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LEGAL REGULATION OF FINANCIAL SUPPORT
OF LOCAL COMMUNITIES DEVELOPMENT IN UKRAINE
IN TERMS OF FISCAL DECENTRALIZATION

Ukraine has already made the important steps on the way to the reforming of the local government: the process of the communities' amalgamation, decentralization of the public administration and finance has started, the series of laws and regulations, governing the legal regulation in this field has been approved, the budgetary, fiscal and tax reforms have been implemented, that have consolidated the financial foundation for the sustainment of communities. However, the important issue today is to further improve the legal framework for the financial support of the local communities' development, because such development is provided not only by the local governments but also by number of other entities, which contribute, according to their interests and powers, to this development, or hinder it.

The object of this article is generalization of transformation of the legal framework for the financial support of the local government in Ukraine over the last years, and determination of this basis of the legal factors of the effective financial support of the further development of the homeland local communities.

The objective of the article is definition of the transformation of the legal principles of financial support of the local communities' development, which have already taken place in modern Ukraine, and which are necessary for the significant improvement of situation.

The article generalizes the transformations of the legal principles of financial support of the local government, that have taken place in Ukraine over the last years and clears up their general positive effect on the local communities' development. The attention is drawn to the inconsistency of the motivational factor for stepping up the activities of the local government, which is manifested in the relation between the their right to use the funds, additionally attracted to the local budget and, at the same time, the right to receive the subsidies from the national budget in case of lack of funds. The results of the local government's reform, particularly, the budgetary, fiscal decentralization and the legal principles, contributing to the process of the voluntary amalgamation of the local communities are analyzed. The role of the agents of financial relationship in support of the local communities' development is clarified

and the need for legal confirmation of the appropriate principles in the charters of the local communities is justified.

The analysis of the legal foundations and framework of the financial security of the local government shows that the processes of the budgetary, fiscal decentralization that are now launching in Ukraine, are generally contributing to the formation of the viable local communities. The amalgamation of the local communities, intended to improve their financial situation, is also positive in this context.

However, these are only the individual elements of the legal regulatory device of the financial support of the local communities' development, which are unable to bring the significant results without harmonious functioning of other elements. Thus, the development of the local communities requires the systematic approach, which means taking into account and certain regulation of the role of all agents of financial relationship at the local level – from the public authorities to the certain specific individuals or their associations and businesses. One of the tools, which can be used to this end, is the charter of the local community and, in particular, inclusion in its provisions of the principles of the effective financial support of the local communities' development, proposed in this article.