FEATURES OF FORMING COMPETITIVE VOLUNTARY ASSOCIATIONS OF TERRITORIAL COMMUNITIES UNDER DECENTRALIZATION: PROBLEMS AND PROSPECTS OF PROCESS MODELING

Problem statement. The paper considers the features of forming a competitive local government system by way of voluntary association of communities. It should be emphasized that the topics of power decentralization, administrative territorial reform, improvement of local government bodies, and formation of territorial communities are among the current priorities of the socio-economic life of every region and the country on the whole.

Recent research and publications analysis. Despite numerous research works devoted to the above-mentioned subjects, the specific issues of determining the composition of taxes and duties, which are to go into the budgets of associated territorial communities, as well as those of territorial communities’ financial
resource management, and formation of a comprehensive socio-economic strategy for regional development require a further study.

**The paper objectives are:** to identify the main problems that hinder effective reform of the local government system, to elaborate a model of forming voluntary competitive associations of territorial communities and the algorithm of actions to be taken for efficient implementation of the decentralization reform and strengthening of the economic capacity of associated territorial communities.

**The paper main body.** The essence of the ‘competitive local community’ concept is clarified. The main problems arising in the course of establishing voluntary associations of communities under decentralization are analyzed, namely: firstly, the changes in the Constitution of Ukraine related to decentralization, which would guarantee the reform, have not been approved as yet; secondly, in order to get financing from the State Fund for Regional Development for implementation of local infrastructure development projects, the government has set the term for adoption of Perspective plans; yet, due to certain political influence and a complicated mechanism for association of communities, it is easier to “fudge” a plan for community association than vice versa – integrate in accordance with the plan. Thirdly, in some regions a situation has come about, when, notwithstanding the fact that districts are now part of the associated territorial communities, there still exist district councils and district administrations, which do not represent the common interests of communities. In the fourth place, there is a lack of the relevant experience. Another serious problem is association of communities in the areas that are densely populated by ethnic minorities.

To accelerate the reform process, it is necessary, in the first instance, to intensify information campaign, raising the awareness of the essence of administrative territorial reform, and the benefits, which a community is to obtain from association. However, in practice the communities only get orders from the heads of district state administrations on which villages will belong to which community.
Conclusions of the research. An algorithm and model are proposed to ensure the strengthening of competitiveness of voluntary community associations, taking into account regional specificity and the European standards.

It has been stressed that decentralization of power in Ukraine should take place in accordance with the European standards. It is these standards that will allow managing territorial community development more efficiently. The transparency of decisions will make communities more attractive for investors, which is supposed to ensure economic growth and creation of new jobs. Citizens, in particular the youth, will have a long-sought opportunity for personal self-fulfillment in the place where they were born and grew up.