

## TYPES AND FORMS OF DECENTRALIZATION OF POWER

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**Abstract.** Decentralization is the process of transferring power from the central level to the local level. It is an important component of a democratic society, as it contributes to greater participation of citizens in decision-making, increasing the efficiency of management and development of local communities [1].

Here are six main reasons why decentralization is important:

*Improvement of management efficiency.* Decentralization allows local authorities to better understand the needs of local communities and make more effective decisions. This is due to the fact that local authorities have more contact with local residents and are better informed about their problems and needs.

*Improving the quality of services.* Decentralization helps improve the quality of services provided to local residents. This is due to the fact that local authorities have more flexibility in making decisions about the provision of services. They can take into account local needs and conditions, which allows them to provide better services.

*Increasing participation of citizens in decision-making.* Decentralization helps to increase the participation of citizens in decision-making. This is due to the fact that local authorities have greater responsibility to local residents. They should involve citizens in the decision-making process, which contributes to increasing their participation in community life.

*Improvement of local development.* Decentralization contributes to the improvement of local development. This is due to the fact that local authorities have greater responsibility for the development of their territory. They can design and implement local development programs that take into account local needs and conditions.

*Reduction of corruption.* Decentralization can help reduce corruption. This is due to the fact that local authorities have a smaller scale of activity, which complicates corruption. In addition, local authorities have more contact with local residents, which allows them to control their activities.

*Strengthening democracy.* Decentralization strengthens democracy. This is due to the fact that it promotes greater participation of citizens in decision-making, increasing the efficiency of management and development of local communities.

Decentralization is an important tool for the development of a democratic society. It contributes to increasing the efficiency of management, quality of services, participation of citizens in decision-making, local development and reduction of corruption.

Decentralization can be implemented in various variations, depending on the type and forms of its implementation. For example, the World Bank defines four main types of decentralization [2]:

- political;
- administrative;
- fiscal;
- economic [2].

Political decentralization involves devolving more decision-making powers to citizens or elected representatives. This approach is based on the idea that decisions made with greater participation will be properly reasoned and take into account the diverse interests of society. Implementing this type of decentralization often requires constitutional or statutory changes, as well as strengthening the role of legislatures and creating local political institutions. It is also important to promote the development of effective public organizations and various political parties for better representation of

citizens' interests at various levels of government. [2]

Administrative decentralization is aimed at the distribution of powers, responsibilities and financial resources between different levels of management in order to ensure the provision of public services at the local level [2].

Fiscal decentralization and budgetary federalism play an important role in the financial organization. Budgetary decentralization involves shifting revenue receipts and spending money to a lower level of government, while maintaining financial responsibility. This transition can be accomplished through the regulation of the tax collection system, the establishment of local taxes on property and real estate transactions, and the receipt of interbudgetary transfers from the central government, grants or local loans [2].

The path to achieving economic decentralization includes the privatization of previously state-owned commercial enterprises. Another way to achieve this goal is to deregulate and remove restrictions on private businesses competing with public services in areas such as postal services and education. As an alternative way of development, the transformation of some private companies and corporations from a commercial form to a non-commercial organization is considered [2].

The following forms of decentralization are distinguished [3]:

- devolution;
- delegation;
- deconcentration;
- privatization [3].

The first type of administrative decentralization is known as devolution. This approach involves the transfer of power from central governments to local governments with corporate status. As part of devolution, governments delegate decision-making, finance and governance powers to quasi-autonomous local authorities. This usually involves transferring responsibility for service delivery to municipalities, which have independent powers to manage investments, collect their own revenues, and elect their own

mayors and councils. It is important to note that the system of local self-government has clearly defined geographical boundaries within which local authorities perform their functions and perform state duties. It should also be noted that devolution is an important component of political decentralization [3].

Delegation involves central governments transferring some of their powers and responsibilities related to decision-making and management of government functions to semi-autonomous organizations. It is important to note that these organizations are not completely independent of the central government, but remain under its control. Examples can be state-owned enterprises, regional development corporations or specialized units implementing specific projects [3].

A third type of decentralization, known as deconcentration, is widely used by unitary states. The basic idea is to redistribute responsibilities and financial obligations between different levels of central government. This process may include a simple delegation of responsibilities from the central government to local authorities or the creation of technical administrations on the ground [3].

Privatization is the process of transition of all enterprises, institutions and organizations into private ownership. As part of this process, the state's responsibility for management, use of finances and implementation of social policy is completely abolished. It is also possible to sell means of production, as well as to dismiss or transfer employees to private companies or non-profit organizations [3].

Decentralization is a key tool in building a democratic society. This process contributes to increasing the efficiency of management, improving the quality of services, activating the participation of citizens in decision-making, contributing to local development and reducing corruption.

The variability of decentralization is revealed through its political, administrative, fiscal and economic forms. Political decentralization gives more power to citizens or elected representatives to make decisions.

Administrative decentralization is aimed at the distribution of responsibilities and resources between different levels of government. Fiscal decentralization moves financial resources to a lower level of government. Economic decentralization involves the privatization of part of state-owned enterprises or the deregulation of the economy.

In addition, various forms of decentralization, such as devolution,

delegation, deconcentration and privatization, expand the range of possibilities for the implementation of this process. It is important to consider that decentralization is not just a transfer of powers, but a complex process that requires careful planning and interaction between all levels of government, the involvement of stakeholders and careful consideration of their interests.

**Keywords:** decentralization; management; local community; citizens.

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