CONTENTS

INTRODUCTION	7
CHAPTER 1. THEORETICAL FOUNDATIONS, PRECONDITIONS AND PROBLEMS OF THE TRANSITIONAL STAGE OF THE DECENTRALISATION REFORM IN UKRAINE	
1.1 The impact of budget policy on the socio-economic development of subnational jurisdictions in the context of fiscal decentralisation: theoretical discourse	10
1.2. European experience of administrative, financial and political decentralisation	19
1.3. Prerequisites and essence of the decentralisation reform in Ukraine	27
1.4. Problems of regulatory and legal regulation of the decentralisation reform, budget discipline and transparency of the budget process at the local level	40
CHAPTER 2. FORMATION OF LOCAL BUDGET RESOURCES FOR THE DEVELOPMENT OF TERRITORIAL COMMUNITIES	
2.1. Structure and dynamics of local budget revenues	55
2.2. Fiscal instruments for the development of territorial communities in the context of decentralisation	60
2.2.1. Personal income tax in local budgets: dynamics, trends, prospects for reform	60
2.2.2. Local taxes as a tool for filling local budgets	80
2.2.3 Excise tax as a source of local community revenues	84
2.3. Interbudgetary transfers in the structure of local community revenues	87
CHAPTER 3. EFFECTIVENESS OF DECENTRALISATION OF EXPENDITURE POWERS IN UKRAINE	
3.1. Organisation of the functioning of the decentralised public service delivery system	92

public services and the state of their provision with an appropriate resource base	
3.3. Capital expenditures of territorial communities: structure and dynamics	107
3.4. Assessment of the state of decentralisation of local budgets and asymmetries in the socio-economic development of communities	111
CHAPTER 4. REDUCING ASYMMETRIES IN THE FORMATION OF THE BUDGETARY POTENTIAL OF SOCIO-ECONOMIC DEVELOPMENT OF TERRITORIAL COMMUNITIES BY IMPROVING THE ORGANISATION OF INTER-BUDGETARY RELATIONS	
4.1 Theoretical foundations of fiscal imbalances equalisation and building models of interbudgetary relations	119
4.2. The concept of modernisation of intergovernmental fiscal relations in Ukraine in the context of financial decentralisation	124
4.3. Vertical fiscal imbalances and their equalisation in Ukraine. Structure and dynamics of intergovernmental transfers to local budgets from the state budget	137
4.4. Horizontal equalisation of the tax capacity of local budgets and its impact on the asymmetries of socio-economic development of territorial communities	152
4.5. Overcoming fiscal asymmetries and strengthening the financial capacity of territorial communities by optimising the configuration of the basic level of administrative and territorial governance	183
CONCLUSIONS	190
REFERENCES	194
ANNEXES	233

3.2. Powers delegated to local self-government bodies to provide