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FISCAL DECENTRALISATION AND LOCAL GOVERNMENT REFORM: ADAPTATION IN UKRAINE EXPERIENCE OF POLAND AND LITHUANIA

Introduction. The need to create an effective system of local government necessitates a thorough study of foreign practice, primarily the analysis of the implementation of local government reform in the European Union (EU). Military operations in Ukraine have only exacerbated this need, given the urgent need to reformat local self-government to the conditions and objectives of martial law and the post-war period. In this context, it is useful to study the positive experience of neighbouring countries, in particular Poland and Lithuania, which have implemented effective reform the local self-government practices that have had positive consequences for their economies. Lithuania's experience is particularly important, as it was in the process of joining the EU that radical changes were made to the entire public administration system.

Ukraine's European integration vector requires the actual implementation of reforms based on the principles of deconcentration, decentralisation, and subsidiarity in relations between the central government and the regions. However, regional imbalances in the development of territories, the inability to implement the reform on the ground, shortcomings in public finance management, problems of fiscal decentralisation, financial insolvency of the subregional level, and the spread of corruption schemes are all consequences of current problems of the local self-government that require radical changes [1, 2].

The experience of such unitary countries as Denmark, Norway, Sweden, Poland, Lithuania, Czech Republic, Estonia, France shows that the transfer of significant powers of state authorities to the local level has strengthened the local self-government, eliminated artificial obstacles (excessive permits, documents, control from the centre) for business and entrepreneurship, and provided a positive solution to the problems that are extremely important for the post-war development of Ukraine, namely

- creation of a transparent investment climate
- the ability of communities with sufficient budgets, human and natural resources to effectively address the issues of local residents and the development of their territories.

Analysis of recent research and publications.

The topic of the formation of effective local government, the ability of local self-government to

achieve its goals, its functioning in crisis conditions and necessary reforms constantly attracts the interest of researchers in various fields of social sciences. In our opinion, fundamental studies in this regard are: the publication by T. Horvat (the section on Lithuania, prepared by A. Beksta, A. Petkevicius) [3] and the publication by researchers from Kazakhstan, with a detailed analysis of foreign experience in reforming the public administration system [4].

J. Regulski was one of the first to trace the process of reforming the local self-government system in Poland in the 1990s [5]. Together with him, the methods and techniques of decentralisation in Eastern Europe, in particular Poland, were studied by W. Przybylski and A. Wojciuk [6], the processes of reforming local self-government in Poland by S. Michałowski, A. Pawłowska [7], H. Izdebski [8]. Researcher A. Skorupska [9] presents the results and prospects of international cross-border cooperation, the role of the CU in this process in the context of the decentralisation reform.

The experience of the Polish government and local self-government in organising local finances is presented in the study by Adam Sauer [10]. The Baltic experience of reforming local self-government in the context of European integration was the focus of a group of researchers led by J. G. King [11]; I. Brauks [12] analysed the impact of political factors on administrative reforms and financial issues of the functioning of the CBC in the transition period to understand the prospects for the development of municipalities and territorial communities as a result of the reforms; the experience of A. Draudiņš [13] on the experience of administrative and territorial reforms is extremely interesting.

Domestic scholars S. Seriogin and L. Prokopenko analysed in detail the experience of the self-government reform in Lithuania, focusing on the organisation of self-government control and audit, issues of representation of communities of settlements, etc. O. Baimuratov, T. Batanov and A. Golikova [15-17] focused on the problems of the legal status of territorial communities and also considered territorial communities as carriers of corporate interests. Also, a significant contribution to the study of local self-government as a specific form of public authority and the peculiarities of decentralisation was made by

scientists of the Institute of Industrial Economics of the National Academy of Sciences of Ukraine (O. Amosha, Y. Zaloznova, S. Ivanov, V. Lyashenko, I. Pidoricheva, etc).

Identification of previously unresolved parts of the overall problem. Objective. At the same time, despite the large amount of information and significant scientific work in this area, various aspects of understanding the legal nature and ways of implementing the local self-government reform remain relevant for consideration, taking into account the experience of neighbouring EU member states. The current situation of martial law only exacerbates this need and makes it relevant for the national practice of state-building, which requires additional comprehensive

analysis based on domestic and foreign experience. The purpose of the study is to analyse the experience of reforming local self-government in Ukraine's neighbouring countries, namely Poland and Lithuania, which are EU members, and the possibility of using it in reforming the territorial organisation of power in Ukraine in the current conditions of state-building, complicated by martial law and with a view to post-war development.

Summary. Describing the richness of institutional forms of local self-government in Europe according to certain criteria (Table 1), Polish researchers divide them into three main groups: "Anglo-Saxon", "French", "North and Central European" (Table 1).

Table 1

Main institutional forms of local self-government in Europe

<i>Group</i>	<i>Relation-ship of local government with central government</i>	<i>Range of tasks</i>	<i>Financial autonomy</i>	<i>Model features</i>	<i>Systemic position</i>	<i>Countries where implemented</i>
Anglo-Saxon	Strong programmatic and operational autonomy	Relatively broad	Very limited	Centralised, top-down, focusing on economic performance and quality of public services	No constitutional provision	UK and Ireland
French	Strongly limited autonomy	Relatively small	Very limited	Strengthening local democracy	Constitutionally regulated	France, Italy, Belgium, Spain, Portugal, Greece
North and Central Europe	Extensive autonomy	Very extensive	Significant	Increase in economic efficiency, strengthening of local democracy	Constitutionally provided	Constitutionally provided Norway, Sweden, Denmark, Baltic countries, Austria, Switzerland, Germany, the Netherlands, Poland

Source: compiled by the author

It is worth noting that the Baltic States and Poland belong to the same group. Thus, local authorities in Europe vary greatly in size, functions, organisation and forms of financing. Despite this diversity, there are a number of common rules for the functioning of local authorities:

1. It is assumed to be the main form of territorial organisation of local communities.

2. The effectiveness of the financial mechanisms assigned to the LS should correspond to the scope of its tasks, so that it can perform them efficiently, effectively and qualitatively.

3. Local governments should have a level of financial and organisational autonomy and management that allows them to perform their tasks in a manner that meets the expectations of their citizens, in a manner that meets the expectations of citizens.

4. There should be effective mechanisms to ensure accountability and responsibility of local authorities to members of local communities.

In this sense, namely, in the practice of fiscal decentralisation and the creation of an effective system

of work of local self-government bodies with the use of innovative tools and measures, it is useful to study the experience of Poland and Lithuania.

Historically, the evolution of the formation and development of local self-government bodies in Poland, Lithuania and Ukraine over a long historical period has been significantly influenced by the affiliation of parts of these countries to certain state entities (the Polish-Lithuanian Commonwealth, the Austro-Hungarian Empire, the Kingdom of Romania, Sweden, the EU), which, on the one hand, determines significant common features, in particular, territorial, mental and social, and, on the other hand, leads to significant socio-economic differences, which have only increased since the 1990s. In terms of self-government, all of these states became independent at different times, gaining their own statehood and immediately laying the foundations for self-government at the constitutional level.

The processes of reforming the territorial authorities in both Poland and Lithuania went through several organisational stages, which were marked by institutional, regulatory and fiscal changes.

Poland

As noted in article [19], the experience of European countries, in particular Poland, proves that in the continental system of local self-government (which is implemented, including in Ukraine), the three-tier system is effective. It was Poland that, at the first stage, eliminated the level of the county and replaced the three-tier system with a two-tier system, but at the next stage of the reform, in 1999, returned to the previous organisation of territorial power, such as region-district-

community. The need for Ukraine to take into account the European approach to territorial division and the Nomenclature of Territorial Units for the purposes of NUTS statistics has been repeatedly emphasised by Ukrainian scientists from the Institute of Industrial Economics of the National Academy of Sciences [20]. The correspondence between the levels of NUTS in the European Union and the required level in Ukraine is shown in Table 2

Table 2

Administrative correlation of NUTS levels in Poland and Ukraine

Level in accordance with the nomenclature NUTS	Population size	Administrative division of Poland	Analogue of Ukraine
NUTS-1	3-7 million people	Macroregions	Economic district
NUTS-2	800 thousand-3 million people	Voivodeships (województwo)	Area
NUTS-3	150 thousand - 800 thousand people	Poviats (powiat), including cities with the status of urban powiat	Sub-regional level (rural and urban areas)
LAU (NUTS 4-5)	up to 150 thousand people	Commune (gmina)	communities

Source: compiled by the author.

The correlative identity with the Polish territorial administrative-territorial structure gives Ukraine the opportunity to take into account the positive effects based on foreign experience. Given that Poland and Ukraine have almost identical starting points and similar territorial divisions, it is necessary to take into account the experience of fiscal reform.

In Poland, the process of restoring local self-government started the fastest, in the early 1980s. Thanks to the active conceptual development and practical activities of the democratic political opposition, a new generation of Polish politicians addressed the role of self-government (community as a form of organisation of residents, providers of administrative services, institution responsible for the development of a particular region, etc.)

The success of the administrative-territorial reform in Poland is the result of the fact that it was carried out on the basis of an effective combination of its own tradition with the European experience and practice of the local self-government. However, in addition to its successes, the local self-government reform in Poland was not without certain mistakes, which should be taken into account when studying the Polish experience in Ukraine:

- 1) ambiguous wording of legal provisions;
- 2) financial insolvency of the sub-regional level (counties);
- 3) ineffectiveness of local referendums due to low turnout;
- 4) insufficient cooperation of municipalities;
- 5) uneven distribution of tasks and costs at the local level;

6) insufficient cooperation between local governments and the private sector in the framework of public-private partnerships;

7) multiple terms of office of gmina heads and mayors.

In recent years, Poland and many EU countries have seen an increase in the dynamics of reform activities aimed at modernising public administration, including its key component – local self-government. Their initiators, looking for inspiration, turn to different paradigms of public administration and at the same time are guided by the values of the administrative culture dominant in their country.

Over the past two years, the military actions in Ukraine have given a significant impetus to the intensification of economic processes in European countries. Ukraine's neighbouring countries have benefited from the mass migration of Ukrainian refugees: despite the loss of economic growth due to the rising cost of imported energy, all of Ukraine's neighbours, except Moldova, have experienced GDP growth rates of 2-6%.

Poland's GDP growth due to the influx of refugees was 2.1% in 2022 [22]. According to Credit Agricole economists, the value of additional demand created by Ukrainian migrants in 2022 ranged from 13.4 to 17.6 billion zlotys. Data from the Central Statistical Office of Poland (GUS) show that the country's GDP is growing, mainly due to an increase in consumer spending, especially among basic goods, which is driven by the influx of migrants from Ukraine. The *Bankier.pl* portal notes that, according to official data, for the first time in more than 40 years, Poland's GDP grew more than China's (Fig. 1) [23].

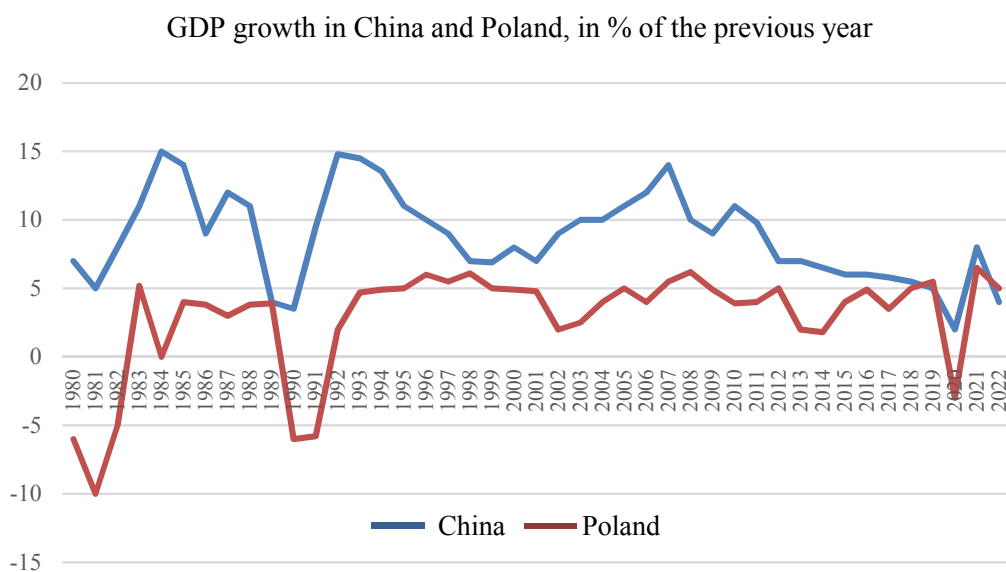


Fig. 1. GDP dynamics in Poland and China in 1990-2022, % [22]

The flow of human capital from Ukraine to European countries also had a significant impact on the EU's macroeconomic indicators. Thus, the inflow of migrants from Ukraine, according to Deloitte, led to an increase in the EU labour force by 0.8% in 2022 [23].

In order to increase the investment attractiveness of Polish companies, the government decided to introduce the Estonian corporate income tax (CIT) in Poland, a taxation model that has been successfully operating in Estonia for 20 years. According to the Paying Taxes ranking of tax systems around the world, Estonia and Latvia have been ranked first and second, respectively, in terms of competitiveness among tax systems around the world for several years (Fig. 2-3).

The introduction of the exit capital tax in Poland at the first stage was marked by tax advantages. At the same time, the first stage of the introduction of the Exit Capital Tax in Poland resulted in a new special tax regime that complicated the corporate tax landscape. Namely, the initial conditions of the 2021 fiscal reform in Poland contained a list of problems and shortcomings:

- The Estonian CIT was intended only for limited liability companies and joint stock companies. Other entrepreneurs operating, for example, as a limited partnership, joint-stock company, individual entrepreneur, cooperative, are not eligible to use it.

2023 International Tax Competitiveness Index Rankings

Country	Overall Rank	Overall Score	Corporate Tax Rank	Individual Taxes Rank	Consumption Taxes Rank	Property Taxes Rank	Cross-Border Tax Rules Rank
Estonia	1	100.0	2	1	15	1	11
Latvia	2	88.5	1	3	27	5	9
New Zealand	3	86.1	29	5	1	8	19
Switzerland	4	84.7	10	9	3	36	1
Czech Republic	5	81.2	6	4	25	6	10
Luxembourg	6	78.9	23	21	7	14	5
Turkey	7	78.6	11	7	13	22	7
Israel	8	78.3	13	23	11	11	8
Lithuania	9	76.6	3	10	30	7	22
Australia	10	75.9	32	14	9	4	21
Hungary	11	75.0	4	6	38	23	3
Slovak Republic	12	74.3	18	2	29	3	30
Sweden	13	73.3	8	20	21	10	13
Netherlands	14	70.6	25	19	16	21	4
Canada	15	69.8	24	24	8	25	15

Fig. 2. Ranking of countries by competitiveness of tax systems

Source: 2023 International Tax Competitiveness Index | Tax Foundation.

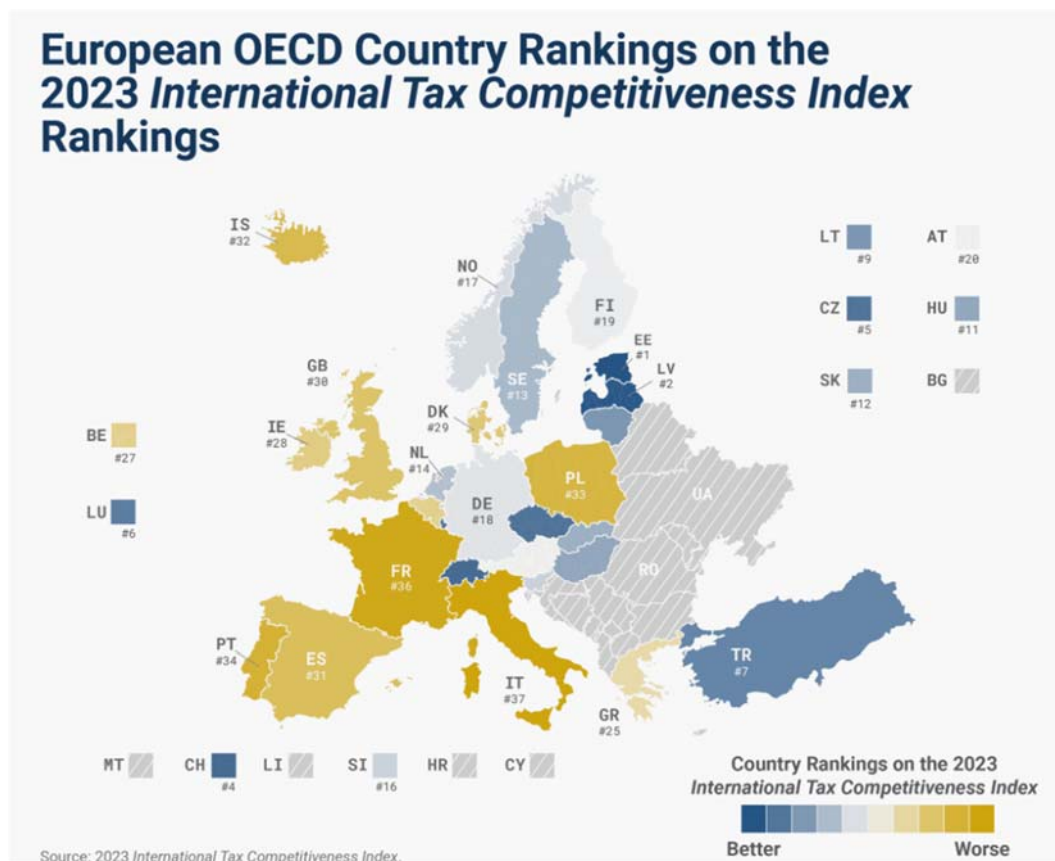


Fig. 3. European ranking of countries by competitiveness of tax systems

Source: 2023 International Tax Competitiveness Index | Tax Foundation.

- Estonian CIT does not include financial companies, credit companies, companies in bankruptcy or liquidation, beneficiaries of special economic zones and the Polish Investment Zone, as well as taxpayers involved in transactions such as division, mergers, etc.

- The company's revenue limit was PLN 100 million per year (including VAT).

In order to increase the efficiency of tax legislation application, the Polish government has carried out a "major overhaul" of the Estonian CIT, which had the following consequences:

- the tax became available not only to small businesses, but also to all companies regardless of their annual income;

- the obligation to make investment expenditures for certain purposes in a certain amount is completely cancelled;

- limited liability companies and joint stock companies were added to the list of legal forms of companies eligible for the tax.

The advantages of the Estonian CIT version 2.0 in Poland as of 01.01.2023 are as follows: (Table 3):

Table 3

Benefits of Estonian CIT version 2.0 (from 1 January 2023)

Advantage	The essence of an advantage
1. Estonian CIT for small and large enterprises	No need to worry that if you do too much, you will lose the opportunity to pay the Company for the Estonian CIT
2. Estonian CIT for different types of companies	Various types of companies, except for joint stock companies and limited liability companies, can benefit from Estonian CIT
3. Switching to Estonian CIT without any fees and difficulties	When switching to the Estonian CIT, the Company does not pay the difference between accounting and tax calculations
4. Switching to Estonian SIT without additional obligations	It is up to the company to decide whether it will use the money saved on tax for investment, accumulation of reserves, or improvement of its own liquidity

Source: compiled by the author.

The stress tolerance of the taxation system for foreign investment in some European countries and the EU as a whole, which is extremely important for the post-war economy of Ukraine, is demonstrated in Fig. 4.

For example, the Estonian tax system, even in the context of the crisis caused by the 2019 pandemic, demonstrated an increase in foreign direct investment (FDI), confirming its first place in the ranking of competitive tax systems in the world.

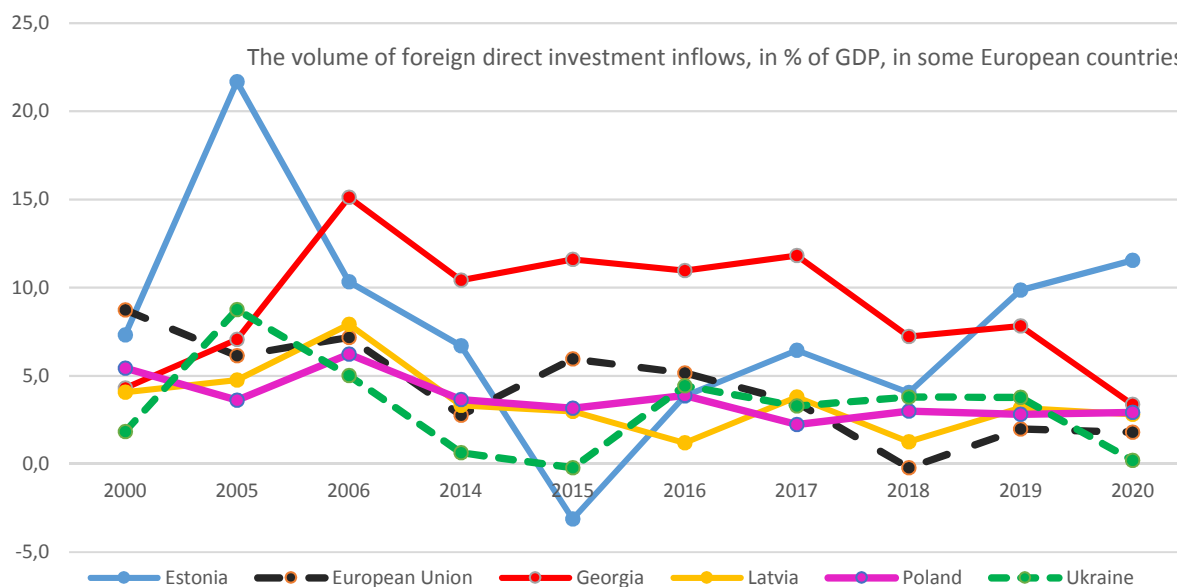


Fig. 4. Foreign direct investment inflows, as a percentage of GDP, in some European countries

Source: World Bank Data. URL: <https://data.worldbank.org/>.

Poland and Latvia have also maintained stable positions over the past few years. Ukraine, on the other hand, had negative FDI growth during the COVID depression.

The advantages of the Estonian City for Ukraine are obvious: de-offshorisation; encouraging businesses to retain profits for expansion and modernisation of production; avoiding aggressive tax planning schemes, when an enterprise is deliberately made unprofitable in order to avoid paying income tax; reducing the corruption component through greater simplicity and transparency of the new tax administration, and, as a result, attracting investment. At the same time, Ukraine has not been able to move forward with its implementation for more than five years due to the indecision of politicians and the lack of guaranteed compensatory mechanisms to cover budget losses.

At the same time, it should be noted that the investment component was undoubtedly beneficial for Ukraine's post-war development. In addition, Ukraine has seen major regulatory shifts in the reform of industrial parks. An innovative fiscal regime, even if implemented locally (sectorally or specifically regionally), will significantly increase the investment attractiveness of Ukraine's economy. Industrial parks will form the basis of the framework for sustainable post-war regional development in Ukraine, especially in the regions where many enterprises have relocated. These are the regions on the border with Poland and the Baltics.

Lithuania

The process of reforming the territorial organisation of power in Lithuania is also divided into stages. The first stage began in 1990 with the adoption of the Law on the Establishment of Local Self-Government Bodies, which introduced a new structure of local self-government. The law defined LS as "independent activities of residents of territorial-administrative units and LS institutions accountable to them, aimed at making and implementing decisions on internal issues" [24]. The law established two levels of government: administrative units of higher-level self-governments (44 rayon self-governments and 11 city self-governments) and lower-level administrative units (530 apilinkas), which were part of higher-level self-governments and financially dependent on them. The disadvantages of this division were as follows:

- it was based on the previous administrative-territorial structure,
- lack of a clear separation of functions of central and local authorities,
- no real economic and financial basis for the activities of local authorities was created.

These arguments led to the transition to the second stage of reforms. In early 2019, the government announced the consolidation of rayons. This helped to avoid duplication of functions and create an effective system of local governance. The two levels of administrative units: self-government (60 units) and counties (10 units) are shown in Fig. 5:



Fig. 5. Administrative and territorial division of Lithuania

Source: URL: http://ukrexport.gov.ua/ukr/z_info/lit/1697.html.

Thus, since 2009, the following units have existed in Lithuania:

– *counties* (Lithuanian: *apskritis*) – the highest administrative unit of Lithuania, the main function of a county is land management and land reform. County administration is an integral part of the state administration and is implemented through the county governor, ministries and other government institutions;

– *self-government* (Lithuanian: *savivaldybė*) – the second level of administrative and territorial division of Lithuania. Territories of self-governments have common social, economic, ethnic and cultural interests;

– *seniūnija* – branches of local administrations that do not have the status of administrative-territorial units and are subordinated to self-government bodies, however, *self-government councils provide them with certain independent tasks and powers to perform within their territory*; the head is a starosta – a civil servant appointed on a competitive basis;

– *seniūnaitija* – formed from settlements or parts thereof (from one or more settlements with common borders, from one or more parts of settlements with common borders), regardless of whether the seniūnaitija are established or not. The chairman, an elder, is elected for a 2-year term, works on a voluntary basis and represents the interests of the residents of the seniūnaitija in the seniūnija, self-government bodies and state institutions operating on the territory of the self-government.

Self-government institutions in Lithuania:

– representative body: council of self-government;

– executive body: director of self-government administration;

– control body: self-government controller.

The self-government council is an elected body elected by the residents living on its territory for a four-year term. The council elects the mayor of the self-government from among its members.

The Lithuanian Basic Law gives local governments the right to develop and adopt their own budgets, set local tariffs and levy local taxes

The mechanism of control implemented in Lithuanian self-government is extremely interesting and necessary for borrowing in the process of developing local self-government in Ukraine.

The self-government controller is hired on a competitive basis, with educational and work experience requirements. The controller is accountable to the self-government council. His/her activities are based on the principles of independence, legality, openness, objectivity and professionalism. The self-government controller (self-government control and audit service) performs external financial and performance audits of the self-government administration, self-government administrative entities, and self-government-controlled enterprises. To carry out internal audit, the self-government council establishes a centralised internal audit service accountable to the director of the administration. He/she ensures the independence of the service's activities and organisational independence and cannot delegate this management function to other civil servants or employees of a public legal entity. The Internal Audit

Service works in accordance with the annual activity plan agreed with the Director of the Administration. It performs its functions by conducting internal audits and formulating recommendations based on their results.

At the same time, there are risks of applying this model of administrative - territorial system in the country, the main one being that when the responsibility for providing a significant part of services to the population lies at the local level, the central government may to some extent avoid responsibility, since the frontline executive units for the provision (or non-provision) of these services are municipalities. Such problems are rather the consequences of excessive decentralisation and the state's withdrawal from a number of local issues that local governments cannot handle on their own (example, maintenance of municipal property and ensuring the continuity of services to the population). In Ukraine, this issue remains relevant in the context of public consultations.

It is necessary to study and implement the Lithuanian experience of local administration branches – *sajūniai*, which, although not separate administrative-territorial units, are vested with certain independent tasks and powers by the councils of self-government within their territory. In other words, we have an exceptional example of delegation of powers from local self-government to a territorial unit managed by a civil servant (and not vice versa). This course of events is undoubtedly due to the level of development and self-awareness of the society where an effective system of local self-government has been built.

A convincing illustration of the study is the position of the countries in the *Doing Business ranking*: even in the pre-war period, Lithuania ranked 11th in the global ranking of business opportunities in the country, Poland - 40th, Ukraine - 64th out of a possible 152.

The Baltic States, as an important component of the EU and reliable foreign policy partners of Ukraine, are now not only testifying to the success of the modernisation of the local government and administration system, but also demonstrating an example of the proper implementation of EU values and principles for building a powerful local government and effective territorial organisation of public power on the basis of decentralisation.

The following factors should contribute to the successful completion of the local government reform in Ukraine:

- first, the victory of the Ukrainian armed forces over Russia's military aggression;
- secondly, the development of a legislative framework for the development of local self-government and the support of society, because without this, the reform makes no sense;
- third, qualified personnel capable of continuing the implementation of the local self-government reform.

It is worth noting that the positive experience of European countries and the commitments undertaken by Ukraine in accordance with the European Charter of

Local Self-Government in terms of the ubiquity and financial self-sufficiency of territorial communities prove that without decentralisation in modern Europe, it is impossible to make public administration effective and public services on the ground of high quality.

Conclusions

To summarise the above, it can be noted that

1. Using the experience of post-war recovery is absolutely necessary. At least three countries that had to recover from the war are now among the world's top 5 economies (Germany, Italy, and Japan). The period of their recovery is called an "economic miracle", which indicates new opportunities for the post-war economies of the affected countries.

2. It is useful and important to use the potential and capabilities of neighbouring countries that have carried out effective reforms, primarily in the context of decentralisation, which has become a key to further socio-economic growth. Such countries, in particular, are Poland and Lithuania, given the proximity of territories, mentality, historical proximity, and correlation of development indicators in the early periods.

3. The classical model of corporate profit taxation in Ukraine is inefficient. In the context of post-war perestroika, it is advisable to carry out not only quantitative but also qualitative transformations, fundamental changes in the philosophy of management, and innovative modernisation, which will become a driver of the post-crisis economic development of the state. There is no doubt that a comprehensive solution to the problem is needed - not only a change in the taxation system, but also the introduction of a whole range of legislative changes in the area of business and investment protection, protection of private property and other guarantees, rights and freedoms. The main advantages of the Estonian CIT for Ukraine (even if it is temporary) are as follows:

- deoffshorisation;
- incentives for business entities to retain profits for expansion and modernisation of production;
- avoidance of aggressive tax planning schemes, when an enterprise is deliberately made unprofitable in order to avoid paying income tax;
- reducing the corruption component through greater simplicity and transparency of the new tax administration. As a result, attracting investment.

4. Both the Polish and Lithuanian models of local self-government are characterised by extremely broad powers of territorial units, while they are based on a high level of political activity and community consciousness, a high level of civil society development, and an administrative method of forming the basic level of the Polish administrative-territorial structure. The countries have changed the entire paradigm of public administration, which was a response to the problems associated with finding optimal relations between the regions and the political centre. Ukraine should partially use this experience, as European models of regional

policy that emerged as a result of administrative-territorial reform are characterised by a pronounced principle of participation that permeates all levels of local government.

5. It is necessary to study and implement Lithuania's experience in introducing a system of external and internal financial audit, as well as delegating certain independent tasks and powers to branches of local administrations to perform within their territory.

6. The reform of local self-government in Lithuania was successful, in particular, due to the government's willingness to carry out a forced merger if municipalities cannot reach an agreement. However, the main key to Lithuania's success is meaningful consultation at the local level and a certain degree of flexibility in adapting reform proposals. Rapid, coercive reforms initiated by the central government are likely to face resistance at the level of local democracy. Thus, dialogue with local civil society is a driving force for the

effectiveness of local government reform measures. This feature should be used by Ukraine in completing the local government reform process. After all, the primary subject of local self-government in our country is the territorial community, which includes a set of residents living in a certain territory with clearly defined boundaries, identifying themselves as residents of this territory and united by common interests to address issues of local importance both directly and through representative bodies on the ground.

7. Local authorities should develop and implement measures aimed at creating socio-economic processes that affect the development of territories, based on close and constant contact with the business sector and non-governmental organisations, using the best local resources. The quality of governance of Ukrainian local authorities has a significant impact on the opportunities for socio-economic development and entrepreneurship, as well as on public trust in public authorities.

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Бородіна О. А. Фіскальна децентралізація та реформування місцевого самоврядування: адаптація в Україні досвіду Польщі та Литви

Ефективна система місцевої влади – одна з базисних платформ для функціонування країни у кризових умовах та запорука успішного повоєнного відновлення економіки на усіх рівнях. Вивчення досвіду європейських країн, у першу чергу, країн-сусідів, значно полегшує побудову оптимальної моделі такої моделі.

У статті детально проаналізовано фіскальні інновації Польщі, з огляду на тотожність адміністративно-територіального устрою та ідентичність становлення органів місцевого самоврядування. Констатовано беззаперечно перевагу введення інноваційних фіскальних режимів (Естонський СІТ) для економіки Польщі. Висновки переконливо проілюстровано динамікою зростання ВВП Польщі та рейтингами Польщі і країн Балтії у світових рейтингах податкової спроможності.

Дослідження досвіду Литви у галузі реформування територіальної організації влади, виконане у статті, привело до констатації революційних явищ, які впроваджені країною-сусідом протягом обох етапів адміністративної реформи. А саме: наявність механізму фінансового самоконтролю, який реалізовано на субрегіональному рівні та виключний приклад делегування повноважень від місцевого самоврядування до територіальної одиниці, управління якою здійснює державний службовець (а не навпаки).

Надано дієві рекомендації щодо запозичення польського та литовського досвіду та адаптації його для сучасних умов розвитку України. Констатовано, що діалог з місцевим громадянським суспільством є рушійною силою ефективності заходів з реформування місцевого самоврядування. Ця особливість має бути використана Україною під час завершення процесу реформування місцевого самоврядування.

Ключові слова: децентралізація, фіскальні інновації, місцеве самоврядування, повоєнний розвиток, субрегіональний рівень, Естонський СІТ, Польща, Литва.

Borodina O. Fiscal Decentralisation and Local Government Reform: Adaptation in Ukraine Experience of Poland and Lithuania

An effective local government system is one of the basic platforms for the functioning of the country in crisis conditions and the key to a successful post-war recovery of the economy at all levels. Studying the experience of European countries, primarily neighboring countries, greatly facilitates the construction of an optimal model of such a model.

The article analyzes the fiscal innovations of Poland in detail, taking into account the identity of the administrative-territorial system and the identity of the formation of local self-government bodies. The indisputable advantage of the introduction of innovative fiscal regimes (Estonian CIT) for the economy of Poland has been established. The conclusions are convincingly illustrated by the dynamics of Poland's GDP growth and the rankings of Poland and the Baltic countries in the world rankings of tax capacity.

The study of the experience of Lithuania in the field of reforming the territorial organization of power, carried out in the article, led to the ascertainment of revolutionary phenomena introduced by the neighboring country during both stages of administrative reform. Namely: the presence of a financial self-control mechanism implemented at the sub-regional level and an exceptional example of the delegation of powers from local self-government to a territorial unit managed by a civil servant (and not vice versa).

Effective recommendations on borrowing Polish and Lithuanian experience and adapting it to modern conditions of Ukraine's development have been provided. It was established that dialogue with local civil society is the driving force behind the effectiveness of local self-government reform measures. This feature should be used by Ukraine during the completion of the process of reforming local self-government.

Keywords: decentralization, fiscal innovations, local self-government, post-war development, sub-regional level, Estonian CIT, Poland, Lithuania.

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