

Violetta Roshylo, Candidate of Economic Sciences,
Associate Professor,
<https://orcid.org/0000-0002-9361-9632>
Chernivtsi Institute of Trade and Economics of KNUTE, Chernivtsi

FINANCIAL SUPPORT OF TERRITORIAL COMMUNITIES IN THE CONDITIONS OF ADMINISTRATIVE-TERRITORIAL REFORM: PROBLEMS AND PROSPECTS

Summary

The article is devoted to the consideration of the peculiarities of legislative and normative and institutional support of the process of formation of the basic level of local self-government and transition to the new model of subregional system. The issue of ensuring the financial autonomy of territorial entities is identified, namely: delegation by the state of additional budgetary powers to the level of local government budgets without adequate funding and additional sources of income at the local level. The volume of educational and medical subventions did not meet the need for funds for certain purposes due to the lack of relevant standards of budgetary provision of public services in the field of delegated powers.

It is substantiated that increasing the level of financial independence of local authorities is a crucial factor in the economic development of regions, which will create a financial basis for providing residents of local communities with high quality and affordable public services. The transfer to the level of local self-government of a significant amount of national powers without adequate financial resources requires the introduction of a new model of financial equalization of territorial communities aimed at strengthening their income base. The chosen model of decentralization in Ukraine did not avoid the formation of communities with low resource and financial capacity.

It is proved that expanding and optimizing the sources of filling local budgets of territorial communities, increasing the powers of local governments in managing financial resources and increasing their independence is an extremely important task. Its solution will help increase the level of financial independence of local authorities and the quality of their tasks and functions. The author outlines the directions of optimization of the mechanism of financial equalization of the income base of local communities. Fiscal policy in terms of local finances should be aimed at forming financially viable local governments, as the availability of sufficient funds in community budgets will allow to quickly and efficiently address socio-economic issues at the local community level and promote its further development.

Keywords: budgets of territorial communities, inter-budgetary relations, local self-government, inter-budgetary transfers, decentralization, budget equalization.

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