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CONCEPT OF BUDGETARY MECHANISM OF LOCAL FINANCES

The main element of the budget mechanism of social and economic development of the region is a set of local budgets (for the region) or local budget (for the local community). The local (regional) budgets are formed and implemented within the declared fiscal policy. Respectively, fiscal policy is implemented through the budget mechanism. The authors studied the issue of fiscal policy, which is a real reflection of the strategy and tactics of state agencies and local authorities in the public sector. The article highlighted the subjects of budget policy. It is noted that the regional budget policy is one of the key areas of general social and economic policy in the region. Fiscal policy should be harmonized with other areas. Otherwise, fiscal policy can not effectively influence the parameters of socio-economic development.

The analysis proved that budgetary mechanism of local finance and budget mechanism of social and economic development of the region are related as a part to the whole. If in the first case the focus is placed on the performance of certain admin-

istrative actions of regulatory and technical nature, in the second case – the ability of budgetary mechanism to significantly influence the development of social and economic life of the region (particularly, through the use of special procedures for developing, adopting and implementing the budget decisions) is emphasized.

It is determined that the budgetary mechanism of socio-economic development of regions will only be effective if its mentioned components, being highly dependent on each other, operate on the basis of efficiency, the interest of the administration to achieve the final results, based on a sound methodology.

In terms of implementing the policy on decentralization of budget management, the authors stress that it is important to ensure a fair, impartial and effective system of national budgetary control over leveling of socio-economic status of the region, enhancing the role, importance, prestige and adaptation of local budgets in stimulating self-governance of regional communities.

Strengthening the positive impact of local budget on the dynamics of socio-economic development of the region (local administrative unit) will be resolved through full implementation of functions of local finance budget management.