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## DECENTRALIZATION IN THE SYSTEM OF NATIONAL ECONOMY MANAGEMENT

**Introduction.** Article deals with the investigation of the theoretical approaches to the notion of decentralization in the system of management of the national economy.

**Purpose.** It has been found that for the effective functioning of the state it is necessary to achieve a rational relationship between centralization and decentralization, change the role, responsibility and powers for local self-government and executive authority.

**Results.** It is substantiated that most of the scientific works are devoted to the study of the issue of decentralization of power, the implementation of reform of public finances, the transfer of power to the place as a guarantee of the development of the national economy.

It is emphasized that the main idea of decentralization is to transfer competence to local government to address local needs issues. Consequently, decentralization is closely linked to the organization of public administration, promotes the building of effective relations between state authorities and local government.

The main advantages of decentralization are: simplified management on the local area, establishing closer connection with civil society, increasing transparency of managerial decisions and raising the level of responsibility to the

territorial community. Considered organizational and legal aspects of introduction of decentralization in Ukraine.

It is noted that the course on decentralization outlines both prospects and implementation problems. Among the main risks of decentralization are the inconsistencies of the development of separate territorial units and strategic goals, the loss of state mobility, reduction of workplaces of the state apparatus, risks of complication of coordination between levels of management.

**Conclusions.** It has been determined that for efficiency and effectiveness of the reform decentralization principles are necessary for wide introduction in the administrative, political, budgetary, financial and social spheres and promote development of human and resource potential, responsibility of the authorities, increase quality provision of state and public services, consolidation of society, solving of economic, environmental, legal, political and other issues. But in general, decentralization plays an important role at the development of democracy and positive changes in society, the transition to institutions based on the initiative and responsibility of the community and the individual.

**Keywords:** *decentralization, management, executive authority, local self-government, types of decentralization, national economy.*

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