

FISCAL POLICY OF STIMULATION OF THE MOUNTAIN AREAS DEVELOPMENT UNDER DECENTRALIZATION

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Current national financial policy is carried out in the plane of the intergovernmental transfers that is actually the state finances the costs of local authorities at the expense of providing various types of subsidies, transfers, subventions and the like. The article substantiates that the state in the implementation of financial policies in mountain areas should radically change the investment objects. The idea is that the object of state support for mountain regions should be local authorities and companies and people who are in these areas. It is necessary to eliminate the mechanism of intermediaries in the placement of budgetary funds that should come of the State Treasury channels. State regional and fiscal policy through a system of transfers should not "lock" on the lining of the socio-economic development of territories, and should be aimed at supporting "points of growth" of these territories as limited fiscal state capacity can only lead to a "levelling of all poverty", that is, it is about creating a favourable investment climate in these areas. On the other hand, the equalization grants, in our opinion, cannot be considered as an effective tool for overcoming depression of mountainous areas, since they are aimed at overcoming disparities in financing only the current needs. But targeted subventions for implementing investment programs, as well as subventions for the promotion of regional development can become a direct and effective means of improving the depressed regions.

Today the system of financial support for the development of mountain areas should be carried out in three major directions. The

first – is the support from the state budget. Second – is the use of regional budgets and the budgets of local self-government for the development of its territory. The third – is the attraction of the purposes of socio-economic and environmental development of extra-budgetary resources in the region through its participation in the programs of regional projects of local businesses, citizens, public organizations and the like.

It is proved that budgets remain the main source of financial support for the development of mountain areas, but to date for various reasons it does not provide a framework adequate to the needs of such a development. So now we should talk about the modernization and improvement of budgetary relations in order to create an effective mechanism for the development of mountain areas, which is possible by carrying out a complex of organizational measures, in particular, obtaining rights also to be a controller of budgetary funds by local authorities in the implementation of investment projects at the expense of the state budget, optimizing the operation through the creation of regional development agencies, attracting to the active participation in regional programs local communities, non-governmental organizations, businesses and their associations as the managers of budgetary funds, as well as members of regional development agencies. All these measures are aimed at the organizational restructuring of the system of functions, competences, rights and obligations of the mountain of local communities in the implementation of regional development policy.