

FINANCIAL STABILITY OF LOCAL BUDGETS AS THE FACTOR INFLUENCING THE INVESTMENT ATTRACTIVENESS OF THE REGION

Stehnei M.I.

Doctor of Economic Sciences, Associate Professor,
Professor at Department of Finance,
Mukachevo State University

Lintur I.V.

Candidate of Economic Sciences,
Senior Lecturer at Department of Finance,
Mukachevo State University

This article explores the impact of the financial sustainability of local government on investment attractiveness of Transcarpathian region. The analysis of methodology for assessing the financial stability of the regional budget as a centre of investment allocation is done. The problems in the reform of the budget system at the regional level are determined and the possibilities of overcoming adverse conditions in order to attract investments in Transcarpathian region are outlined.

In the establishment and development of market relations in Ukraine and rapid activation of decentralized processes, a study of problems of investment attractiveness of regions, ensuring the transition to higher quality, innovative and investment type of growth, which is based on large-scale investments, acquires a special significance.

We believe that in the near future, the role of investment, particularly innovative character, will dramatically increase because they are the basis for stable and sustainable economic development, which in turn would reduce the gap in key macroeconomic

indicators between Ukraine and developed countries and create conditions for a decent accession to the European Union.

The article is to study the financial sustainability of local government as a factor of influence on the investment attractiveness of the region and to determine means and ways to improve it.

Based on the research findings, we concluded that the formation of a favourable investment climate requires developing the program of investment development of the region based on an integrated analysis of financial stability of local budgets. Improving the investment climate will not only provide normal working conditions for investors but the future development of the area. There is no another way for sustainable economic development and welfare of the population.

Prospects for further research are seen in the search for effective approaches to overcome the factors deterring investment flows, becoming an effective investment mechanism for the development of priority sectors and economic restructuring of Transcarpathian region.