

ASSESSMENT OF FINANCIAL SUSTAINABILITY OF LOCAL BUDGETS OF UKRAINE IN CONDITIONS OF TRANSFORMATION OF INTER-BUDGETARY RELATIONS

The problem of increasing the efficiency of providing local budgets with financial resources in order to fulfill the tasks of sustainable socio-economic development in today's conditions is becoming too acute. The most powerful revenue base is the basis for ensuring the effective development of any administrative and territorial unit, because without sufficient budget resources, local governments are unable to identify and develop the most effective and promising areas of material and intangible production, without which, respectively, it is impossible to obtain good quality public goods and increase the well-being of the communities. The article analyzes the dynamics of changes in the main budget indicators at the local level and highlights the characteristic trends. The scientific and methodological approach to the complex assessment of the financial stability of local budgets is proposed. necessary to step up public policy instruments to attract additional sources of funding in a context of decentralization. The integral indicator of financial sustainability of local budgets of Ukraine in 2019 was calculated and found that in most regions it tended to decrease except Chernihiv, Kharkiv, Mykolaiv, Kirovograd, Kiev, Vinnytsia and Kyiv. The advantages and prospects of using the proposed approach in terms of financial decentralization are substantiated. The qualitative interpretation of the values of the integral indicator, obtained using the method proposed by the author to analyze the financial stability of local budgets, allows to identify the influence of factors on its changes and assess the financial condition of local budgets for the future. However, the growth of the integral indicator for such regions was primarily due to a slowdown in the rate of increase of expenditures compared to the similar indicator for the local budget revenue. The persistence of such a trend may not only represent the adaptive nature of the emergence of internal budgetary imbalances, but also suggest the possibility of partial preservation in the budgetary process of conservative orientation to the appropriate extrapolation of budgetary indicators.

Keywords: local budgets, financial sustainability, intergovernmental relations, financial decentralization, public policy.

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