

LOCAL BUDGETS IN CONDITIONS OF FINANCIAL RESOURCES DECENTRALIZATION

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Investigation of the issue of local budgets of Ukraine in conditions of financial decentralization is important and relevant in modern economic conditions. Today, the development of the country's economy is characterized by changes that have embraced all spheres of life, including the system of local authorities. Their role in the socio-economic development of territories is becoming more and more tangible. Today the situation in Ukraine shows mixed results of financial decentralization, the implementation of which has started since 2015.

The article analyzes the structure of expenditures of local budgets of the Dnipropetrovsk region. It was established that the main items of local budget expenditures during 2013–2017 were the financing of education, social protection and social security of the population and health care.

According to the research results, we can say that all articles of capital spending was a positive growth and increase their funding, namely:

- capital transfers – 3268.1 million UAH, 20.8 times;*
- purchase of equipment and objects of long-term use by UAH 234.5 million, or 1.8 times;*
- Capital construction by 399.3 million UAH, or 4.1 times.*

Such high growth of capital spending of local budgets indicates the positive effects of the reform of intergovernmental relations, because local governments are receiving financial support from the State budget to ensure the development of infrastructure of local communities and increase the interest of local government to improve the living conditions of the population.

In terms of current expenditures, the largest share of expenditures came from payroll taxes and accounted for 41.9% to 22.9%; use of goods and services from 20.6% to 32.7%; other payments to the population from 19.8% to 22.4%; the payments for the consumed energy-financed institutions – from 7.1% to 3.2%.

It is established that local budget expenditures are an effective tool for regulating socio-economic development of regions. Decentralization of financial resources represents another step for the formation of a democratic society in our country.

It is proved that in the financial independence of regions, the correlation between the volumes of the gross regional product, local budget revenues and expenditures from local budgets should be traced. Further progress in this direction will help to strengthen the financial security of local budgets on the basis of financial decentralization and characterize the independence of the country as a whole, its economic development, the level of democracy and citizen's freedom. The Government should evolve successfully and to prosper economically, providing a guarantee of the financial independence of the regions that is an objective necessity of formation of new economic relations.

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