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DECENTRALIZATION AS A PREREQUISITE FOR SUSTAINABLE RURAL DEVELOPMENT

The current socio-economic situation of rural territories of Ukraine is characterized by problems that hinder their transition to sustainable development. In particular, production in agriculture has not reached the pre-reform level, there preserves tendency of resourcing potential of agriculture, formation of economically active subjects of rural businesses is incomplete. Demographic and ecological situation worsens, destruction of social infrastructure continues, life expectancy of the rural population reduces. European integration of Ukraine actualizes decentralization of power as a prerequisite for transition of functioning of rural areas to the principles of sustainable development. The article is devoted to the financial sustainable rural development in terms of decentralization. There are the problems of local self-government and territorial organization of power in Ukraine. The content and the need for decentralization of power in Ukraine are revealed. The author characterized feasibility of introducing elements of program budgeting for rural budgets through

the effective implementation of the decentralization process. There was conducted an effective monitoring of the Budget and Tax Code of Ukraine and the draft amendments on fiscal decentralization. The author characterized advantages of providing rural financial budgets in the decentralized manner. Increased autonomy of local budgets and budget efficiency is possible through widespread introduction of result-oriented budgeting and execution of local budgets. Increasing the share of local budget revenues under decentralization strengthens the financial capacity to provide local budgets, but the availability of funds in the overall local communities does not guarantee the success of their development given their limited capacity of making decisions on the use of these funds. The wider range of political functions merged municipalities can perform, the greater their autonomy in matters of realization of political power is. At the same time, with increasing amounts of available financial assets, the range of functional activities expands as well.