

## DECENTRALISATION REFORM IN UKRAINE IN 2014-2019: FIRST ACCOMPLISHMENTS AND FUTURE CHALLENGES

**Valentyna Romanova**

National University of Kyiv-Mohyla Academy  
ORCID 0000-0002-0889-2328

**Andreas Umland**

Center for European Security, Institute of International Relations, Prague  
ORCID 0000-0001-7916-4646

**Abstract.** *The paper explores Ukraine's decentralization during the presidency of Petro Poroshenko in 2014–2019, and points out some its key achievements and pitfalls of this distinct reform period. It argues that the post-Euromaidan reset of Ukrainian local self-governance has domestic origins and, at the same time, benefitted from considerable international technical support and advice. The article explains in detail some reasons for, and the implications of, the voluntary creation of self-sustaining 'amalgamated territorial communities' (ATCs) and identifies the limitation of functions of the central government and its (sub)regional administrations after the reform. Key responsibilities of the new bodies of local self-government in the ATCs include public service provision and promoting local development. Much of the respective funding comes from local budgets strengthened due to the ATCs' additional tax collection prerogatives as well as from the central government that provides ATCs with subsidies and transfers, necessary to create new social infrastructure and implement local developmental projects. In 2014-2019, the reform aimed at devolving power mainly from the national to the municipal level. The article claims that this mode of a non-federalist decentralization reform improves Ukraine's resilience against external threats to territorial unity and sovereignty. It also brings Ukraine closer to the EU by way of implementing subsidiarity principles and promoting local democracy. If the reform succeeds, it will constitute a useful case of a decentralized democracy outside the EU that has become more resilient vis-à-vis external and internal challenges. Ukraine's decentralization might even become an example for post-Soviet countries and some EU member states that seek to secure their territorial integrity and devolve power to the local rather than regional level.*

**Keywords:** *decentralization, territorial reform, amalgamation, subsidiarity, local self-government, Ukraine*

Entire version of the paper is available in Russian.

## Bibliography:

- Baller, O. (2017). Korruptionsbekämpfung und Dezentralisierung auf dem Prüfstand des Reformbedarfs in der Ukraine. *Jahrbuch für Ostrecht* 2: 235–268.
- Bernard, M. (2015). Decentralization: A Bottom-up Path Toward Functioning Institutions and Economic Prosperity. *VoxUkraine*. 25 August, [voxukraine.org/en/smart-decentralization-a-bottom-up-path-toward-functioning-institutions-and-economic-prosperity/](https://voxukraine.org/en/smart-decentralization-a-bottom-up-path-toward-functioning-institutions-and-economic-prosperity/) (accessed 9 February 2020).
- Brancanti, D. (2006). Decentralization: Fueling the fire or dampening the flames of ethnic conflict and secessionism? *International Organization* 60(3): 651–85.
- Concept of the Reform of Local Self-Government and Territorial Organization of Government in Ukraine. (2014). *Ministry of Foreign Affairs of Ukraine*. 1 April, [https://mfa.gov.ua/en/news-feeds/foreign-offices-news/21459-koncepcija-reformuvannyamiscevogo-samovryaduvannya-ta-teritorialnoji-organizaciji-vladi-v-ukrajini\\_](https://mfa.gov.ua/en/news-feeds/foreign-offices-news/21459-koncepcija-reformuvannyamiscevogo-samovryaduvannya-ta-teritorialnoji-organizaciji-vladi-v-ukrajini_)(accessed 9 February 2020).
- Decentralization (2019a). U-LEAD, [https://donors.decentralization.gov.ua/en/project/u-lead\\_](https://donors.decentralization.gov.ua/en/project/u-lead_)(accessed 9 February 2020).
- Decentralization (2019b). Map Donor Decentralization, All Projects, [https://donors.decentralization.gov.ua/en/projects\\_](https://donors.decentralization.gov.ua/en/projects_)(accessed 9 February 2020).
- Dreher, A., Fischer, J.A.V. (2009). Government Decentralization as a Disincentive for Transnational Terror? An Empirical Analysis. *IZA Institute of Labour Economics Discussion Paper Series*, 4259.
- Dudley, W. (2019). Ukraine's Decentralization Reform. *SWP Research Division Eastern Europe and Eurasia Working Papers* 1.
- Ehrke, J. (2016). *Zur Stabilisierung fragmentierter Staaten: Dezentralisierung, Entwicklungszusammenarbeit und das Gespenst des Separatismus*. Potsdam.
- European Commission (2014). EU supports decentralisation and regional policy reforms in Ukraine with €55 millions, 27 November, [http://europa.eu/rapid/press-release\\_IP-14-2221\\_en.htm\\_](http://europa.eu/rapid/press-release_IP-14-2221_en.htm_)(accessed 9 February 2020).
- Frey, B.S., Luechinger, S. (2004). Decentralization as a disincentive for terror. *European Journal of Political Economy* 20(2): 509–15.
- Grävingholt, J., von Haldenwang, C. (2016). The Promotion of Decentralization and Local Governance in Fragile Contexts. *DIE Discussion Paper* 20.
- Grindle, M.S. (2009). *Going Local: Decentralization, Democratization, and the Promise of Good Governance*. Princeton.
- Hanuschtschak, J., Sydortschuk, O., Umland, A. (2017). Die ukrainische Dezentralisierungsreform nach der Euromajdan-Revolution 2014–2017: Vorgeschichte, Erfolge, Hindernisse. *Ukraine-Analysen* 183: 2–11.
- Jarábik, B., Yesmukhanova, Y. (2017). Ukraine's Slow Struggle for Decentralization. *Carnegie Europe*. 8 March.
- Kompaniiets, O. (2015). Analysis of Decentralisation Projects in the Context of Resolving the Crisis in Ukraine. *The Copernicus Journal of Political Studies* 1: 148–159.
- Leitch, D. (2016). *Assisting Reform in Post-Communist Ukraine, 2000–2012: The Illusions of Donors and the Disillusion of Beneficiaries*. Stuttgart.
- Levitas, A. (2017). Local government reform as state building: What the Polish case says about «decentralization». *Studies in Comparative International Development* 52: 23–44.
- Levitas, A., Herczyński, J. (2003). Decentralization, Local Governments and Education Reform and Finance in Poland: 1990–1999. In *Balancing National and Local Responsibilities: Education Management and Finance in Four Central European Countries*, Davey K. (ed). Budapest, 113–191.
- Levitas, T., Djikic, J. (2017). *Caught Mid-Stream: «Decentralization», Local Government Finance Reform, and the Restructuring of Ukraine's Public Sector 2014 to 2016*, Kyiv.
- Lukerya, I., Halushka, O. (2016). 10 Ways Decentralization Is Changing Ukraine. *Kyiv Post*. 7 December.
- Martinez-Vazquez, J., Zeikate, S. (2004). Ukraine: Assessment of the Implementation of the New Formula Based Intergovernmental Transfer System. *Andrew Young School of Policy Studies Working Paper*, 8.

- Matsuzato, K. (2000). Local Reforms in Ukraine 1990–1998: Elite and Institutions. In *The Emerging Local Governments in Eastern Europe and Russia: Historical and Post-Communist Development*. Ieda, O. (ed.). Hiroshima, 25–54.
- Myerson, R., Mylovanov, T. (2014). Fixing Ukraine's Fundamental Flaw. *Kyiv Post*. 7 March.
- Ofis Rady Yevropy v Ukraïni (2019). Opryliudneno zvity shchorichnykh sotsioloïichnykh doslidzhen' z tematyky detsentralizaciji ta reformy mistsevoho samovriaduvannia, 5 bereznia, [www.coe.int/uk/web/kyiv/-/reports-annual-national-opinion-polls-on-decentralisation-and-local-self-government-reform](http://www.coe.int/uk/web/kyiv/-/reports-annual-national-opinion-polls-on-decentralisation-and-local-self-government-reform) (accessed 9 February 2020).
- Panizza, U. (1998). Decentralization as a mechanism to prevent secession. *Economic Notes* 27(2): 263–67.
- Poberezhnyj, H. (2006). Decentralizaciya yak zasib vid separatyizmu. *Kpumuka* 10(11): 3–7.
- Rabinovych, M., Levitas, A., Umland, A. (2018). Revisiting Decentralization After Maidan: Achievements and Challenges of Ukraine's Local Governance Reform. *Kennan Cable*, 34.
- Romanova, V. (2011). The role of centre–periphery relations in the 2004 constitutional reform in Ukraine. *Regional & Federal Studies* 21(3): 321–39.
- Romanova, V., Umland, A. (eds). (2020). *Ukraine's Decentralization: Challenges and Implications of the Local Governance Reform after the Euromaidan Revolution*. Stuttgart.
- Shapovalova, N. (2015). Mühen der Ebenen: Dezentralisierung in der Ukraine. *Osteuropa* 65: 143–52.
- Sydorchuk O. (2016). *Decentralization: Results, Challenges and Prospects*. Kyiv.
- Tkachuk, A., Tkachuk, R., Hanushchak, Yu. (2012). *Reforms in the Administrative and Territorial Structure of Ukraine: Lessons of History 1907-2009*. Kyiv.
- Tretyak, Yu. (2019). Pidvyshchennia rivnia konkurentospromozhnosti rehioniv: vyklyky, zavdannia ta perspektyvy, [niss.gov.ua/sites/default/files/2019-06/Третьяк.pdf](http://niss.gov.ua/sites/default/files/2019-06/Третьяк.pdf) (accessed 9 February 2020).
- Umland, A. (2011). Für eine neue Osteuropa-Politik: Europas Weg nach Moskau führt über Kiew. *Internationale Politik* 66(4): 86–92.
- Vaillancourt, F., Roy-Cesar, E., Miller Bird, R. (2010). Is Decentralization «Glue» or «Solvent» for National Unity? *Andrew Young School International Studies Program Working Paper*, 10-03.
- VoxUkraine (2015). Decentralization: Second Try, 16 July. <https://voxukraine.org/2015/07/16/decentralization-second-try/> (accessed 9 February 2020).
- Werchan, R. (2015). Dezentralisierung: Der Weg zu einer effizienteren Regierung, Wirtschaftswachstum und dem Erhalt der territorialen Integrität? In *Ukraine – Krisen – Perspektiven: Interdisziplinäre Betrachtungen eines Landes im Umbruch*. Bakalova, E., Endrich, T., Shlyakhtovska, K. (eds.). Berlin, 187–212.
- Wolczuk, K. (2002). Catching up with «Europe»? Constitutional debates on the territorial-administrative model in independent Ukraine. *Regional and Federal Studies* 12(2): 65–88.
- Zhalilo Ya.A., Shevchenko O.V., Pavlenko I.A., Romanova V.V., Danylyak O.O., Makarov H.V., Rudenko A.F., Baxur N.V., Mar'yanovs'ka V.V., Dvihun A.O., Trypol's'ka M.I. (2019). *Detsentralizatsija vlady: porjadok dennij na seredn'ostrokovu perspektyvu*. K.: NISD.