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**THE ESSENCE OF PUBLIC FINANCES
AND THEIR PLACE IN FINANCING CAPITAL INVESTMENTS
IN CHERNIVTSI REGION**

Summary

The article reveals the essence of public finance as the main tool of the mechanism of regulating financial stability and achieving optimal efficiency of fulfillment of obligations in the process of providing public goods within the financial capacity of the state. After all, in the context of political and financial crises, the military situation in the east, the COVID-19 pandemic, the inadequacy of social development and economic transformation, the need to study the effectiveness of such a regulatory mechanism is particularly acute. The main scientific approaches to the formation of public finance, which should be considered as a basis for purposeful public administration and is characterized by a set of measures to influence the socio-economic development of Ukraine. The factors influencing the amount of public finances and the ability of the state to perform its functions of financing various expenditures and development programs are studied. The main factors that caused the negative trends in the formation and use of public finances, as well as the shortage of public financial resources are identified. In order to study the decentralization direction of local self-government development and the participation of state support for regional development, the dynamics of the total amount of public finances as a source of financing capital investments of Chernivtsi region is analyzed. The task of determining the volume of participation of public finances in the financing of capital investments is realized by carrying out a structural analysis of the sources of financing of capital investments in the region. The main problems of public finances are considered and proposals are presented, the implementation of which will balance the market economy, correctly determine the amount of resources needed for the state, improve the efficiency of formation and use of budget funds, overcome corruption, reduce abuse in tax reporting by businesses, optimize social programs and benefits and have their financial support.

Keywords: public finances, public finance system, consolidated budget of Ukraine, budget deficit, capital investments, state.

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