

Main trends in formation and use of financial resources of Chernivtsi budget in conditions of increasing financial autonomy

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Effective development of regional branches of the economy and improvement of living standards at the regional level is impossible without ensuring of financial autonomy of local authorities; and thus, the task of ensuring of financial autonomy of local authorities is urgent as the dependence of most local budgets on subsidies prevents these territories' economic development and causes a significant pressure on the state budget.

Growth of theoretical and practical needs in identifying and activating the latent budgetary potential of territories for the financial autonomy of local authorities promote the enhancing of local governments' role in public life in terms of democratic society.

Ensuring the financial autonomy of local government should become one of the main elements of the reformation of Ukraine local finance, which is oriented to better satisfying of needs and interests of local communities, improving the efficiency of financial activities of local government and intensifying the economic and social development of administrative-territorial units.

The finance autonomy of local government is the most important indicator of democratic processes in the society. According to the European Charter of Local Self-Government, local authorities have the right to possess own sufficient financial resources, which they may freely dispose.

Real state of financial support of local authorities to perform functions and tasks within their own competence and implementation powers delegated by the central government is extremely complex. Analysis of statistical data confirms that the largest share belongs to reception of state tax payments which are not actually related to their own activity of local communities. Instead, the resources transferred to local authorities for implementation of delegated powers in the form of transfers do not meet their competence. This largely contradicts democratic mechanisms of the market economy, principles of planning and management of financial resources of local communities, declared in the national budget and tax legislation and European standards of law.