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Master's Thesis

Responsibility and responsiveness in state
governance. Case of Ukraine

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Abstract

The thesis examines the role of responsibility and responsiveness in the state governance. Governance as a theory is paying attention to studying a political process according to current situation. The political process deals with institutionalization of the governance system, through which citizens, institutions, organizations and groups in a society articulate their interests, exercise their rights and mediate their differences in pursuit of the collective goods. The role of responsiveness and responsibility of politicians before a society in such case become more and more higher, because by having a political power, they need to govern a state in properly, correct way. Institutional analysis, which is using in this work, is aimed to analyze a specific reform – decentralization of power in Ukraine, through which is easier to find how responsiveness and responsibility are relate with the governance. Moreover, the analysis helps determine where were made mistakes by politicians, which led to a slowdown of implementation of reform.

Keywords:

Governance, responsiveness, responsibility, decentralization

Range of thesis: 110 976 symbols with spaces.

Declaration of Authorship

1. The author hereby declares that he compiled this thesis independently, using only the listed resources and literature.
2. The author hereby declares that all the sources and literature used have been properly cited.
3. The author hereby declares that the thesis has not been used to obtain a different or the same degree.

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Master Thesis Proposal

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Topic Characteristics:

My thesis will focus on governance and the questions of responsibility and responsiveness. The responsibility in the governance acquires a special character, since many decisions and actions, which were made by political elites including political institutions, are giving rise to deep social consequences and determine a fate of millions of people. Political elites and institutions they have a big power in ruling the state and society, therefore they should have responsibility for their actions. Moreover, they should be responsive, in order to implement and provide such policies which will satisfy the needs of the society. My research question can be formulated as follows: What is the role and place of responsiveness and responsibility in the state governance?

As case study, I will use Ukraine, and make an analysis of governance structure, responsiveness and responsibility through the implementation of reform. Ukraine is a country in which the coming to power means automatically abuse of it. The personal needs of the political elites are prioritized over the needs of whole society.

Working hypotheses:

1. Governance became more effective when cooperation between political institutions, political institutions and society is presented in the state.
2. Responsibility and responsiveness are guarantee of good governance.

Methodology:

The responsibility and responsiveness of political elites are important, when we talking about governance. It can lead to stable functioning of the state, state apparatus and the society. In this work, I will use an institutional analysis of governance structure. The object of this analysis is an institution. The subject of research is governance within institution, responsibility and responsiveness of members of politically divided institutions, as a part of governance. Analysis is aimed to deeply understand the institutional structure, efficiency of institutional structure, the process of designing institutional arrangements and institutional change.

Outline:

1. Introduction
2. Theoretical background
 - 2.1. The development of the public administration
 - 2.2. Governance as a new approach of the public administration
 - 2.3. Responsibility
 - 2.4. Responsiveness
 - 2.5. The development of public administration in post-communist countries
3. Methodology

- 3.1. Definition of institutional analysis
- 3.2. General steps for institutional analysis
4. Case study
5. Conclusion

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Table of context

Introduction	1
1. Methodology and research question	4
1.1. Research question	4
1.2. Methodology	5
1.2.1. Institutional analysis of governance structure	5
2. The theoretical base of governance, responsiveness and responsibility.....	9
2.1. The theory of public administration	10
2.2. The theory of governance	12
2.3. Responsibility as an element of governance	17
2.4. Responsiveness as an element of governance	20
2.5. The development of public administration in post-communist countries	23
3. Application of the methodology to the analysis of decentralization of power and authority reform: the case of Ukraine	25
3.1. Background of decentralization in Ukraine	25
3.2. Actors, norms and rules, which are part of reform	36
3.3. The impact of decentralization reform on budget structure	40
3.4. Decentralization in practice: how it looks in reality	42
Conclusion	48
References	51

Introduction

One of the key problematic issue in modern political science is a transformation of totalitarian or authoritarian regimes to democracy. During the XX century, a huge number of countries had transformed their political regimes into democratic one. Each country has different capacity, willingness to change and show different patterns of transition.

The change of regime means changing the whole system, including the governance. The stability within a country, the achievement of the decent quality of life of each member of the society is possible only if such society have responsive and responsible governors and effective governance. Therefore, a question about public administration becomes more and more urgent.

The issue of public administration highlighted in various studies. Different political thinkers have studied public administration as a theory. The scientific literature focuses on different aspects of this issue: the essence of the concept, key elements, etc. In the beginning of XX century, the key questions of public administration became relationship between formal and informal organization, organizational behavior, principles and methods of governance and also responsibility

Initially, the theory was focused on the relationships between bureaucrats and politicians, how they interacted with each other, governed a state, who is responsible for what etc. The key representatives of the theory, who laid the foundation of the theory, were Woodrow Wilson and Max Weber. They both had different understanding about the relationship between bureaucrats and politicians. Weber had argued that both categories should cooperate with each other in order to get the better results. While, Wilson, form another hand, was sure that bureaucrats and politicians should have separate work, which better known as “dichotomy”.

Over time, the relationship between bureaucrats and politicians has been transformed. Politicians got more power for their action, and bureaucrats got fewer opportunities for governance. Public administration theory does not focus on work activities of political elites no more. It began to pay its attention to factors, which influenced on work of political elites, etc. Since the theory was in need of a new approach for studying a political process there was found a concept, which deals with

institutionalization of the system, through which citizens, institutions, organizations and groups in a society articulate their interests, exercise their rights and mediate their differences in pursuit of the collective goods. Such new approach was the governance.

Governance as a theory was developed in the early nineties. The center of attention for governance became collective objectives, allocating resources and overseeing the quality of services delivered by other actor of policy process. The process of information, negotiation and bargaining between the public administration and significant players in its external environment, including the targets of the public society became the key point for new theory. In the literature, we can find huge number of description of term “governance” that can be used both in economic and politics. Lynn, Heinrich and Hill provided the most significant description. They defined governance as “regimes of law, administrative rules, judicial ruling, and practices that constrain, prescribe and enable government activity, where such activity is broadly defined as the production and delivery of publicly supported goods and services”.¹

As the management of the country is more and more paying attention on the process of policy making, the question about responsibility and responsiveness of political elites should be taken into consideration. Political institutions are responsible before a society of the country for their actions. If politicians make a promise for society to implement some reform, which will improve the quality of life of all citizens, they should do it. In case, when politicians do not follow their promises and are irresponsible for their action it can lead to losing interest to them from the side of society. The other important element of governance is responsiveness. Responsiveness helps society to make their wishes come true. Political responsiveness implies the politicians to hear the society and implement such policies, which will be useful both for society and the state as whole.

¹Frederickson George H., Smith Kevin B., Christopher W.Larimer, Michael J.Licary. 2012. The Public Administration Theory Primer. Second Edition, 219-245.

This paper is focusing on governance, as the modern theory for studying the governance process, and responsiveness and responsibility as key elements of good governance. The aim of this research is to find an answer on the key research question that is formulated as follow: What is the role and place of responsiveness and responsibility in the state governance? In order to find the answer, firstly, I will be making a literature review, which should help me to find how these definitions are related. From the theory, the following hypothesizes are formulated:

1. Governance became more effective when cooperation between political institutions, political institutions and society was presented in the state.
2. Responsibility and responsiveness are guarantee of good governance.

In order to test the theory on practice, I will use the institutional analysis of governance structure as a main methodology. For analyzing the governance structure, I will use Ukraine as a case study. Ukraine is a country, which has faced with transformation of its political regime towards democracy, and it is trying to improve the state governance structure. The orientation on the European standards and chosen the European course of development of the society, including governance, lead to the implementation of various reforms. One of them was decentralization of power, which aimed to improve the social and economic life of ordinary Ukrainians. Reform of decentralization in Ukraine closely relates with the governance process within a country, since it is aimed to transfer state power from the center to the regions, with a clear division of authority. Thus, decentralization in the state governance structure will lead to achieving much greater efficiency in the public administration.

The structure of the paper consists of the introduction, three sections each will have subsections and conclusion. The first part is dealing with methodology, where institutional analysis describes. The second section deals with the theoretical base of governance as a theory of public administration. In addition, the concepts of responsiveness and responsibility are presented here. Moreover, this part is also having a subsection about formation the governance structure in the Post-Soviet countries. The third section is a practical part in which made an analysis of decentralization reform in Ukraine.

1. Methodology and research question

1.1. Research question

This study is focus on governance as a main part of functioning of the country, and responsibility and responsiveness as main qualities that should be present among political institutions, political elites etc. to have a positive attitude form the society, and developed governance structure, taking into account these qualities.

In order to find a link between responsibility, responsiveness and governance, an answer to the key research question will be found. This question can be formulated as follows: What is the role and place of responsiveness and responsibility in the state governance? The answer to this question should lead me to understanding the veracity of my hypothesis, if they can be test in real life or not.

The main hypotheses, which I will examine through research, are:

1. Governance became more effective when cooperation between political institutions, political institutions and society was presented in the state.
2. Responsibility and responsiveness are guarantee of good governance.

Governance is seeing as a part of social management, according to which administrative and political functions are combined. However, from another side political and administrative methods of governance are different and separate from each other. Thus, based on this, state governance is determined as executive and administrative activities, and does not include legal and judicial activity. (Gourney, 1969). At the state level, governance acquires a political character. From such definition, political process became a key part of state governance. When we have a clear understanding of political process, we can analyze state governance by taking into account the demand and needs of the society.

As state is a complex of hierarchic institutions and organizations, there is close relations between governance and institutions. Institutions are broadly defined as “the rules of the game of a society, or more humanly devised constraints that structure human interaction”. This definition was

done by Douglas North. (North, 1990). Governance encompasses institutions. Governance adds to institutions a dynamic perspective that focus on process of governing, governance system and integrates research on interlinkages of single institutions. Therefore, these two concepts are closely related. (McFadden et al., 2010). It is important to know that the meaning of governance has various using which depends not only from the level of using but also from theoretical contexts in which it is used.

1.2. Methodology

To find an answer on my research question, I will use the institutional analysis. The institutional analysis of governance structure is focus on interaction between different institutions on the state level. This approach in research of public policies and governance is helped to make an analysis of the next indicators:

1. Trace of the formation of institutional environment, formal rules and informal norms, which put in order and make predictable the social interaction;
2. Determine the relationships between constitutionally defined organizations, such as political parties, public organizations etc., and society;
3. Analyze the realization of institutional compromises through the behavior of different actors from different institutional organization. (Nort, 1997).

1.2.1. Institutional analysis of governance structure

The analysis of governance got more and more popularity during the history. Leonardo White made the basic provisions of public administration. In his book, “Introduction to the public administration”, he argued that public administration could be studied on different levels as federal, state or local. The object of research is system of governance, but not legislation. Additionally, he said that governance was a key problematic issue of modern form of management of the state. (Rybakov, 2015).

The system of state bodies and state officials, who are engaged into a governing of the society through legislative, representative and judicial branches of power, is a state apparatus. The structure of the state apparatus depends from the approach to the organization of governance; from the state-territorial structure; from the separation of the power of authorities and officials etc. Each independent single structure of the state apparatus must have an external links, which would be able to provide and regulate the next factors:

- Responsibility of each government body for the achievements of its goals and the control functions;
- The balance between goals of the top level of governance and bottom one;
- The complexity of performing all control functions belonging to achieving the goals both vertically and horizontally;
- The rational division of function and cooperation between all members of governance structure, for the avoiding the duplication of work;
- Monitoring the execution of the volume of the competence in the field of responsibility and decision-making powers for each administrative tasks.

The collection of departments of the state authority, including the scheme of distribution of functions and power between authorities, the mechanism of interaction between institutions and relationship between them are all the body of state structure. Therefore, based on this statement the aim of institutional analysis is to reveal the essence of the state in the sense that it is intended to create the conditions in which will be the equality between all actor of governance and optimal level of competition between them. (Mindlin and Onanko, 2013).

The institutional analysis involves analyzing of the broad range of features of the daily life of people. These features are often defined as “subjects” – people who are participate in the institutions and have their interest in the work of institutions. As the institutional features are always the same or governed by unwritten “rules of game” that are ingrained and cannot be change by people who are

engaged in it, the institutional analysis is made a “diagnostic” of activity of outsiders, those who are not relate with institutional activity. Such diagnostic is helping to look into problem from the other side and find the issues that were probably missed by insiders. The cooperation between insiders and outsider will give better results of the whole analysis, because the knowledge and experience of insiders will complement the lack of knowledge that possessed by outsiders. (UN). In terms of governance, the nature of institutions is helping to shape the capacity of political system. The role of institutions is to create opportunities for involving different actors in policy process. Institutions are not significant only in making decisions; they are promoting democratic interaction between social actors. In order to analyze governance structure through institutions, we should firstly find the linkage between institutions and governance. The nature of institutions can be found by using different approaches. The first approach is *normative institutionalism*, which means that behavior of institutions and individuals, who are a part of these institutions, is shaped by values, symbols, methods and routines – which all part of the work of institutions. The second approach is *rational choice institutionalism*, according to which individuals are acting within institutions in order to increase their own well-being and interests. The individuals are shaping institutions by creating a various combinations of stimulus and disincentives. (Bevir, 2011). Douglass C. North has suggested that, according to this approach of institutionalism, institutions are created by utility-maximizing individuals, who have their interest. Government’s institutions and market are important factors for analyzing why some countries are having efficient economy and others do not. (Koelbe, 1995). The third approach in studying the nature of institutions is *historical institutionalism*. According to this approach, institutions will adopt policies until some major event, such as punctuation in the equilibrium, and after, the structure of institutions can be changed towards the current policies and governance structures. Institutional approaches within governance are leading to predictability of policy response within governance. Institutions have influence on governance, because they represent the interaction of structures and processes of governing. (Bevir, 2011). In other words, these three approaches are dealt with sociology, economy and political science respectively. To rational choice

institutionalists, institutions are effected on individual's choice and actions, but not determined them. From the point of view of historical institutionalists, institutions are shaped the actions of individuals, but at the same time are under pressure of collective and individual choices. From the social science, the shaping of institutions depends from the society, culture and other variables that are presented in the country. (Koelbe, 1995).

One of the important factors, which influence on the development of institutions, is a shift of public opinion. This shift can be result of changes in economic, political and social situation inside a country or abroad. The dynamic interaction between political institutions and public opinion is closely relating with the legitimacy of political institution. Such legitimacy is determined by understanding of the large part of population the need in such institution and awareness of their activity, which are not possible without channels of interaction between society and institutions, for example media. (Kozma, 2008).

Institutional analysis has as object governance, which is under the influence of various factors. (Herrera et al., 2005). It focus on the interaction of groups, their rational goals and ways how these goals are changed in time of struggle over policy and power. Institutions are shaping the preferences and goals of actors of decision-making process and shape the outcomes of this process by dividing power among actors. (Koelbe, 1995).

An institutional analysis includes five levels that were provided by Hollingsworth. He argues that most scholars, who focused on institutional analysis are not participated in activity with each other, and their activity was fragmented into different disciplines. The five levels are norms, rules and habits of the society; institutional arrangements; institutional sectors; organizations and finally outputs. These levels are complementing each other during the process of analysis. *Rules, habits and norms* are the most important properties of institutions. Through analyzing these factor, institutional analysis provide us with information about the influence who and what are included in different types of decision making, how information is processed and structured and what actions were made. Institutional analysis is helped to understand how these factors are influencing on decision-making

process. The second level, which is the continuation of the first one – *institutional arrangement*. This level determines the coordination between different political actors. These actors are engaged in the resolving of various political issues, which arose among all sectors of society. Various types of hierarchies and networks, the state, community, clans etc. provide the control of the actions of different actors. The institutional arrangement has two dimensions: the nature of actions motive and the distribution of power. Third level is *institutional sectors* of the society. The previous two levels are have influence on the relationship between various institutional sectors and all three are formed the social system of production. Such social institutional sectors can be system of education, state and legal system, industrial system etc. that are specific in each society. Each society is borrowing something new in governing the institutions; coordination of actor's behavior etc. and these new principles cannot be applied for two or more different societies. The next level of institutional analysis is *organizational structure*, which means that each society has its own fiscal, political, judicial and other norms for regulation, which have a limitation for culture and structure of organizational behavior. The final level – *outputs* – is results of institutional activities. On this level institutional analysis is provided us, through the outputs, how society is performing. (Hollingsworth, 2000).

The use of an analysis is appropriate when we need to analyze the complex of reforms, which lead to changing or creation of government responsibility, or require the cooperation between different government actors. Therefore, it seems relevance to use such analysis for analyzing the governance, through implementation of decentralization reform in this paper. In this paper, an analysis was made for better understanding how the provision of reform at the state level had changed the whole governance system within a country. The analysis of key actors who are engaged in the reform, how they interact with each other, what are their main tasks in implementation of reform etc. Moreover, the focusing on the legal base, which is a part of reformation process; and how reform had affected the economic and social life.

2. The theoretical base of governance, responsiveness and responsibility

To ensure the well-being of the society as a whole and each citizens in particular, the efficient functioning of the economy and democratic activities it is important to have well-coordinated work of the government. Therefore, to clarify this process, it is necessary first to clarify the concept of such definition as “governance” and “management”. According to an Oxford dictionary “management” is the act or skill of dealing with people, the act of running and controlling the business. The definition “management” is using in any sphere, and it is focus on the impact of the subject to the object. “Governance” is a system of values, policies and institutions by which a society manage its economic, political and social affairs within the state, civil society and private sector. (UNDP FRY,2000).

The democracy implies the existence of the democratic governance. An aim of democratic governance is to prevent the alienation of the citizens and satisfy their demand, because people has chosen representatives who provide rules. The most important thing is a presence of people in institutions, who are able to care about the better life of citizens in the country and make such decision, which will increase daily life. (Inaç and Güner,2006).

2.1. The theory of public administration

When relationships arose in democratic governance, which have the conscious origin, purpose and will, interest and knowledge there rises a question about “public administration”. *The theory of public administration* is aimed to study the meaning, structure and function of public services. The theory is also focus on public organization behavior, public management and public policy implementation. In political science, theory is directed to focus on clash of interests, electoral competition, strategic games and winners and losers. (Frederickson et al., 2012).

According to Akindele, as social life became more complex and specialized, the government responsibilities also increase, and therefore, the using of theory that will focus on all these events is necessary. (Akindele et al., 2000). The administrative system of each state should have its legislators. A democratic legislature means administrative services, which are represented by each class of the

population. In the political science the concept of “public administration” is using in two forms – broad and narrow. First, the broad, means a work relates with government affairs referred to the particular branch of government. For example, administration of justice or the legislative affairs. Narrow form means using of administration only in particular branch. (Pruthi, 2005).

The theory of public administration has a long history. It starts with the understanding of the role of bureaucrats and politicians in policymaking process. In the beginning of XX century, Woodrow Wilson had described public administration as an academic discipline and professional specialty. Wilson had made major distinction between administration and politics. This is known as public administration dichotomy. Wilson argued that politics should not meddle in administration and vice versa. Politicians are focusing on the level of precisions, specificity and the details of policy, from another hand, administration or bureaucrats are focusing on the level of discretion. In the early decades of public administration, such description meant that administration entailed a generous range of discretion that held open doors for administrative efficiency and the technical expertise. (Frederickson et al., 2012).

Another key representative of a theory is Max Weber. Weber focus on the bureaucrat’s position. He argues that a position of officials must be regarded as profession, it should not be a place where bureaucrats can get money. Bureaucrat should not be put to a particular person; he should be put to impersonal and functional purposes. According to Weber, entry into a certain position by official imposes certain obligations on him. He said that bureaucrats should be a part of elite with the higher status than others have. Weber believed in hiring based on merit and not based on elections or a patronage. (Atamanchuk, 1997). Weber’s analysis of bureaucracy is based on Germany; however, his study is universal and can be used on different countries and under different conditions. (Malysheva, 2011).

The future development of the theory was in classical and neoclassical schools. The contribution of the classical school to theory was that public administration was considered as universal process with related functions. The key representative of this school was Fayol, he said that

administration as process was presented in all spheres and in each organization. Abraham Maslow and Elton Mayo presented the neoclassical school. They analyzed psychological factors that influenced on productivity of officials, workers etc. (Malysheva, 2011).

Through the history, the theory of public administration was transformed, according to changes in political system. After the World War II, relationship between politicians and bureaucrats had changed. Governments in 1970s, 1980s and 1990s became less hierarchical, more decentralized and with increasing desire to be the dominant policy actor. The collapse of centralized policy jurisdiction meant that bureaucrats no longer be considered above or outside politics. These changes led to reshaping the theory. Traditionally, the “public” in public administration meant government. As the role of government changed, scholars began to think about theory, which would keep up with a new reality. (Frederickson et al., 2012). They wanted to find an approach that could be used both in science and for demonstration the development of public administration on the certain situation. (Malysheva, 2011). The new model of public administration was found – governance.

2.2. The theory of governance

The era of administrative reforms needs some concept, which deals with institutionalization of the system, through which citizens, institutions, organizations and groups in a society articulate their interests, exercise their rights and mediate their differences in pursuit of the collective goods. Much of administrative reforms agendas of the 1980-1990s were dealt with economy and efficiency. The concern of politicians to produce policies that make a difference can be viewed as a part of restoration of declining level of trust in government. (Peters and Pierre,2003).

The time of comprehensive, functionally uniform, hierarchical organizations, which were managed by strong leaders, who were democratically responsible and neutrally competent civil services, who delivered services to citizens is long gone. (Berbutesfa, 2012). Governance is seen as a synonymous to public administration; it is an approach, which focus on study different ways in which power and authorities are interact with each other in a given society. Governance, as a new model of

the development of the public administration in 1990-2000th, was designed to eliminate the disadvantages of previous theories. Such disadvantages were a secondary importance to solve social problems, result of which was the increasing of the level of social inequality and poverty; erosion of the role of the state and civil servants in the public relation; providing of transformation reforms without taking into consideration of institutional structure of the country. (Krasilnikov et al., 2014).

Governance arose in 1990th as a partially new for public bureaucracies. The center of attention for governance became collective objectives, allocating resources and overseeing the quality of services delivered by other actor of policy process. The process of information, negotiation and bargaining between the public administration and significant players in its external environment, including the targets of the public society became the key point for new theory. Governance aimed to increase the points of contacts between the government and the society and partially redefining the role of the state in governing and service delivery. (Levi-Faur, 2012). In the literature was found an original slogan of the theory of governance – “from government to governance”, which means transition to decentralized cooperative communities or networks, where the state, business and the civil society are equally participate in the division of their power. It is a model of administration that includes equal partnership. (Krasilnikov et al., 2014). The shift was presented in many Western countries, and was caused by increased number of social problems, specialization of public administration, internationalization, decentralization and rapid growth of communication technologies. (Jacobsson, 2014).

The term of “governance” is using both in private and public sectors. Definition of governance was described in the work of Lynn, Heinrich and Hill. They defined governance as “regimes of law, administrative rules, judicial ruling, and practices that constrain, prescribe and enable government activity, where such activity was broadly defined as the production and delivery of publicly supported goods and services”. (Frederickson et al., 2012).

Peters and Pierre have described governance as a functional theory, according to which the society should govern themselves and this action should perform certain activities. They argued that

governance often involved actors from outside the public sector, in order to achieve public purposes. (Peters and Pierre,2009).

Chhotray and Stoker in their book had provided the basic definition of governance “Governance is about rules of collective decision making in settings where there are a plurality of actors or organizations and where no formal control system can dictate the terms of the relationship between these actors and organizations”. They also provide four elements of this definition. First, are rules. Rules can vary from the formal to the informal during decision-making process. As Ostrom refers “rules-in-use” the specific combination of formal and informal institutions that influence on actor’s determination what to decide, how to decide and who should decide. Second, is the concept “collective”, which means that decisions are taken by individuals collectively. Collective decisions involve issues of mutual influence and control, and, additionally, it accept the responsibility for all actors. Third, is a decision-making process. Governance is focus on the rules about who can make a decision and on accountability of decision-makers. Fourth, governance is a model in which “no one is in charge” it means that there is no one leader who provide the whole process of administration. It is rather negotiation and communication between different actors. (Chhotray and Stoker, 2009).²

The theory of governance can be applied to the private sector as well as to civil society. It is a model where the central importance is laying on how the interaction between government and non-government actors are guided. The governance is operating on three distinct levels: the institutional, the organizational and the technical. At the institutional level, there are stable informal and formal rules, hierarchy, regime values and authority. On this level, governance is aiming to understand the formation, adoption and implementation of public policy. At the organizational level, governance is aimed to understand incentives, administrative discretion, performance measuring and civil service functioning. Finally, technical level is a level at which governance is represented a tasks of government and public policies are carried out. At this level, key interests, from the point of

² ChhotrayV., Stoker G.: “Governance theory and practice: a cross-disciplinary approach”, 2009, pp. 1-51

governance, are based on questions of professionalism, responsibility and performance of political elites. (Frederickson et al., 2012).

Governance, according to the World Bank has four key elements:

1. Public sector management – effective financing and human resource management, which are is result of improving budgeting, accounting and reporting, and rooting inefficiency.
2. Accountability in public services is a making public official responsible for his actions before a society. This element includes effective accounting, auditing and decentralization.
3. Legal framework with rules known in advance. Additionally, independent judiciary and law enforcement mechanism.
4. Availability of information, transparency in order to strengthen policy analysis, policy debate and decrease the possibility of corruption. (World Bank, 1992).

As any theory, the theory of governance has its disadvantages. First, it involves many actors and not all of them agree about the nature of the problem. Therefore, when they began to be a part of governance process, at the beginning it was very difficult to specify goals. A various actors have different definition of the problem, values judgment and desired solutions. (Levi-Faur, 2012). Second, is a time. Sometimes with the limitation of time, the governance process become very weak, because of lack of time for a full discussion of what should be done and by whom. Third, society as one of the key actors, can be seeing as secondary. Not always political elites are listen the society, therefore, governance can provoke widespread discontent, when the decisions are not favoring by a society. (Vorobyova, 2015). The theory of governance need the appropriate institutional context, which includes mature civil society and business sector, which is able to form, along with the state, stable political network of partnership during the decision-making. Moreover, there should be presented professional and responsible bureaucratic apparatus, which is effectively executing decisions. (Krasilnikov et al., 2014).

An effectiveness of the state governance, as was suggested by Jacobsson and others, should meet two specific things: they are effective and democratic. Effectiveness, from one hand, means ensuring that policies are implemented proficient. State organizations should not be under pressure of various demands and viewpoints that may affect implementation. From the other hand, democracy implies that state institutions should be open and responsive towards a various opinions and points of view. Governors should prevent critical situations in which they can lost legitimacy, which expects openness and responsiveness of political elites before a society. (Jacobsson, 2014). The conception of governing is also include the possibility of governance system to confirm a changes in environment: political, economic and social. The opportunity of governing institutions to receive information about changes in these environments can have a positive influence on creation an effective governance. (Bevir, 2011).

The theory of governance has great relevance for post-communist countries due to the democratization process, for better understanding of the relationship between majority and minority. Additionally, accountability and responsiveness are two key elements, which refer to the availability of the authorities to respond the specific demands of each minority groups. Any public institutions have their duties before a society. These duties are contained in the electoral promises of the officials and in responsibilities of political institutions. (Gisselquist, 2012). The democratization implies the priority of the public interest. Along with it is going the decentralization of power, which implies the delegation of state functions to the lower level of governance, where specific issues, affecting the interest of the society, are addressed. Moreover, the importance of decentralization of power for transitional countries is that through it social attitude towards public administration is changed. Ukraine is one of the post-communist countries, which through the governance is trying to find balance between the central power and regions, local communities of cities, towns and villages. Such relations are based not on the principles of dictatorship, but on the partnership and concerted actions. Additionally, because Ukraine, probably, in someday may became a candidate for membership in the

EU, the transformation of governance structure according to European standards may be an additional positive element on the way to integration.

2.3. Responsibility as an element of governance

For the study of governmental institutions and their working process it is necessary to understand what are responsibilities and responsiveness of institutions and political elites. Governments perform many tasks, which are inherently political contentious and technological uncertainty, involving continuing efforts to alter citizens' behavior. (Peters and Pierre, 2003). "Public administration" is not only professional activity of officials, but it is also a work of all institutions with a strict hierarchy of authority, where responsibility for performing tasks is going from top to bottom. (Vasylenko, 1998).

The question of responsibility is a problem, that is at the periphery of political science. As a subject of political responsibility can be different actors, who are engaged in the decision-making process. Political parties and politicians themselves, should have a political responsibility for their actions and promises. (Nisnevich, 2013). The political responsibility sometimes limited to politicians and to process, in which they involved, but in some cases it also expand on contestable outcomes made by non-elected officials. (Badie, 2011).

The term "responsibility" has two meanings. First, it can be understood as accountability, in the sense of answerability. For clear understanding, such definition means that person is responsible to another for his or her actions, if he or she can be held to account for them by others. Government is responsible when the electorate can have control over government's tenure in power. (Pennock, 1952). The accountability and responsibility sometimes are used as synonymous. However, there is distinction between them. Accountability is an external control on individual behavior, which can be as formal, as informal. Responsibility, from another side, is an internal control of behavior, which based on individual's believes and feelings. (Peters and Pierre, 2003). The second meaning of responsibility is an explicability. In such case, person's responsibility means giving rational

explanations and obtain relevant facts upon deliberation and consideration and with regard for good consequences. The person who acts without consideration and impulsive can be seen as irresponsible. (Pennock, 1952). Irresponsibility of politicians can lead to the destabilization of a social and after an economic situation in the country. Political institutions are responsible for protection of rights and freedoms of citizens and observance of a principle of the constitutionalism during the decision-making process. The president has his political responsibility for all actions and decisions, which were made in form of decrees and orders, and he is responsible for their aftermath. (Nisnevich, 2013).

Rights and duties of politicians are basic components of their legal status, which contribute to the implementation of power for legislative, executive and control functions. Max Weber, has determined three main qualities of politicians: passion, responsibility and alleged vision. Passion is a direct focus on a specific case. Passion did not make you a politician if you do not feel the responsibility of a case and do not feel this case as key in your activity. Therefore, politicians also need an alleged vision that will help them to undergo the reality exposure. The political power of personality should include these three qualities. Politicians are working for a power. (Weber, 1998). However, when politicians are got a power, they became more powerful in all aspects. They have access to tangible and intangible benefits, and sometimes can use state power in the personal gain. In such case, politicians do not serve the public more, but serve himself. (Vasylenko, 1998).

Hannah Arendt has described the responsibility from political point of view, and not focus on legal or moral terms. She tries to make a distinguishing between the responsibility of politicians and intellectual leaders. Arendt argued that politicians are responsible not because they act according to law; they should have responsibility, because they are belonging to groups, which acting independently. Such responsibility is calling collective or political, which acts disobeying law and are differ from individual responsibility and guilt. She provides her own cognitive theory, in which “each persons must be expendable, without changing a system, an assumption underlying all bureaucracies, all civil services, and all functions properly speaking...the question about of person

responsibility of those who run the whole affair is marginal issue”. Political responsibility always presupposes political power. (Arendt, 2003).

The problem of responsibility is that the individual responsibility and responsibility of institution, in which person is working, sometimes can lead to the conflict between person and institution and be the ethical problem for public servants. Therefore, the use of theoretical framework for understanding the responsibility is necessary. Such framework includes types of responsibility in order to have clear understanding of responsibilities' control process. These types are bureaucratic, legal, professional and political or anarchical responsibility. (Peters and Pierre, 2003).

Bureaucratic responsibility means that goals and means of actions are certain and clear. Decisions that should be implemented are going from top to bottom, according to hierarchy. In such case the control of responsibility means monitoring of behavior of subordinate and fix what is going wrong and good. Individuals are expected to have self-control and self-discipline and internalize rules of procedures. (Peters and Pierre, 2003).

Legal – means are known but goals towards each actions should be made are conflicting. Before action take place the goals must be chosen, through bargaining, negotiation or compromise. The parties are seeking to win primacy for their programs, ideas or candidate by being in such conflict. In such case, responsibility means follow the rule of the game. Control of responsibility is carried out by political or legal oversight or by special spectators as media for example. (Peters and Pierre, 2003, pp.569-580).

Professional – the goals are clear, but means uncertain. It relates with profession, for instance, medicine, education, etc. when political elites know that something should be changed, but how make some changes they do not know. In such situation, the responsibility of institutions is weak, and there is more trust for experts who should to make changes. Experts are required to give the account of their actions and results, justify their decisions and outcomes. (Peters and Pierre, 2003).

Finally, political or anarchical responsibility. The goals are conflicting and means are uncertain. It is the worst type of responsibility. Problems (goals) and solutions (means) exist in different worlds

until the moment when they meet each other. In such case, it is difficult to control the responsibility, because there is no special organization, which will make decision. Everyone can participate in decision-making process equally and there is no enforcement of collective decisions. (Peters and Pierre, 2003).

Respectively, these types of responsibility make an accent on the values of efficiency, the rule of law, expertise and responsiveness. Responsibility is concerned to make political institution's functions more effective and efficient. The moral understanding of responsibility by individuals and groups can work against the whole system. The dissent of political elites can have negative consequences for the whole governance. (Peters and Pierre, 2003).

2.4. Responsiveness as an element of governance

Responsiveness, as an element of governance, is also actual in understanding of effective governance of the country and analyzing democratic political institutions. Responsiveness is a central democratic value for citizens. The level of responsiveness of government to the preferences of the society is showing the democratic actions within politicians. Government is responsive if it adopts policies, which are complying the changes among society. (Roberts and Kim, 2011). Responsiveness literally means understanding and satisfying of needs of the society by politicians. (Barbera, 2014). Responsiveness is showing how democracy is working in the state. As Dahl has written in his work, that the key characteristics of the democracy is a continuing responsiveness of the government to the preferences of citizens and political equality. (Roberts and Kim, 2011). Moreover, Dahl has singled out two characteristics of any political regime, such as contestation and inclusiveness. Contestation means the political competition and opposition, while inclusiveness is a public participation in political life. He argued that contestation and inclusiveness are independent democratization options, which lead to responsive polity. (Korolev, 2016). Political leaders, as a part of democracy, should be responsive and react on changes in daily life of their followers. They are respond to this action because of the threat to lose interest from the electorate or to have moral obligations. (Femke van Esch et al.,

2016). However, in reality responsiveness of politicians can be understood as who is responsive to whom. Politicians in most cases are focus on policy preferences of the wealthy society than the poor one; they not follow needs of their electorate, thereby losing their image in the eyes of supporters. (Barbera, 2014). When there is a situation in which citizens are misinformed about the result of policies, the using of political responsiveness need to be less. In such case, responsiveness can lead to detrimental outcomes for a society. (Roberts and Kim, 2011). According to philosophical orientation, it is clear that government should be responsive to any clear and popular demand from the public opinion. Politicians should respond quickly on demand of public. (Pennock, 1952). Theorists argued that politicians should justify their actions before citizens. Elected representatives are free to define their actions, but they should present for a society why their views of policy are differing from the interest of the society. Therefore, three types of the responsiveness's actions were identifying for politicians:

- To listen – hearing and taking into account citizen's sentiment.
- To explain – providing of explanation of policy decisions.
- To adapt – implementation of policy decision to majority opinion.

Each of these actions could be seen as a motivation for citizens to accept unwelcome policies that are provided by politicians. This typology can be used for clarifying the relationships between responsiveness actions and decision acceptance. (Esaiasson, 2016). Additionally to these three types of responsiveness action, should be include also rights of the society. As Dahl argued, “political responsiveness on the preferences of the society in a short period should be provided with society's inalienable rights”. He said that “citizens should be able to:

- Articulate their preferences;
- Express preferences to the government through individual and collective actions;
- To have equal treatment to their preferences from the government side, i.e. not discrimination.” (Dahl, 2010).

Responsiveness is not only evaluating how works and how successful are democratic institutions, it also can be used for evaluating the whole system. (Lax and Philips, 2009). Responsiveness is depended from the democratic elections, which suppose that citizens will express their policy-related preferences, and will allow government to be responsible for a realization of these preferences. (Wratil, 2014). Policy responsiveness is important for understanding a growth and development of the state. Powell, has seen policy responsiveness as an outcome of the dynamic process, which started from the preferences of the society and move through stages as elections, behavior of the society, formation of coalition and government and policy process itself. He also argued that policy responsiveness should be on each stage of the chain of political responsiveness. Based on this statement political scientists argue that political institutions can represent broader interests of the society through policy-making process. (Alejandro and Mares, 2012).

When there is a clear understanding of the responsibility and responsiveness, then the intent to use a concept of *efficiency of state governance*. This concept means the ratio of the results achieved and the public purposes, activity with the best possible outcome to meet the public's needs and interests in the conditions of state resources regulation. (Zerkin and Ignatov, 2000). Efficient administration or state governance, clearly meant “good governance”. When scholars are working with this concept they focusing on “input-output” ratio. (Frederickson et al., 2012). The “input-output model” is characterize the activity of the political system as whole and management subsystem as a part of it. Input of the system is a demand of society, conditional of the adaptation of particular solution; and legitimacy and the resources available to the State for the adoption of these decisions. Output is the real changes in a policy, because of implementation of decisions and achieving of aims. A “good decision” is a result of the model. The key problem in this model is that there should be found signs, such as values, on which the efficiency is estimated. Each political system has its unique values, which are due to the interest of the society. These values have been formulated during the history and reflect the result of interaction between state and its population. Value system of particular union consist of most significant, which are fixed in the constitution, the political principles and

objectives of the state. Evaluation of the effectiveness of the state is necessary both for the state and for citizens. Citizens can monitor the activity of the state institution, while civil servants need it for self-control. (Atamanchuk, 1997).

The effectiveness of state governance can have two forms: economical and technical. Technical is characterized by degree of achievement of state objectives, with taking into account social objectives. Economic effectiveness of state governance is determined as the ratio of the value of the volume of services provided to the cost of attracted resources. Moreover, it reflects the internal situation within the system in state. While technical effectiveness is a compliance of the governance to the external environmental. In that case, effectiveness is considered in framework of governance. Governance is considered as an important aspect of the state system, which include also imperious and legal aspects. (Goloschapov and Pyatkov, 2005).

2.5. The development of public administration in post-communist countries

Post-Soviet countries as well as post-communist countries in Central Europe all faced with the need to re-build a system of public administration. (Peters and Pierre, 2003). The collapse of Communism has influenced not only on political sphere but also on public administration and management. As it was common in Communism – ruling party had a power monopoly over society and economy. It dealt with everything and decided everything. The democratization of the system needs a recognition of new government bodies, differentiation of various levels of public administration and creation of intergovernmental cooperation. (Peters and Pierre, 2003).

The development of public administration in post-communist countries, after the collapse was not a priority for the ruling elite in the beginning. The dominant focus was on international cooperation. However, in the mid-nineties, the view of the role of state started to preview, but it was too late for transformation. Public administration in perception of the society had seen as something weak and it was worse than in the beginning of nineties. (Atamanchuk, 1997).

Democratization in terms of public administration in these countries focuses on devolution of decision-making powers and deconcentrate of administrative responsibility for implementation. The transformation of public administration has two levels. First, it was adopted a new constitution with general rules, that lead to separation of local governments and central government. Moreover, the new electoral law allowed to have a fair elections and change local elites. These constitutional and elections changes were, in fact, the first steps towards a new public administration system. (Peters and Pierre, 2003).

Countries have reformed their public administration system by following the example of each other. The creation of the top power center (president, parliament, government and constitutional court) and main actors – political parties were presented everywhere. However, the creation of local political institutions has been delayed. The pushing factor for continuation of the transformation of system was Europeanization. Countries, that were seeking the access with the EU, had to change the administration process. (Peters and Pierre, 2003).

The efficiency of good governance includes the next parameter: capable government, which is leading to the smartest administration and as result authorities should better serve needs of the society. This is appropriate for all levels of governance. The best way for changing the administration process and creation political institutions on the local level is the implementation of decentralization. Decentralization itself is aimed to increase the responsibilities of sub-national levels of government, including the budgetary process, providing of public services at the local level etc. Decentralization is leading to increasing the efficiency and democracy of government, responsibility and responsiveness both bureaucrats and politicians. (Bird et al., 2003). The administrative decentralization is aimed to redistribute the authority from the top-level of governance to the different levels, which are lower. Such type of decentralization suggests that central government transfers responsibility for planning, financing and management of certain public services to its representatives on the different levels of governance. (İnaç and Güner,2006). Moreover, the relations between central power and the local authorities are key in the governance process. When the local authorities have

the real power in the sphere of politics, there are more effective, responsible and responsive actions, which are provided by all levels of governance. World experience shows us that through decentralization of power the country can achieve the improving of daily life of each citizens.

The post-Soviet countries after the collapse of the Soviet Union had faced with the problem of finding a balance of governance power. Ukraine was not exception. The question of balancing power duties between central authority and local one was the key problematic issue, since country got its independence. In Ukraine, firstly, was presented such form of decentralization as deconcentration, which implies that local public administration institutions are under the strong supervision control of central government. However, today the situation is changed and decentralization have another form – devolution, which means transfer responsibilities for services to municipalities that have their own mayors and council, revenue and independent authority, moreover, local government have its own geographical territory. (CIESIN). More about decentralization reform and public administration in Ukraine, you can find in the practical part.

3. Application of the methodology to the analysis of decentralization of power and authority reform: the case of Ukraine

To implication of the methodology of institutional analysis to testify how it works in reality the case study has been chosen. The case study is focusing on decentralization reform, which is closely relates to the state governance, responsiveness and responsibility of political actors.

3.1. Background of decentralization in Ukraine

Since Ukraine got independence, the formation of political course and development of democratic, social and law state were the priority for newly elected political elites. Ukraine's transformation from the totalitarian to a democratic political regime, the declaration of the sovereign and independent country, led to creation of all necessary condition to ensure a decent standard of living, free and comprehensive development by laying the foundations of social and legal state.

(Gusarov, 2011). Political elites began to copy the Western model of governance, in the hope to improve the development of the society and fight with planned economy. The transformation of the governance model, in the eyes of Ukrainian reformers, was limited by introduction of private property, free market and pluralist democracy. (Martynenko, 2013).

The institutions, which remained after the collapse of the Soviet Union, did not meet the requirements of the new management system. Supreme Soviet, which needed to be changed in a parliament, and other institutions as ministry of defense, embassies, tax administration etc. needed to be built from the bottom up. An independent state also needed trained officials, who would be competent in process of transformation. As most of officials are inherited from the Soviet regime, they all need to be trained to fill new positions opened up by institution building and the drive to create a market economy. (Kuzio, 2007). However, the new administration were not ready to changes and training as element of development was failed. The first reason, why it had happen, was in using only legislation as a key element of governance. The second one – lack of indigenou training capacities, and as result the needs of administration were not known. The third reason – the unwillingness of government to invest money in administration's training because of budgetary reasons. (Wratil, 2014).

The efficiency of good governance is based on principles of combining the interests of the society and state, which provide the well-being of citizens, strengthening their confidence in the institutions of government and civil society development. (Martynenko, 2013). Ukraine as a transitional country has certain characteristics in development of governance. These are social disruption in the form of revolutions, radical reforms; abrupt changes in the nature and extent of economic relations; weakening of social, moral, ethical and political foundations etc. However, the most significant is a dominance of executive and administrative power in the distribution system of governance. The above mentioned is primarily characterized by subjective and objective factors. Objective factors are the nature and character of executives, such as mobility, efficiency, effectiveness, ability to rapid concentration etc. While, subjective factors are economic, political and

other interests of certain groups and individuals, as well as professional and personal qualities of people who are direct presented executive power in Ukraine. (Korz, 2010).

The centralized model of governance with only one political party and planned economy that was presented in the Soviet Union has a different attitude on the part of political thinkers. The Soviet governance structure has a strong central power, the relations between center and region had a strict administrative subordination. There was no separation of power and local self-government organization was not presented. Since, the Soviet Union had included fifteen union republics; the delineation of power was carried out by the Constitution. Therefore, the constitution of the Soviet Union include duties and authority for the center, while each republic had its own constitution, which include duties and authorities that was not reserved by the center. Thus, foreign and military policies have always been reserved by the center. Moreover, the center defined the general principles of social policies, while union republics were engaged in current social issues. Furthermore, the personal relation between the center and leaders of the republic was one of the key points in governance process. The better relations are the higher budgeting and support from the center has a region. (Baranov, 2016). With time, such model of governance lose it power, and post-Soviet countries faced with necessity of changing the structure and principles of the state governance.

One of the first steps that had been made in the independence Ukraine was the division of local authorities. Local executive authorities in the persons of the President of Ukraine and state local administrations implemented public functions. The collective interest of the population living in towns or villages was presented by local self-government organizations. The question about the separation of functions and power between state local authorities and local self-government organizations was the key problematic issue at that time. The society was not ready to the new governance structure, both state and local, which was attached to the democratic and legal state. (Averyanova, 1999).

The reformation of public administration has started in 1991, when the Verkhovna Rada implemented the project of new structure of the state governance. The project included few stages,

which were to lay the foundations of the modern sovereign state and the base of market economy. The first stage was creation of the cabinet of Prime Ministers, with the status of the highest organ of state administration. Later was created the post of President, who received duties for managing the executive power, changing its structure etc. As result, the Cabinet of Ministers was under the control of President. The second stage was the reformation of the central apparatus of executive power, which focused on creation of ministries that formed and regulated the state economy, such ministries as the Ministry of Economy, the Ministry of Trade etc. as for local self-government organization, there was created the system of executive authorities in the form of local state administrations. Such administrations were divided into two levels – highest – 24 regional plus Kiev and Sevastopol, and lowest – district. The local state administrations were key centers of local authority, and were under direct dependence from the President and the Cabinet of Ministers. (Bakumenko, 2005).

The institute of President strengthened the executive power on all levels of governance. The relationship between the representatives of regional authorities and president was not clear identified. The local authorities at the regional level were under the control of the central power. An appointment of officials was carried out by president and was not dependent from the quality and knowledge of the person, but from the level of loyalty to the central authority. The efficiency and responsibility of potential candidate was not taking into consideration, as result the society suffered from irresponsibility for decisions and abuse of the local authorities. (Ermolaev et al., 2015). The relation between the President and the Prime Minister was clear, according to the Constitution. The Cabinet of Ministers is responsible before the President for its actions, moreover, it is under control of the President and accountable for the Parliament. In practice, this dependence realized as the President of Ukraine appoints the Prime Minister with consent of the Parliament, can terminate his powers and decides on his retirement. (Kyrychuk and Tymtsunyk, 2001).

The state apparatus of Ukrainian governance is looking as the follow:

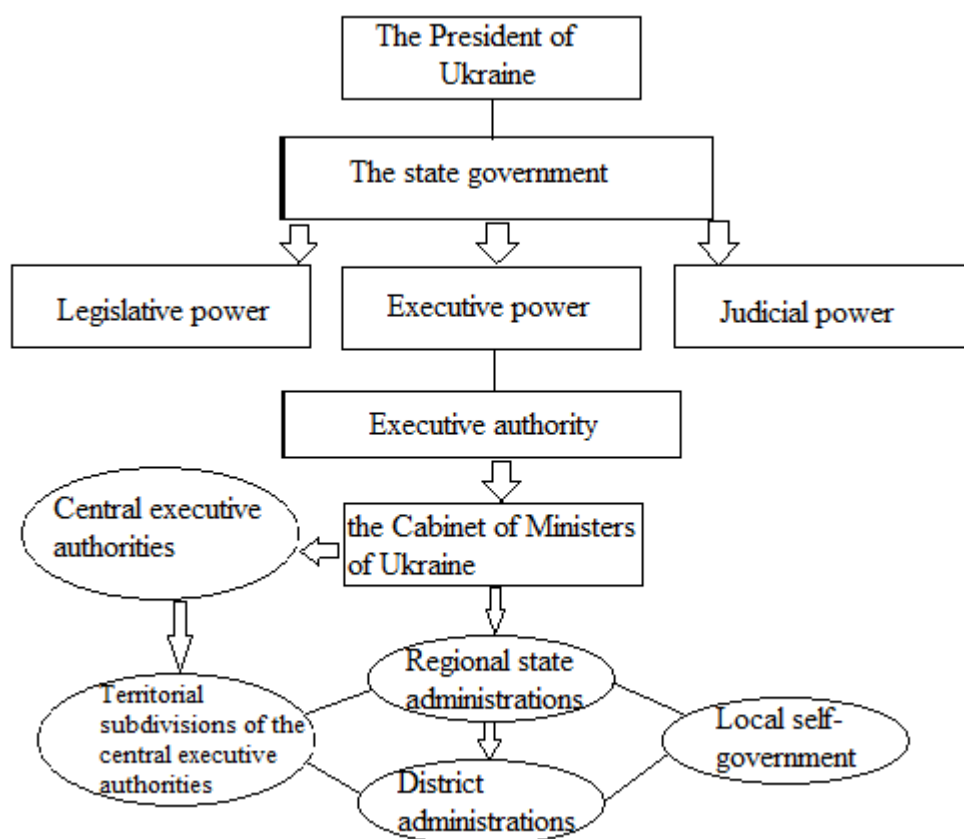


Fig.1 The state government structure

The high level of centralization of power in the beginning of 1990th was essential to the country for keeping the integrity and stability during the first years of independence. Additionally, in political circle, was misunderstanding about the key definitions that relate with decentralization of power. Such definitions as administrative divisions, political-territorial structure, etc. and politicians are argued about the political structure, should Ukraine be unitary or federative country. The significant changes in decentralization were not made, in Ukraine was presented regionalism – the political power in the capital – Kyiv, and division of industrial East and agricultural West of Ukraine. In 1995, the law about state and local governments was adopted. According to it, the local governments had a right to approve a budget and the program of territorial development. The role of President was more broad, he has power appoint as head of government from the regional to district level. It was centralized-Soviet governance model, which was effective when government had only one party with monopoly power. However, the creation of multi-parties system has not changed the managing structure of the state. Such system lasted until 2004, when the power was changed and Ukraine

became parliamentary-presidential republic, the focus on European example of governance was a key aspect for implementation of the decentralization reform. (Grynevich, 2104). The European course of development of the country, including governance structure, was the pushing factor for starting to make changes within a country. The integrational process of Ukraine with the European Union is required the providing of reforms, which should make Ukraine closer to the European countries, in the concept of state governance.

The new authorities, which came to power in 2005, developed the conception of reform about decentralization and the law about administrative and territorial structure of Ukraine. This reform presupposed the complete liquidation of the state vertical power and the replacement of the appointed heads of regions and district heads with councils, who were elected at the local level and become full-fledged executive bodies. In addition, the reform provided for the compulsory consolidation of 15,000 villages and towns into larger, more financially capable administrative units. Unfortunately, the implementation of reform even not started. In 2009, the Ministry of Regional Development and Construction returned to the decentralization issue again. The Prime Minister has signed a decree “On approval of the Concept of local government reform”. The ministry together with interested central executive bodies should present to the Cabinet of Ministers an action plan to implement the Concept of reform of local government, within a month, but, unfortunately, again something had gone wrong and reform was not implemented. (The Cabinet of Ministers).

During the reign of Yanukovich (2010-2013), the model of Ukrainian governance was presented as president republic in which was set a rigid centralization of power and resources of the executive branch. The role of the Cabinet of Ministers as the highest authority in executive branch was limited, moreover, the country was faced with a threat of existence of the Parliament. The local government was offset, the financial autonomy of local community was destroyed and corruption got the highest rank. (Skrypniuk, 2015). The relations between central and regions were presented as the “good business”, but against the well-being of the whole society. The authorities at the lowest level (regional, district and local) of governance were the representatives of political party of Yanukovich

– the Party of Regions. By being a part of political party means that you need to follow its course of development. Thus, it is possible to have control over the whole governance system from bottom to up. Ukraine returned again to the centralized administration, the center – Kiev, got more power to influence on the results of voting at regions and have influence over political and economic life at regions. (Peters and Pierre,2003). Country was in the way of mass discontent among society. People wanted to get more responsibility and control, at the local level of authority, over political, economic and social situation. The decentralization was the best option to get them.

Political events that occurred in Ukraine in 2013-2014, returned the interest of the politicians to the decentralization issue. The new formed Cabinet of Ministers had approved the concept of reforming the local and territorial self-government organizations of power and authority. This concept is determining the ways, mechanism and terms of forming effective local and territorial self-government organizations of power and authority. Providing of the accessible and high quality public services. The establishing of institutions of direct democracy; satisfaction of the interest of the society in all spheres of life on the particular territory and reconciling the interest of the state and local community. (CSI). A reform should increase the responsibility, responsiveness and efficiency at the local level of governance, because they will not more appoint by central authorities, executive power at local level will form by local authorities. The society in such case will have a possibility to influence on the officials. Moreover, the society will participate in decision-making process of the local community that according to the opinion of the political scientists should decrease the level of corruption and increase the transparency of decision-making process in whole. Additionally, the local community should become influential political players whose opinion should be taking into account by central authorities when they develop the national policy. (Ermolaev et al., 2015).

Effective local government can be the only one decision of is leading to the decent life of citizens and building of social, legal and democratic state. The local authorities perceived as a part of constitutional order of local governance. Local government as a public authority is acting according to the Constitution and Laws of Ukraine. The problematic issue in that sphere, regional politics and

decentralization of power, is lack of clear doctrinal bases of local government, the uncertainty of its political and legal nature and perspective directions of development. (Shemshuchenko,2015). Ukraine has a very fragmented administrative and territorial structure, which has influence at the whole governance structure. For example, if to take into consideration one region there are presented rural districts, which are part of the City Council but not belonged to the District State Administration. In such case, village councils and city councils within a district should provide the same services and have the same competence. However, according to the data, Ukraine has excessive dissemination of local communities. Around 92% of the villages' communities are having less than 3000 inhabitants, 11% – around 500 inhabitants. Such data is showing that not all state services can be provided within them. Therefore, the aim of decentralization reform is to make local authorities more powerful and decrease the number of communities.

The figure 2 is showing us the current system of public administration; figure 3 is showing how the system of public administration will change after the implementation of reform.

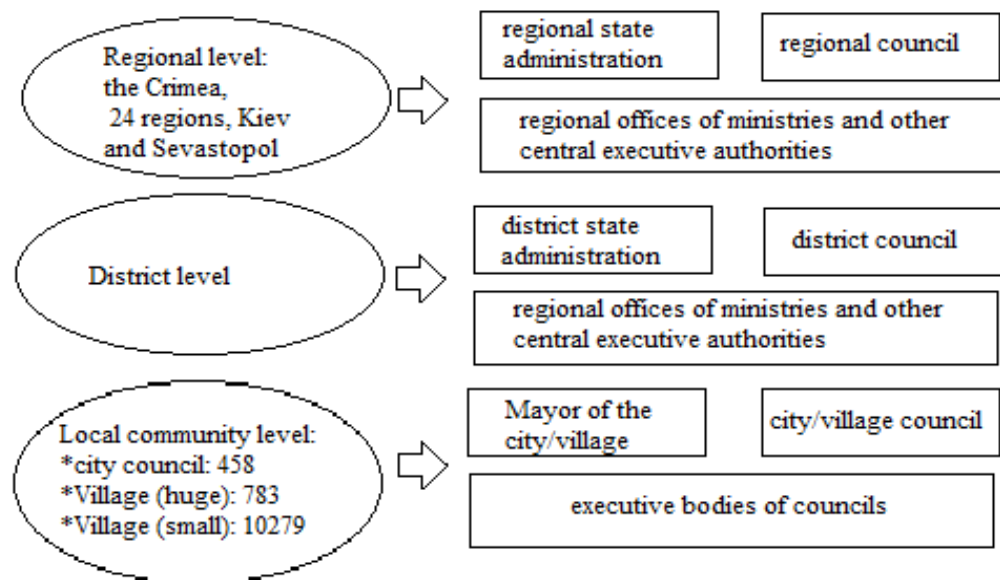


Fig.2 Current system of public administration

To summarize the figure above, there is a dependence of local communities from the higher levels of administration. Such tendency was observed during the years. As it was noted above the local governments did not have a clear functions and duties, which they could do themselves. There

was no clear distinction between the authority of state and region power at lowest level of governance. The public authorities in most cases were presented in the spheres in which the local community and authority can act without support of the above standing bodies. The presence of conflict of distribution of power between authorities with respect on the administrative and territorial structure had a result a conflict between powers of local governance, and horizontal conflict between power of local authorities and executive bodies. The local self-government bodies are local authorities, while district and regional are also the representatives of local authorities, but they have leaders, who were appointed from the center – Kiev. With time, the representatives of local authorities were also appointed by a center. To understand who is responsible for what, and who submits to whom in such confusing structure led to misunderstanding and conflicts. Such conflicts and a rigid vertical power with a direct subordination is going against the effective governance system of the country, because some of the tasks are not even implemented. To ensure political, economic and social stability within a whole country, Ukrainian authorities decided to follow the European model of governance and give more freedom to the administrative and territorial units.

According to that, the creation of communities and the redistribution of functions and duties of territory-administrative units from the bottom to top level is leading to effective governance within a country. The model of new system of public authorities is based on the principles of subsidiarity, which is fixed in the European charter of the Local Self-government, and which govern the democratic states. Such model implies that communities should transfer functions and duties, which they cannot perform, to the district level. District level, in turn, to the regional level, and from that level to the state (figure 3). (Gnylorybov, 2007).

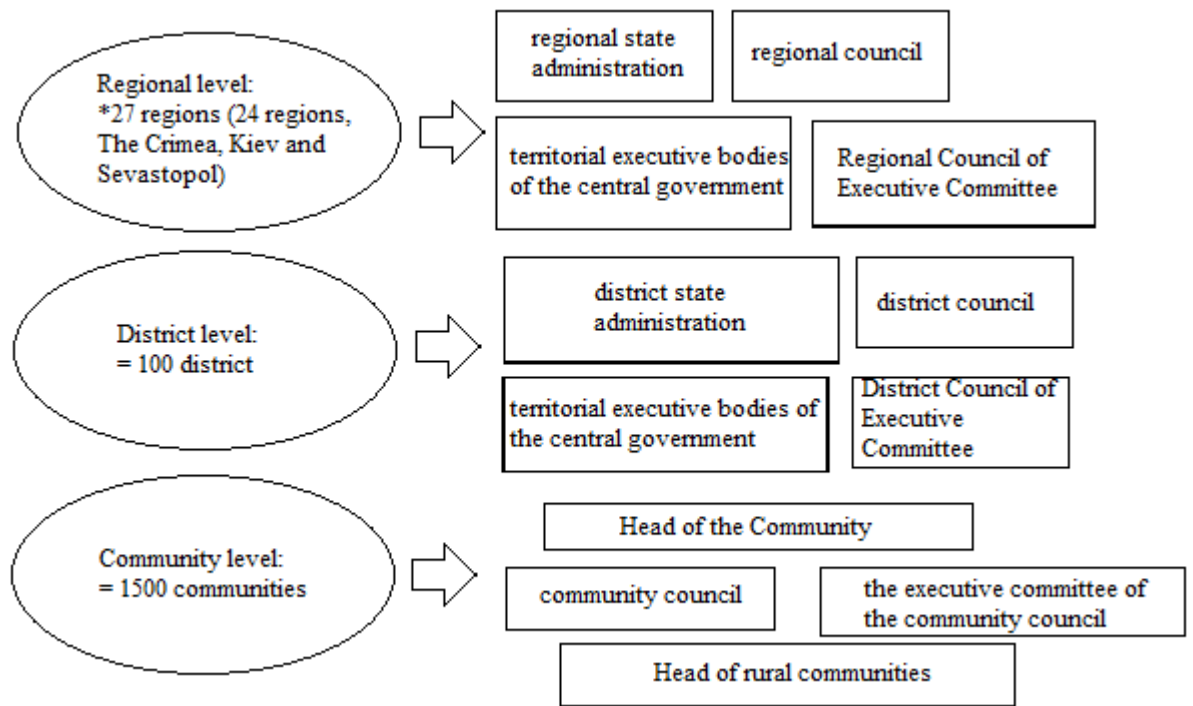


Fig.3 Model of the reformed system of public power

The reform should radically change the whole governance system within a country. Reorganization in governance structure provides the liquidation of regional (there are 24) and district (there are 500) state administrations and decrease the number of districts and village's state administrations. The president vertical power on the regional and district level will transfer to the representative of the president (prefect), who will represent the interest of the President at such levels. The prefect should control how the activity of representatives of community is suit to the Constitution and laws. In case of finding of discrepancy of their activity, prefect has right to present it to President. The executive power at the local level will present by the local authorities. Moreover, the small towns and villages will be merged into communities, which should lead to their financial, resource and management independence. According to the reform the power of President also will be limited, he will not more control the whole decisions, which are accepted at the local level, but he will have right to suspend the job of local council and dissolve them in case if they are working against the Constitution.(Chervonenko, 2015). Additionally to the saying above, the reform of decentralization should promote development to a more responsible attitude from the authorities to citizens at the local

level, since such leaders are not more appointed by Kiev, but choosing directly by population of the community.

The Cabinet of Ministers offered the five steps, which were necessary during the implementation of reform. First, determination of territorial basis of local authorities and executive bodies, that means creation of the three-level system of administrative and territorial structure. Such system is easy and logical in managing.

Second, separation of power between the authorities of different level of governance. Such separation held by the formula “the most important thing for the society should provide the nearest level of power”. For example, in the table you can see how this formula should work.

Table 1

Separation of power between different levels of governance

The community level	The district level	The regional level
<ul style="list-style-type: none"> • Pre-school and school education; • Primary medicine and ambulance; • Utilities; • Law enforcement and fire protection; • Social protection etc. 	<ul style="list-style-type: none"> • Specialized school education; • Sport school and boarding schools; • Secondary medicine etc. 	<ul style="list-style-type: none"> • Vocational and technical education; • Specialized medical care; • Regional development planning; • The environmental protection etc.

Source: <http://decentralization.gov.ua/>

The third step, the separation of power between local self-government organizations and executive bodies. Executive bodies should have only control over them, while, local self-government organizations are acting as an independent institution with the expanded duties and power.

Fourth, determination of the needed resources, including money. The size of the community or the region may have influence on the process of budget allocation. When the size is increased the citizens will be well-off, because the state should provide the local self-government organizations with more money. The local budget should be stable and the size of expenditures is predicted.

The last, fifth step, the local self-government organizations should be accountable to the voters and state. Such step is aimed to increase the responsibility of local authorities and be responsive. Society will be able to vote for people, who should make their life better. (Website of decentralization).

3.2. Actors, norms and rules, which are part of reform

Decentralization of power and formation of united, local communities is a democratic control reform, which exercises by the Government of Ukraine. The decentralization reform is leading to the changes in Constitution and the restructuration of relationship between central, regional and local authorities.

Local government is occupying a special place in whole governance structure and depending from the territorial structure of Ukraine. The territorial structure of Ukraine bases on principles of integrity and unity of the national territory, balanced socio-economic development of municipalities and regions. Each region is unique, with own culture, languages etc. According to the statistical data for 2016, Ukraine is among a countries with high level of urbanization, the wide network of cities (around 460), where the bigger part of whole population are living, and 28386 villages. (Ukrstat). The local government is provided in these administrative units.

The decentralization of state power is a question, which is being discussed by different representatives of the state governance structure such as political parties, public organizations etc. The key actors, who are engaged into the implementation of reform, are the President, the Cabinet of Ministers, the Parliament and managers of local self-governments, etc. Each actor has its duties and responsibilities according to the realization of a reform. The key aim of all political actors is to create sufficiently stable to the external and internal shocks the system of public administration in Ukraine, which will start from the top level and spreading on the whole administration units. Such system will allow ordinary people take part in the state governance as whole.

President, as a guarantor of the Constitution and integrity of the country, he was an initiator of the draft of law on amendments to the Constitution of Ukraine (concerning the decentralization of power). The background to such decision was first, as was noted above, the integration process with the EU. Second, scope of security that means restoration of the integrity and sovereignty of Ukraine in political-diplomatic fighting. President is coordinated the process of implementation of the reform.

Role of the Verkhovna Rada is to adopt laws and make changes in the Constitution relate with the current situation. The activity of the Verkhovna Rada aims at implementation of the reform as soon as possible. Key points of its activity in 2015 were the adaptation of law “On voluntary association of local communities” and amending the Budget Code. The faster improvement of the legislative base of Ukraine will provide opportunity for territorial communities at local level to solve all their social, economic, financial issues as soon as possible and there will be effective democratic development of the whole country.

The Cabinet of Ministers has adopted the concept of reform until 2020. The implementation of concept is carried in two steps: first, was in 2014 – preparation for reform. Second, 2015-2020 – intensive reorganization of the administrative structure. The main central executive authority that is responsible for the conduct of reform was identified the Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine. The Ministry has been asked to develop the mechanism of coordination of the reform at the level of Cabinet of Ministers.

Political parties are having their own concept of decentralization, which they actively put forward to consideration in the Verhovna Rada. They care about reform, while slowdown the legislative process by considering, which party is providing the better for the country concept of decentralization the state power.

Development of local self-government organizations is closely related to the decentralization of power. Self-government organizations are playing a role of key element of the self-regulation and self-management of citizens. These institutions have a mediator role between society and the state, because through it the flexible mechanism of governance is exercised, with less bureaucracy than

under the centralized system of governance. Local self-government organizations are presenting interests of population at the state level and protect their rights and freedoms.

Another actor, who relates to reformation process, is a representative of the president at the regional level. His role is to monitor and control the legality of the decisions that was made by bodies of the local level.

The reform has horizontal character that means changing from top to bottom, and deals with most spheres of public life, like education, medicine and healthcare, etc., which should be a part of community. Creation of ordinary center of reform is leading to better understanding of the implementation process. The Ministry of Regional Development and the group in the Parliament headed by speaker are two main centers of reform. Their actions should be coherent and coordinated, however, in reality they work separate – the Ministry has developed new law, and the Parliament is approved it. The communication level between all political actors is weak.

Main objects of the reform, which should be reformed in the decentralization context, are:

- Administrative and territorial structure (excessive dissemination of settlements and poor management in it);
- Fiscal resources (the low level of self-reliance of local self-government bodies and deep dependence from the state budget);
- Delegation of power and duties (non-compliance with the principles of subsidiarity and inefficient delegation of own and delegated duties by authorities).

The reform is based on constitutional principles of local self-government, the European Charter of local self-government organization and a number of basic legal acts and laws, which are create legal and financial base for the activity of self-government organizations at the local level.

The Constitution is enshrined the guarantees of the existence of local governance at the constitutional level and there are outlined the basic legal principles of its functioning. Few parts of the Constitution are related with administrative-territorial division. For example, part nine “The territorial structure of Ukraine”, part eleven “The local governance” and articles, which are related

with the activity of the local administrations – articles 118 and 119, the power/ duties of the Verkhovna Rada (articles 85, 37 and 92). According to the article 7, which said, “The local government is recognized and guaranteed in Ukraine” it means that local government is a part of state governance, and which cannot be canceled in any time, only if the Constitution will have some changes. (Tkachuk, 2016).

Constitution is giving basic definition that can be useful for the administrative-territorial organization management. For example, “community” is a territory with its inhabitants on particular part of Ukraine; “region” and “district” are presented in articles, where duties of deputies of the Verhovna Rada are written. These terms are key in the implementation of reform. (Hanushchak, 2013). According to the article 140, local government carried out a territorial community by the procedure established by law, both directly and through local authorities, village, town and city councils and their executive bodies. (Constitution of Ukraine). By following this statement, the Constitution is proclaimed the subject of local government a territorial community, as a community of citizens, who are united by a territorial basis.

Fundamentals for a stable implementation of reform is provided by Constitution. When Ukrainian political elite had decided to carry out decentralization, changes in Constitution had become a part of the reform. The transformation of administrative and territorial structure of Ukraine is a key point in constitutional changes. For example, the article 133 said, “Community, districts and regions are shape an administrative and territorial structure. Communities are the primary units; few communities make up the district”. The article 140 said, “Territorial community is formed by citizens, who are living in it. This community provides local government by referendum”. The article 143 said, “Separation of powers between local communities, districts and regions is defined by the law, which is based on the principle of subsidiarity”. (Constitution of Ukraine). On this basis, we can conclude that constitution is providing more duties from the regional level to community. The decentralization in such case will increase the power of state and its efficiency.

Constitution is a base of the state governance, however, the local self-governance organizations are also acting in the framework of laws, common laws, which are defined the status of local government and procedure the activity of deputies at that level of governance. The list of such laws are follow:

1. Laws, which are related with the activity of local self-government organization and duties of its deputies. The separate document is the European Charter of local self-government organizations, which has been ratified by the law of Ukraine “the ratification of the European Charter of local self-government” in 1996;
2. Laws, which are related with the formation of budget, formation of resources, setting the tariffs etc.;
3. Laws, which are sectoral, and determine the duties in specific sector. For example, relate with culture, water protection, health care, corruption etc.; (Tkachuk, 2016).

All these laws the deputies from local self-government bodies should know, and provide their activity with the limitation of these laws. Constitution and laws are defined the terms of references of local self-government bodies, while the Budget Code is determined economic part of decentralization as formation of sources of local budgets and ways of spending, allocation of municipal property from the state at local level etc.

3.3. The impact of decentralization reform on a budget structure

Before the reform has been started, the local self-government organizations had a low level of self-sufficiency. The local budget was heavily dependent from the state budget, because the governance was highly centralized. The Concept of reforming the local government and territorial organization of power has an influence on the budget system. Combined budgets of local communities, created under the law and perspective plan of area communities, have direct relations with the state budget. The budget system will have two levels – state and local. The local budget should be divided between community, district and regional level. In this way, decentralization and

reformation of budget system will lead to full fiscal autonomy and financial independence of local budgets. Local authorities will form and approve their local budgets without waiting for approval of the state budget. Moreover, the expansion of local budget will provide the implementation by local government its expenditure responsibilities. (The Ministry of Finance).

In order to be able to enforce all tasks, community, districts and regions proper financial resources are needed. Therefore, a decentralization reform has amended the Tax Code and the Budget Code. Reallocation of the budgetary power enables local authorities provide a better care about their citizens and meet all their needs. Such redistribution is taking as a basis the principle of subsidiarity.

According to the new changes, the structure of taxes and their revenues to all budget levels and appropriate structure of their costs were improved. The transformation of tax system expands the local budget. The Budget Code of Ukraine provides basis how they should fill budget revenues and expenditures. Budget revenues consist from take 100% tax on personal income (from which 40% is going to community level and 60% to the regional level bodies), 100% fee for providing administrative services, 50% rent for using the forest resources and the same amount for water resources, 25% rent for use subsoil etc. The communities, which are not associated, cannot have in their budget revenues from national taxes, because such communities do not meet the requirements of Budget Code. Such requirements are the functions that are delegated by the state to the local government. The articles 79, 89 and 91 of the Budget Code, determine the budget expenditures of local budget. According to these articles, expenditures are repayment of local debt, capital expenditures, related with the socio-economic development of the region, building etc.; expenditures for education, healthcare, social protection and social security etc., before the decentralization such expenditures were part of the state budget. (The Budget Code).

If look into the budget decentralization from the governance point of view, it should replace the three-level budget system of local budgets to a single-level. The communities of villages and towns, which had a district values and associate according to the long-term plan of voluntary association of

communities acquire budgetary powers equivalent to the powers of the regional cities. Therefore, their inter-budget relations with the state budget should be direct.

Since the communities should provide finance for the educational institutions and healthcare agencies themselves, according to the Budget Law for 2017, the state will provide them with additional subsidies from the state budget, which should be transferred to the regional, district and territorial communities every month in particular parts.

3.4. Decentralization in practice: how it looks in reality

The decentralization reform is one that was promised by politicians to be hold and is carrying until today. Today, we can have only intermediate results of reform. From the governance point of view, at the state level, it has good results. The communities are associated; financial independence of administrative and territorial units is increased; each actor is knowing his duties and responsible for realization of particular part of the reform. Since 2014, were formed around 300 communities with their own leaderships, who were elected by citizens in 2105. This is an indicator that the reform is rapid. Moreover, there was a transition from centralization of power to decentralization, which was a key point of the reform. Since the reform is only carried out, the result of it will be visible with time.

The adoption of the law “On voluntary association of local communities”, from 5th February 2015 (№ 157-VIII), was the pushing point to allow communities to became a full participants of the governance process, which means providing of public and administrative services through own taxes and fees, and performs delegated authority with public funds. The first communities were created in such regions as Ternopil (26), Khmelnytsky (22), Lviv (15) and Dnipropetrovsk (15). Local authorities of newly united communities have a number of tasks, which make the governance process easier. Variation of such tasks is wide from the defining the strategy for future development of the territory to provision of quality public services and increasing of well-being of each citizens. Each

community have its own municipal property, which are using for the providing of public services and should be financed from the local budget. (Kregul and Batrymenko, 2016).

Reform requires the solution of many problems, which are related to the governance process in Ukraine. The slowdown of the reformation process is because the transformation into the new governance system needs time. At the local level, as well as on the state one there is discrepancy between the desired results and the current ones. Politicians wanted the synchronicity in the actions, which means adaptation of the law – instant execution of it. They are required the reorganization of executive bodies, action sequences and prediction of consequences in time. It all requires a clear, improved legislation and the dialog with the society. It is de jure side of decentralization. De facto, the process of decentralization and managing the reform is passes at different realities. From one side, politicians are slow the process of making changes in the constitution. From another side, decentralization became a priority at the local level, but local authorities are not ready to faster changes, because they have limited information how to deal with it.

The implementation of reform in the reality is not the same in all regions. As Ukraine is a big country and each regions are significantly different, the economic development is different. Subsidies that have become a part of fiscal decentralization divided Ukraine on regions, which are need a subsidy and that, which are filling a state budget. Basis on this, its turn out that not all communities with their own local budget have enough financial resources that can be spent for development of the territorial unit. It turns that “region-donors” should supply “region-recipients” with a money in order to have more or less the same distribution of funds. In some regions there is presented underfunding of some important sectors as social protection, education, health care etc. Additionally, the rural regions are in complete decline and, when they becoming a part of community, big amount of money should be spent on their reconstruction. It seems irresponsible on the politician’s side to give more power for local communities if they do not have sufficient funds. In such case, the local authorities cannot fully support socio-economic development. The state continues to be the key actor in regional development.

The problem is that policy-makers are not responsive. By providing decentralization, they are not taking into account that economic and social development of Ukrainian regions is lower than in Europe. As the reform is based on European model of decentralization, such standards cannot be applied for all regions, because of difference in economic and social base. Moreover, the reform was aimed to increase the responsibility and accountability of local authorities before their electorate, but in reality, the situation still be the same. The connection between society and political elites is lost, as result the loosing of understanding what the real needs of the society are. The activity of territorial communities is based on principle of provision of accessible public services and the formation of the territorial basis for the activities of local government. However, the creation of communities occurs individually for each region. The legislation restricts the requirements for settlements, which intent to become centers of community. By defining the size of area of territorial community, politicians are taking into account of the next data: the time of arrival medical and fire emergency in urgent cases should not exceed 30 minutes and the distance to the administrative center should be up to 20 km on paved roads. “Institute of economics and forecasting” in Ukraine has presented such data. (IEF and ZN.UA). The administrative center of the community is choosing between towns or villages, which have a better transport infrastructure. In the administrative center of the associated communities, citizens are supposed to have public services that are provided by the Department of education, the Health department, treasury, police etc.

However, politicians are not included that infrastructure in Ukraine is far from European standards. Road networks are in very poor conditions or in some cases are absent. Additionally, people, who are living far from administrative center, had limited possibility to get public services because of poor public transport system or because they do not have their own transport.

As it was noted before, not in all regions the association of communities is going according to the plan and desire of authorities. Ukraine is very fragmented country; the number of villages is higher than cities and towns. It is a one reason why communities slowing the process of association. Unlike cities in rural area, the capital cities of regions have more successful fiscal system, the mobilization

of funds and taxes, which are necessary for social and economic development is more quickly. Moreover, capital cities have sustainable investment of funds and development of the infrastructure and services is better than in rural area. Therefore, villages and small town, which are associated into communities, are at disadvantage. The only way for small towns and villages is to become a part of territorial community, which has a center in regional city. In such case, they will not lose financial support. According to the law “On voluntary association of local communities” and the Cabinet of Minister’s decrees about subsidies of territorial communities from state budget, the distribution of financial support for such communities depends from the area and the number of rural population. It turns out that the communities, which got the higher population, territory and rural areas are in better position than cities and villages that are not associated or communities, which have only few villages. It looks irresponsible from the part of Cabinet of Ministers because such territories will not be able to provide themselves financially, as for me. The allocation of budget funds according to such formula is inappropriate. Such state subsidies, which based on the number of citizens of community and not include the network of budget institutions and their minimal needs, become meaningless. State subsidies will not cover all expenses, which communities are not able cover themselves. Budget decentralization in such case is absent, bigger communities will be donors for smaller ones, as result the dependence from state budget and centralization again.

The other reason, why the reform is slowing at local level, as it looks at first sight, is social question. The territorial communities are mostly arising on the base of districts. The idea to association is initiated by the district authorities, as well as by business representatives who tend people to it. However, in each region as well as in district there are small towns, which are independent and provide all public services at local level and not regional or district. It turns out that combined with territorial community small towns will lose all their authority now. The liquidation of the separate territorial unit and a fear to lose power and funding makes local authorities thinking whether they need to be or not a part of some community. At the same time, if such town does become a part of community, the pension fund, the employment center, the social insurance center etc., which

had worked in such towns, need to be closed, and from social point it leads to unemployment in such towns. Moreover, people who need such services should spend sometimes more than two hours to get to the administrative center for getting such services; it is irrational and unresponsive from the point of society.

Lack of qualified personnel, who are able to provide the administrative services to the society, is also one of the problem of decentralization in Ukraine. For many years, the local government authorities had always worked according to the regulations from the top-level authorities. The increasing of power for local self-government bodies is required skilled personnel, who knows how to deal with the new structure of governance system. In the conditions of decentralization, the local elites should seek to reduce the influence of the center. Local authorities are care about how to spend a budget in the community, how to improve social life of the society, they need to solve current problems themselves etc. Unfortunately, local elites not of all regions, including territorial communities, are able to cope with new power; it is a result of centralized system and limited knowledge. Local authorities are working by trial and error method in making managerial decisions. Moreover, the lack of professionals among local elites have an influence on the society, which means that citizens are do not completely trust to new authorities. Since communities are created based on desire of citizens, non-professionalism of local authorities can have serious influence on association process.

In addition to the statement about the lack of qualified personnel, leaders of communities, especially that, which include mostly villages, are faced with problem how to organize the management of education. Before the introduction of the decentralization reform in reality, the department of education at the district level provided the management of education in villages. This department was an element of vertical executive power in the field of education. The executives of villages had limited functions, such as organization of transportation of pupils, etc. Now, after decentralization, authorities of associated communities should care about everything, including the

provision of effective management system of education in communities. As result, this is a problem, authorities of rural communities are not enough qualified in such additional activities.

Thus, it can be argued that the attempts of Ukrainian political elites to improve the governance structure in so fast way does not bring positive results throughout the country yet. Some of regions still be dependent from the decisions, which are implemented by the central authorities. The conflict issues that arose during the division of power between the authorities of regional and local level, between political institutions etc. only slowdown the reform process. Thereby, the making of decisions, which are necessary for improvement of governance system, becomes impossible in some cases. Such quick reorganization of the administrative and territorial structure of Ukraine, from the state to regional and local level, in the current situation is threatened to management collapse. Moreover, decentralization is aimed at overcoming of inequality between rich Eastern regions and poor Western regions. However, it can lead to misunderstanding between regions and in some cases to separatism (as present in Donbass region now), because of desire to have more political and economic power for region.

Nevertheless, decentralization will bring its results in future, when Ukrainians will have a possibility to see the strong governance system in which everybody is responsive for his or her actions and be able to govern a state in proper way. Only then, we can talk about the trust of the society to politicians.

Conclusion

The aim of this research was to find how responsibility and responsiveness effect on the governance process. Can we use these two definition as an integral part of governance? The hypothesis, which were presented in such research, that governance became more effective when the cooperation between political institutions, political institutions and society is presented in the state and that responsibility and responsiveness are guarantee of good governance, are partially testified. Such partiality means that from the theoretical point of view, political leaders and institutions, by being engaged into the governance process, they need to listen and hear what a society needs and be responsible for their actions. While, from the practical point of view, not all actions, which has been done by politicians for increase the effectiveness in the governance, contained the elements of responsibility and responsiveness.

In the literature was found that governance is the system of values, policies and institutions by which the economic, social and political affairs are managed within a state. Governance as a theory has a long history. During the time the role of politicians and bureaucrats was changed, since the social life became more various and specialized. Additionally, the duties of political elites are also increase. There are significant number of political scientists, such as Weber, Wilson, Lynn, Hill and others, who describe in their works the theory of governance from the different aspects. Their studies are focusing on the relationship between different levels of public administration. The ideas to which they come were relatively similar – the communication between different level of state governance and participation of society, business and other actors in relatively equal part, will lead to the better managing of the state and effective governance structure.

By considering on responsiveness and responsibility as part of governance, the result is that every person, political institutions etc., who in one or another way related to the governance process should have these qualities. To have an ability to give clear explanation for the activity, provide relevant facts about decisions that should be done, moreover, to have an individual understanding that you are responsible before society and the state as whole for yours activity – are important for any

political actors, who care about the wellbeing of the country and its population. When the political actors are irresponsible for their actions, which they do during the governance process, the destabilization within economic, political and social life is guaranteed. As Hannah Arendt has argued that political leaders should have responsibility because they are part of independent society, and any changes within it have influence on the politicians – they got more and more political power. Therefore, when we talk about responsibility and governance it is important to take into account that by having a political power, politicians, in most cases, forgot about their moral responsibility and follow only legal.

Responsiveness the same as responsibility is difficult to analyze. These two definitions are more philosophical, there is no special formula how to calculate it. By being responsive from the governance point of view means that political leaders are reacting on changes in daily life of their followers. As Dahl has noted in his studies, is that responsiveness is leading to the understanding of the preferences of the society and political equality, thus it is a key characteristic of the democracy. The statement that responsiveness is a part of good governance can be true, because when the policy-makers follow the interest of the society and provide them with the desired policies, we can argue that political elites care about the wellbeing of society. Moreover, the interaction between the state and the society is leading to an effective governance, in which society controls the actions of the state.

By speaking about the state governance and responsibility and responsiveness of political elites in practice, the conclusion is such that, in reality, these two elements are presented, but they are not a part of a governance. By analyzing Ukraine, as the case study, the result was different from that, which was found in the literature. The choosing of the implementation of decentralization reform, as an example for research, and, what results has reform at different levels of governance, we can conclude that each level has its own outcomes. By speaking about the state level, the reform was promised by politicians and was launched into realization. However, when Ukrainian leaders decided to implement the reform, they do not take into consideration different factors, such as lack of qualified specialists, inconsistency of Ukrainian realities to European standards etc., which became a pitfall.

in the implementation of reform. This all evidence of the fact that, political leaders are acting within the not understanding of the current situation inside the country and the whole society. Furthermore, the slowdown the process of adaptation of necessary laws by the Parliament, is showing that deputies are doing their job not in the interest of the whole society, but by pursuing their own interests, which is irresponsible to the society and the country as whole. However, at the lowest levels of the state governance – regional, district and local – political leaders are trying to make the implementation of reform more quickly, even without proper legal support, because in such case they will get more economic and political power. Such power will allow them to satisfy all needs of the population, both in term of governance and public confidence.

Therefore, we have seen that theory does not match the reality. To say that responsiveness and responsibility can be a part of good governance in practice is difficult, because most of people are acting according to their own convictions or by being under the pressure of specific situation. In such case, responsiveness and responsibility are turned into background and the first place are going to the political power and authority.

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