interaction in various areas of public policy. The dynamism of multilevel governance is determined by its eccentricity (lack of any center) and the principle of subsidiarity.

Аналіз останніх досліджень і публікацій

The theoretical background of the paper is mostly the works of the Ukrainian scholars, legislative and regulatory acts. Anyway, the work by Mintzberg G. serves as the grounds for the study of decentralization, in particular regarding its structural aspects. The governmental documents on the decentralization reform are aimed to create conditions for community development and bring services closer to the people by forming affluent communities, transferring most of the powers to the basic level management and a clear division of functions between levels of government; to ensure proper resource provision of local self-government. The laws of Ukraine, the regulations of the Cabinet of Ministers of Ukraine, the decrees of the President provide guidelines for making the necessary amendments to the legislative and regulatory acts of Ukraine; creating a legal framework for community integration; providing financial support to newly created communities; creating the necessary material, financial and organizational conditions to meet these powers. The analytical documents examine the UNDP role in decentralization and local governance of Ukraine.

The logic of the research was disclosed through the analysis provided by: Onuprienko A. on principles of centralization and decentralization in the territorial arrangement of power; Bryl' K. and Dorosh U. who study the concept of decentralization as an object of administrative and legal support; Donchenko K. who examines multi-structural approach to the concept of «decentralization»; Kasych A. who looks at theoretical aspects of the impact of decentralization. The ex-Prime-Minister of Ukraine, Groysman V. (who considers to be an initiator of decentralization in the country) examines the place and role of decentralization of power in the formation of civil society. Decentralization of public power from the point of view of the experience of European countries and prospects for Ukraine is analyzed by Boryslavska O., Izha M., Shkolyk A., Zaverukha I. and others. Much research was provided to examine the types of decentralization by: Bubyk G. and Novak A. who reveal delegation of powers (e.g. by local authorities focusing at organizational and legal aspects); Melnychenko V. who gives his characteristics (definitions, significance, boundaries) to decentralization and de-concentration of public power

Виділення невирішених раніше частин загальної проблеми

Though a vast scope of publications provides a wide empirical material, however, unfortunately, there is still a lack of theoretical analysis of this phenomenon. Decentralization is deprived of a holistic scientific and theoretical study, with its systemic consequences. The functioning of

multilevel governance as a holistic system within a matrix of decentralization is not revealed, including the problem in defining «decentralization» and determining its role in the mechanism of multilevel governance.

Мета

The purpose of the paper is to examine the dynamics of decentralization matrix in comparison with various stages of Ukraine's independence.

Виклад основного матеріалу

The mechanism of streamlining in the functioning of multilevel governance as a holistic system can be defined as a matrix of decentralization (one of the definitions of the Latin «matrix» is «the ordering of elements within the integrity»). There are many definitions of «decentralization», which depend on:

- the subject of the relevant field of science – public administration (see, e.g. U. Dorosh [7]), law (see, e.g. K. Bryl' [1]), political science (see, e.g. K. Donchenko [7]), economics (see, e.g., A. Kasych [10]), management (see, e.g., V.Talan [39]);
- certain theoretical views on the arrangement of the state;
- dominant political and legal doctrine in the country.

Therefore, decentralization has: a rather wide, multifunctional definition; its own types, levels and forms of practical implementation.

In Ukraine despite the announced decentralization policy (2014), at the regulatory level the concept of decentralization occurs only once in the bylaw of 2006: decentralization is the transfer of functions that do not require centralized implementation to the lower level of executive authorities, local self-government bodies or subordinate state enterprises, institutions and organizations [27]. In any case, decentralization is associated with the distribution and implementation of power functions by the governance entities of various hierarchical levels and organizational forms. To determine the role of decentralization in the mechanism of multilevel governance, it must be assumed that it has a «layered» nature and can be considered in various aspects:

1. As one of the principles of multilevel governance, i.e. as the basic idea of multilevel governance, as a set of coordinated efforts of multilevel governing entities. The content of the principle of decentralization actually corresponds to «divide and rule» and means the distribution of power between several entities that represent different elements of the multilevel system.
2. As a method of multilevel governance, based on i) the distribution of management functions among the many autonomous entities and ii) the mutual interest in their jointly coordinated activities.
3. As a regime of multilevel governance, i.e. as a special type of governance, a set of tools and instruments to ensure optimal control by means of minimizing subordination relations in the system and the use of coordination tools in the interaction of autonomous governing entities.
4. As a form of multilevel governance, built on a multi-vector division of functions between independent authorities.
5. As a process of distribution and exercising of authority. The system of multilevel governance involves

the constant division and redistribution of powers between governing entities at different levels and sectors in order to achieve the most optimal result.

6. As an element of the organizational structure. Decentralization is an ordered set of interconnected elements of different levels and sectors, between which there are stable links that ensure the functioning and development of multilevel governance as a whole.

Thus, the matrix of decentralization can be considered within the doctrine of multilevel governance. According to ex-Prime-minister V. Groysman, decentralization plays certain roles in any democratic system [4], which are also inherent to the system of multilevel governance, and include:

- Intra-integrative role. Decentralization creates the preconditions for actions in unison with the governmental, non-governmental and business sectors; it provides a synthesis of their interests neutralizing certain contradictions in relations between them.
- Structural role. Decentralization ensures the structuring of the multilevel governance by «involving» civil society actors and business structures, giving appropriate responsibilities to the various levels of governance, developing many coordination and reorganization links in the system.
- Mobilization role. Decentralization implies a high level of political, social, managerial mobilization, in which all the main elements and links of the multilevel system work together to achieve a common goal.
- Functional and redistributive role. In order to achieve high efficiency and effectiveness, decentralization provides a redistribution of power and management functions between various levels and sectors of governance.
- Democratization role. The transfer and redistribution of responsibility for managerial decisions reduces the scope of centralized control, but also creates the preconditions for increasing the role of public (civic) control.
- Automizing role. Decentralization, ensuring the equality of sectors and levels of multilevel governance, recognizes their autonomy and independence, limited external influence in solving internal problems.
- Instrumental role. Decentralization, as a tool for sharing responsibilities between various sectors and levels of multilevel governance, is designed to facilitate a clear division of responsibilities between the governmental, non-governmental and business sectors.
- Emancipatory role rebuilds the established and largely dependent links between the governmental sector, on the one hand, and civil society and business, on the other. Decentralization opens opportunities for the development of multivariate relations between the governing entities, resulting in the formation of new forms of governance, which, in fact, set a new model of public administration (which is defined as a multilevel model).
- Modernization role. Decentralization as a technology for optimizing the system of governance contributes to the renewal of forms and methods of

governance. It provides a «mobilization impulse» for further development and progress of society, when the principle of publicity is affirmed as a synonym for complicity, co-management, openness, shared responsibility, and so on.

The decentralization matrix in a multilevel mechanism is a complex structure, which:

- on the one hand, determines the principles, methods, forms, levels and types of decentralized influence; establishes objective patterns and causal relationships in the processes and phenomena of a multilevel system; is the basic principle of modern public administration;
- on the other hand, includes a system of varied views on the use of decentralized forms and methods in various spheres of social development and governance, such as democratic decentralization (political aspect), territorial decentralization (spatial aspect), departmental decentralization (organizational aspect), rule-making decentralization (legal aspect), etc.

Therefore, it is obvious that in the process of understanding the decentralization matrix in the multilevel system, it is important to look at the development of its parts.

The matrix of decentralization consists of de-concentration, delegation, devolution, and divestment.

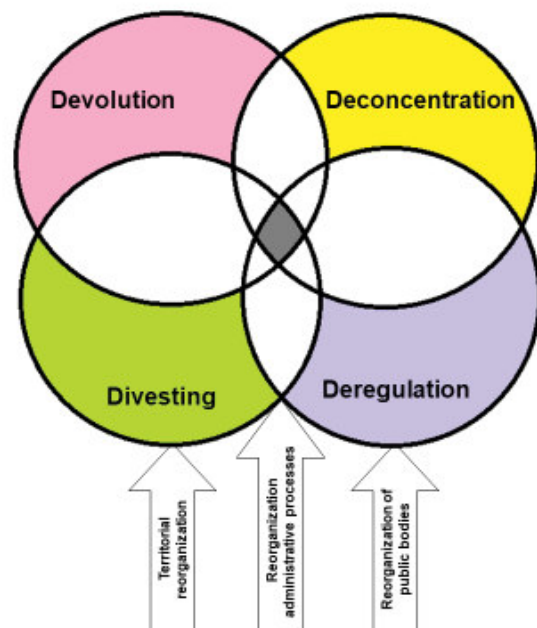


Fig. 1. Decentralization matrix

De-concentration is the dispersion of management functions between different bodies within one sector of multilevel governance. De-concentration, as a form of decentralization, is mostly identified with executive-administrative structures. In this case it allows to characterize it as administrative decentralization. According to V. Melnychenko de-concentration is only a means in mitigating the negative effects of centralization of power [11, p. 285]. Reinforcing this conclusion, N. Novak notes that de-concentration is only a technique of governance, which is not equivalent to the development

of democracy, as it keeps the entire administration at the disposal of the central government or its representatives [14, p.152].

In the Ukrainian model of public administration, the vertical de-concentration has taken its form, primarily in the format of local public administrations. According to the Law of Ukraine «On Local State Administrations» [31], they are empowered with significant obligations in various spheres of social development at the regional and sub-regional levels and are autonomous from central executive bodies in organizational, personnel, financial, etc. matters.

Horizontal de-concentration could be observed, in particular, in the division of the State Fiscal Service into the State Tax Service of Ukraine and the State Customs Service of Ukraine in 2018 [35]. De-concentration is also manifested in the creation of some ministries and other central executive bodies of their own territorial agencies [29] with the rights of a legal entity (by 2019 about 30 territorial agencies of ministries and other central executive bodies have been created at the regional level).

Delegation is the transfer of powers for a certain period of time with the preservation (for the delegating governing entity) of the right to return those powers [3]. Delegation can be presented as an agreement or a statutory transfer of authority on a permanent, temporary and one-time basis, which allows us to consider delegation as a form of decentralization. G. Bublyk quite rightly understands the delegation of powers as: the process of transferring by the delegating entity its own powers to the delegated entity, which is based on the free will of both delegation entities. The delegation of powers is carried out for the most effective implementation of these powers, accompanied by the transfer of appropriate financial and/or material resources by concluding an administrative agreement or a relevant legislative act [2, p.17].

In addition to the delegation of powers between public authorities (as a form of decentralization in a system of multilevel governance), there is delegation of powers by public authorities to the institutions of civic and business sectors. This, in particular, is focused in Art. 7 of the Law of Ukraine «On the Principles of Domestic and Foreign Policy» [20], according to which one of the main principles of domestic policy in the economic sphere is the introduction of European approaches in the field of delegation of state functions to economic entities. Thus, in Ukraine there is already a possibility of delegation of a number of public functions to the Audit Chamber of Ukraine (Article 15 of the Law of Ukraine «On Auditing Financial Reports and Auditing» [17]), to the Association of Professional Stock Market Participants (Article 49 of the Law of Ukraine «On Securities and Stock Market» [36]) as self-governing structures.

As the system of multilevel governance also includes the supranational level, the delegation of sovereign authority of Ukraine to intergovernmental associations may become a special form of delegation of powers. In particular, the member-states delegate their powers to the European Union in the field of customs, antitrust law, foreign trade policy, conservation of marine bio-resources etc.

Devolution (from the Latin «devolution» – «rolled down») is the transfer of power and management functions to autonomous units, which thus acquire exclusive

powers. These powers are permanent and cannot be revoked legally. For their implementation the governing entities must have their own resources. The state control over the entities with the relevant powers is minimized under conditions of devolution and is limited to general control. The transfer of power is most clearly manifested in the system of local self-government. According to Art. 16 of the Law of Ukraine «On Local Self-Government in Ukraine» [30] local self-government bodies are endowed with their own powers, within which they act independently and are responsible for their activities in accordance with the law.

The principle of self-governance is also fundamental for non-governmental organizations. It provides the right for a public association to determine independently their activities, as well as non-interference of governmental authorities into the activities of public associations [18].

So-called divestment as one of the forms of decentralization is the direct transfer of regulatory and administrative functions from public structures to non-governmental (sector) organizations [40, p. 6]. Typically, the introduction of decentralization in the divestment format is accompanied by deregulation, which allows shifting responsibility for many issues to the non-governmental and business sectors. Divestment may include such actions:

- 1) to allow non-governmental entities to perform functions that were previously monopolized by the governmental sector;
- 2) to conclude contracts for the provision of public services;
- 3) to finance public sector programs through the investment market and to allow private companies to participate in them.

The privatization plans of Ukrposhta (Ukrainian post service) and Ukrzaliznytsia (Ukrainian railway transporting system), which perform a number of state functions, are fully within this format of decentralization [16].

The most common types of decentralization are:

- administrative decentralization as a controlled and orderly process of redistribution of powers between public authorities at the central (national) and subnational levels in order to optimize the implementation of relevant functions. With the development of public administration decentralization, a significant part of the obligations and powers to manage the property of cities and rural areas, health, education, culture, and sports was transferred to the localities. The transfer of functions related to: registration of legal entities, registration of residence placement, registration of real estate, control over construction within settlements (since 2014), is included into this type of decentralization;
- political decentralization differs significantly from administrative decentralization and is in the recognition of new public entities in the political system. Political decentralization makes it possible to create a system of greater representation of various political, ethnic, religious and cultural groups, avoiding destabilization in the state. In particular, political decentralization in Ukraine could be observed in 1990 within the formation of the institution of local self-government and in 1991 with

the recognition of the autonomous status of the Autonomous Republic of Crimea;

- economic (market) decentralization involves: the reducing of government's control over doing business; eliminating administrative governmental pressure on business through deregulation and privatization. Thus, in accordance with the Roadmap for Deregulation, approved by the Cabinet of Ministers of Ukraine [23] it was planned: to reduce the number of regulatory procedures, inspections, to minimize contacts between business and government, as well as their cost; to strengthen the barriers to the creation of new redundant and economically unjustified rules; to create and ensure the functioning of an effective regulatory environment. As a result of the implementation of the Roadmap in 2016-2018, 36% of 14,000 regulatory acts in Ukraine were repealed [37];
- financial decentralization involves the transfer of additional financial resources and budgetary powers to local self-government. Financial responsibility is sometimes considered to be a major component of decentralization. To perform their decentralized functions effectively local self-government bodies and private organizations must have an adequate amount of revenue (collected in a certain territory or directed from governmental authorities), as well as the power in decision-making on expenditures. As a result of financial decentralization in Ukraine, local budget revenues are growing rapidly: in 2014 the revenues consisted of UAH 68.6 billion, in 2019 – UAH 267 billion; in 2014 only UAH 0.5 billion was allocated to the regions to support socio-economic development, in 2019 – UAH 20.75 billion. For the first time since independence, the share of local budgets in 2019 has reached 51% in the consolidated budget of Ukraine [13].

The system of multilevel governance provides a distinction between horizontal decentralization and vertical decentralization. In the literature horizontal decentralization means the distribution and definition of functions and competencies of all other elements of the public administration structure, except the governing body [40, p. 15]. Horizontal decentralization in the business and public sectors is the distribution of power between line workers [12, p.189], which is enshrined in the Statutes of the respective entities.

Vertical decentralization involves the distribution of power and management functions in the system of multilevel governance as a whole and within each of its sectors at different levels. The public and business sectors are free to build their own hierarchical structures.

The following main types of decentralization are distinguished by subjects and spheres of influence:

- territorial decentralization is the creation or recognition of independent types of public authority at all or some levels of territorial division, in particular in the format of regional and sub-regional authorities, local self-government, neighboring communities at the local level, etc.;
- functional decentralization is the recognition of independent and autonomous specialized organizations as powerful subjects with the delegated right to execute a certain amount of public

objectives. According to the Concept on reforming the institution of self-regulation in Ukraine [33] the implementation of a self-regulation model (which will provide legal principles of delegating certain functions that are currently performed by public authorities to self-regulatory organizations) will be provided;

- specialty (professional) decentralization is professional self-governance as a system of managerial relations between all representatives of a certain profession. It is implemented by a representative organization which is under the supervision of such public authorities as judicial self-governance, prosecutorial self-governance, trade unions, etc.

By the methods of its implementation, there could be reforming and revolutionary decentralization.

In fact, the transition from one form of decentralization to another determines the dynamics of the system of multilevel governance. Thus, the development of decentralization in the period 1990-2019 in Ukraine is characterized by both the dynamics and statics of the process, as well as significant situationality, the use of various forms of decentralization and (at the same time) the lack of a major trend (Table 1).

The current policy of decentralization in Ukraine was initiated after the formation of parliamentary coalition «European Ukraine» in the Verkhovna Rada of Ukraine in March 2014. In April 2014, the Cabinet of Ministers of Ukraine approved the Concept on reforming local self-government and territorial arrangement in Ukraine [34], as well as Action plans for its implementation [22, 6, 24]. Subsequently, the decentralization policy was reinforced by: Law of Ukraine «On Voluntary Amalgamation of Local Communities» [19]; Law of Ukraine «On Cooperation between Local Communities» [32]; Law of Ukraine «On Principles of State Regional Policy» [20]; amendments to the Law of Ukraine «On Local Self-Government in Ukraine» [30] and other sectoral legislation; State strategy on regional development for the period up to 2020 [22]. There was also an attempt to amend the Constitution of Ukraine [38]. The core reason for decentralization policy is primarily in the socio-economic indicators of the country's development. Thus, for the period from 1990 (when the Declaration on State Sovereignty of Ukraine was adopted) up to 2018, Ukraine's GDP decreased by almost 35% (Table 2).

These dynamics are quite different from most of Ukraine's neighboring countries, which after a short-term decline have managed not only to achieve the starting point of their systemic modernization reforms, but also to exceed them significantly (Fig. 1).

Besides, Ukraine has extremely low GDP per capita in purchasing power parity (PPS), as well as in the average wage (Table 3).

These data clearly show that Ukraine is a poor country, at least according to the indicators of the European countries, and has failed to mobilize its human, natural, geographical, etc. resources to improve human well-being. Meanwhile, as P. Drucker considers, in the modern world there are no poor and rich countries, but there are countries that are well and poorly governed. As a result, Ukraine is one of the least effectively governed countries in the world.

Table 1.

Dynamics of the decentralization process in Ukraine

Type of decentralization	Years																													
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
De-concentration																														
Delegation																														
Devolution																														
Divestment																														
Vertical																														
Horizontal																														
Administrative																														
Political																														
Economic																														
Fiscal																														
Territorial																														
Functional																														
Reforming																														
Revolutionary																														

Table 2.

Dynamics of Ukraine's GDP by years

Year	GDP in UKH	GDP in USD	GDP in USD at purchasing parity	GDP level up to the previous year	GDP level up to 1990
1990	0,000*	293,235*	505,504*	0,000*	100,0*
1991	0,001*	101,116*	458,430*	▼-8,700*	91,3
1992	0,052	22,193	318,309	▼-9,900*	82,3
1993	1,587	35,025	277,653	▼-14,799	70,6
1994	12,449	38,012	219,007	▼-22,766	54,4
1995	56,381	38,275	196,427	▼-12,142	47,8
1996	84,308	46,083	180,309	▼-9,851	43,0
1997	96,559	51,867	177,572	▼-3,175	41,7
1998	106,103	43,315	176,240	▼-1,815	40,9
1999	134,904	32,661	178,575	▼-0,203	40,8
2000	175,888	32,331	193,472	▲5,932	43,2
2001	211,175	39,309	216,141	▲9,227	47,2
2002	234,138	43,956	231,177	▲5,340	49,7
2003	277,355	52,010	258,226	▲9,517	54,4
2004	357,544	67,226	296,623	▲11,795	61,0
2005	457,325	89,282	315,569	▲3,071	62,7
2006	565,018	111,885	349,893	▲7,571	67,3
2007	751,106	148,734	388,715	▲8,216	72,2
2008	990,819	188,240	405,232	▲2,243	74,2
2009	947,042	121,552	346,506	▼-15,136	63,3
2010	1079,346	136,011	351,656	▲0,261	65,8
2011	1299,991	163,161	378,532	▲5,466	69,2
2012	1404,669	175,707	386,425	▲0,239	69,3
2013	1465,198	179,572	392,619	▼-0,027	69,4
2014	1586,915	132,343	373,406	▼-6,553	64,8
2015	1988,544	90,939	340,537	▼-9,773	58,5
2016	2383,182	93,263	353,345	▲2.441	59,9
2017	2908,233	109,321	368,784	▲2.525	61,4
2018	3558,700	130,812	384,531	▲3.321	64,7

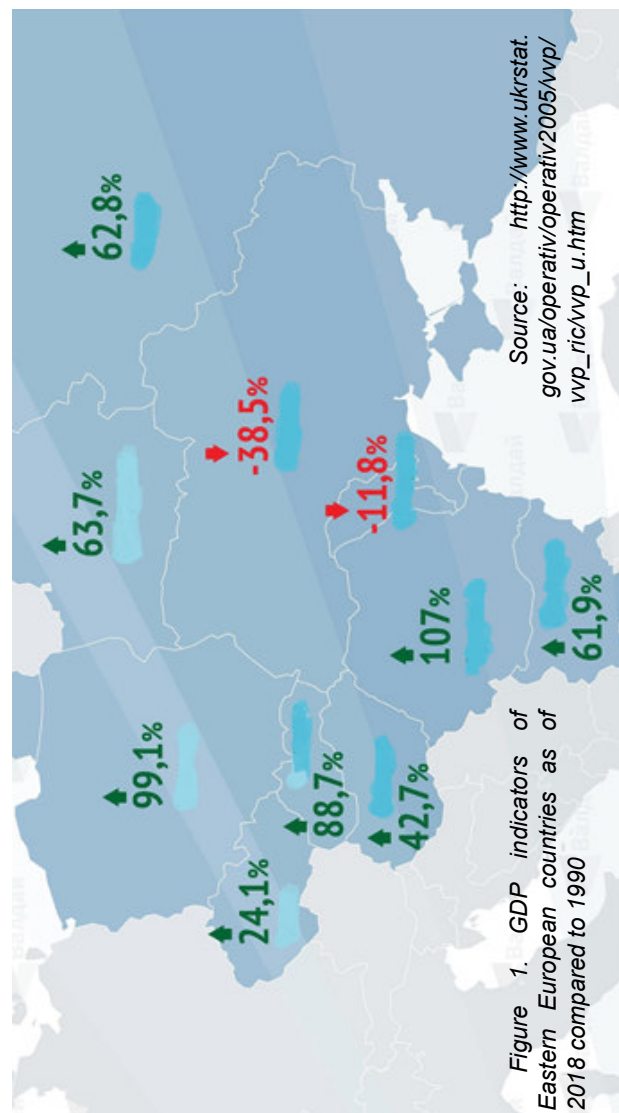


Figure 1. GDP indicators of Eastern European countries as of 2018 compared to 1990

**Table 3.**  
**GDP per capita for purchasing capacity and the average wage in Europe**

Country	GDP per capita for purchasing capacity in USD (2018)	Average wage in USD (2018)
Switzerland	61422	6558
Iceland	51842	6177
Denmark	49883	6405
Luxembourg	106374	5965
Norway	71831	5885
Germany	50425	4628
Austria	49869	4467
Finland	44333	4225
Sweden	51475	4114
Belgium	46553	4055
Ireland	75538	3916
Netherlands	53635	3569
France	43761	3525
United Kingdom	44118	3122
Italy	38140	3116
Spain	38286	2692
Cyprus	37023	2186
Slovenia	34480	2118
Estonia	31649	1543
Check Republic	35512	1538
Portugal	30487	1390
Croatia	24424	1383
Poland	29521	1337
Greece	27737	1302
Slovak Republic	33070	1201
Latvia	27644	1186
Hungary	29474	1176
Romania	24508	1147
Lithuania	32379	1084
Montenegro	17736	941
Bosnia and Herzegovina	12724	852
Serbia	15000	719
Bulgaria	21687	675
Macedonia	14914	659
Russia	27834	896
Albania	12507	565
Belarus	18931	603
Kosovo	10515	482
Moldova	5661	443
<b>Ukraine</b>	<b>9213</b>	<b>404</b>

Source:

- 1) <https://data.worldbank.org/>
- 2) [https://uk.wikipedia.org/wiki/Список\\_країн\\_Європи\\_за\\_середньою\\_місячною\\_зарплатнею](https://uk.wikipedia.org/wiki/Список_країн_Європи_за_середньою_місячною_зарплатнею)

Those countries that choose an administrative reform strategy usually face a «centralization-decentralization» dichotomy. Obviously, centralization (which is in the concentration of competence in the system of state power, and mostly in its central link) can also be a very effective way in increasing the efficiency of public administration

[15]. Many countries around the world, including the neighbors of Ukraine, have chosen this way of reform and achieved remarkable results here (Table 4).

**Table 4.**  
**GDP by purchasing capacity of some countries**

Country	GDP by purchasing capacity per capita in USD (1990)	GDP by purchasing capacity per capita in USD (2018)
China	944	17206
Russia	7844	29393
Belarus	5510	19571
Kazakhstan	7709	28306
Azerbaijan	5559	18410
Turkey	4794	28049
Ukraine	6387	9213

However, Ukraine, in contrast, has preferred decentralization rather than centralization, which was facilitated by several political, managerial and economic reasons.

**Висновки**

The research provides a range of ideas regarding the principles of decentralization in the context of administrative reform aimed at optimizing the governance system. The positive aspects of decentralisation are:

- the decentralized institutions solve most of everyday problems of citizens more effectively;
- the institution of local self-government, public and business sectors ensure the flexibility of public policy (in order to adapt it to specific conditions), which is lacking in the centralized model;
- decentralization, which presupposes the existence of a large number of autonomous governing entities, prevents the monopolization of public power by a single political force because, as a rule, none of them can control all the diversity of territorial self-government, civil society and business;
- decentralization provides an innovative character for the society's development due to the large number of governing entities. As a result, a large number of various policy options can be evaluated at the same time and conclusions about their effectiveness can be made more quickly. On the other hand, the failure of a particular policy or program at individual levels of governance or sectors will cost much less to a society than its immediate implementation at the national level;
- decentralization stimulates productive competition between public structures, greater accountability and efficiency. With a large number of governing entities, people (under their jurisdiction) can compare the quality and cost of services. If there is dissatisfaction with the provision of public services at one level, the citizens can address the other level;
- decentralization prevents «overloading» of the public administration system, as the implementation of all management actions is usually quite difficult for the State due to the large number of decisions that are to be made, a large amount of information that is to be processed, and so on. The transfer of public functions to non-state actors allows to

prevent the overloading of the State with «small» functions, to focus on key, strategic issues of social development;

- the dispersion in the governance provided by decentralization allows the public administration system to resolve conflicts more effectively. Various local, public, business communities can develop various programs and policies. As a result, tolerance to various programs is formed, which reduces the tension of political fighting. In addition, in a centralized system, all political tensions are focused within the central government. The presence of other actors leads to the dispersion of this tension among many decision-making centers. That keeps it at the appropriate level. In addition, with the existence of many political and managerial decision-makers, the failure of one of them is not so painful for the society;
- the large number of governance structures as the result of decentralization gives the society a large number of platforms for public participation. Numerous elections, gatherings of citizens, public hearings, referendums and other mechanisms of direct contact with the authorities create a system of citizens' involvement into the public power provision.

The direction of decentralization policy in Ukraine is to form an updated institution of self-government at all levels of territorial division, which is to: be territorially, socially, financially and economically capable; address effectively most of the problems faced by Ukrainian citizens in everyday life. This should be facilitated by: the amalgamation of local communities (first of all – rural communities), the transferring of additional powers and financial resources to local governments, the reorganization of the contemporary raion (district) division, the changes in the organizational component of governance at the territorial level (creation of executive bodies of raion (district) and oblast (region) councils); the transforming of local state administrations into supervisory bodies, formation of the institute of the starosta (village mayor), etc.); decentralization of education (On approval the Regulations on the educational district, 2019), health care (On approval the Procedure for the establishment of hospital districts, 2016), provision of administrative services (creation of appropriate Centers for administrative services); development of mechanisms for cooperation of local communities; involvement of self-regulatory structures to the governance processes, etc. These manifestations of the decentralization matrix, which define the format of multilevel governance, may be the target for further research.

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