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CONCEPTUAL APPROACHES TO THE CLASSIFICATION OF THE RANGE OF PROBLEMS CONNECTED WITH THE INTERBUDGETARY RELATIONS REGULATION

Theoretical principles of classification of problems connected with financial relations in the interbudgetary sphere are revealed, a number of principles and criteria for their rational systematization is offered. It will allow to activate the process of the effective regulation of interbudgetary relations in Ukraine.

Key words: budget, budget resources, budget system, local budgets, inter-budget relations, financial mechanism.

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КОНЦЕПТУАЛЬНІ ПІДХОДИ ДО КЛАСИФІКАЦІЇ ПРОБЛЕМАТИКИ РЕГУЛЮВАННЯ МІЖБЮДЖЕТНИХ ВІДНОСИН

Висвітлено теоретичні засади класифікації проблем фінансових відносин у міжбюджетній сфері, запропоновано низку принципів та критеріїв для доцільної їх систематизації, що в подальшому дозволить активізувати процес ефективного регулювання міжбюджетних відносин в Україні.

Ключові слова: бюджет, бюджетні ресурси, бюджетна система, місцеві бюджети, міжбюджетні відносини, фінансовий механізм.

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КОНЦЕПТУАЛЬНЫЕ ПОДХОДЫ К КЛАССИФИКАЦИИ ПРОБЛЕМАТИКИ РЕГУЛИРОВАНИЯ МЕЖБЮДЖЕТНЫХ ОТНОШЕНИЙ

Освещены теоретические основы классификации проблем финансовых отношений в межбюджетных сфере, предложен ряд принципов и критериев для целесообразной их систематизации, что в дальнейшем позволит активизировать процесс эффективного регулирования межбюджетных отношений в Украине.

Ключевые слова: бюджет, бюджетные ресурсы, бюджетная система, местные бюджеты, межбюджетные отношения, финансовый механизм.

Formulation of the problem in general and its connectivity to important scientific and practical tasks. Nowadays the process of the effective regulation of interbudgetary relations is an important component of accelerated development of economy of Ukraine on the whole. This process is impossible without the classification solution of one of the most actual applied problems being the effective instrument of economic management and important basis for the financial support of plenary powers of public and local authorities in the process of constitutional obligations discharge. Presently the choice of principles and criteria is the key question of classification of the problems concerning mutual relations in the interbudgetary sphere. The problems can be systematized according to them. The solution of this task will enable to activate the process of the effective regulation of interbudgetary relations in the market management.

Analysis of recent studies that explore the problem. Theoretical and practical bases of interbudgetary relations are investigated by Ukrainian scientists, namely O.D. Vasylyk, E.I. Boyko, V.D. Bazylevych, M.Sh. Goryn, O.S. Drozdovs'ka, E.V. Zhemerenko, O.P. Kyrylenko, S.Yu. Colodij, V.I. Kravchenko, M.I. Kul'chytskyi, Ts.G.Ogon', A.N. Shvetsov. However, it is necessary to notice that optimal principles and approaches to the classification

and diagnostics of the problems existing in the interbudgetary sphere are not completely developed presently that would meet the requirements of the times and enable to enrich functioning groundwork.

The main material of research with complete justification of scientific results. The purpose of our research is to reveal and classify the basic financial- budgetary problems, related to the processes of interbudgetary relations reformation in Ukraine. In order to prepare efficient and adequate regulatory mechanisms of interbudgetary relations in Ukraine the problem of their optimal provision in the current market conditions are studied. The classification is suggested to systematize these problems.

Classification of problems providing the effective mechanism of interbudgetary relations regulation:

1. According to the content:

- 1) political (problems related to the unstable political situation in the country);
- 2) legal (problems related to the lack or imperfection of legislative and regulatory framework);
- 3) economic (problems related to the level of economic development of country regions);
- 4) social (problems related to the level and quality of population life);
- 5) program-information (problems related to the insufficient level of the program-information support of regions);
- 6) methodical (problems related to the poor methodology of calculation of transfers volumes).

2. According to the character of influence:

- 1) direct influence (problems which have direct influence on providing the effective mechanism of interbudgetary relations regulation);
- 2) indirect influence (problems which have indirect influence on providing the effective mechanism of interbudgetary relations regulation).

3. According to the level of influence:

- 1) external (problems related to the external factors, e.g. political situation in a country, imperfection of legislative base);
- 2) internal (problems related to the specificity of a certain region).

4. According to the character of detection:

- 1) conceptual character (problems which appear in a theoretical plane on the stage of the formation of strategy, mechanism and instruments for providing the optimal regulation of interbudgetary relations);
- 2) practical character (problems which appear on the stage of the realization of financial mechanism of interbudgetary relations regulation).

5. According to the breadth and scale of impact:

- 1) state (the problems of federal character (functioning of forms and methods of the budgetary regulation inherited by Ukraine from the USSR));
- 2) interregional (problems which appear in the sphere of interregional relations);
- 3) regional (problems which appear in a regional plane and are related to the individual features of region).

6. According to the sources of origin:

- 1) problems-reasons (problems which encourage the reformation of interbudgetary sphere);
- 2) problems-consequences (problems which will arise in the course of realization of interbudgetary relations reformation).

In order to define priorities as to the degree of their influence on the development of interbudgetary relations in Ukraine, in our opinion, it is worth drawing the problem tree (by

their structuring on problems–reasons and problems–consequences) which encourage their optimal solution.

To the problems-reasons one should refer: functioning of forms and methods of the budgetary regulation inherited by Ukraine from the USSR; imperfection of mechanism delimitating the profits among the different levels of the budgetary system; absence of competition among the local authorities; imperfection of balancing mechanism of plenary powers on different management levels aimed at the prevention of their interference with market relations; reduction of efficiency of the obtained funds, the development of «consumer» moods on the part of local authorities; the lack of powerful legislative base; restriction of local authorities to impose their own taxes and to set tax rates independently; underestimation of existing revenue sources and increasing of spending needs by local authorities.

Problems-consequences include: dependence of budgetary decentralization potential on the historically formed features and specificity of its development; lack of material and financial basis for reforming; the impossibility of the state to create the conditions necessary for the population mobility and capital increase aimed at strengthening of interregional competition mechanisms; possible corruption influence on the efficiency of functioning of economic public sector; excessive centralization in the financial resources usage created on certain territory; the existence of negative external factors like «bureaucratic red tape»; the possibility of hard competition to appear because of conflict of interests of some regions; less equipped regions will not be able in full to refuse from the financial help from center, powerful regions will strive for greater autonomy instead.

It's important to note that the above-mentioned problems-reasons reflect the most acute problems which require immediate intervening in the interbudgetary relations system that exists nowadays. However, problems-consequences show the most probable problems which local authorities will be confronted with in the making of basic principles of financial decentralization. Consequently, the development of the above-mentioned problems classification will enable to minimize their negative influence on the processes that affect the independence of local budgets in the future.

At the same time the problems under consideration one should divide into three spheres in relation to the effectiveness of implementation of the budgetary programs.

Problems which appear in the process of co-operation of elements of the system «territorial society – region» are referred to the first sphere. Presently the situation exists connected with disproportionate and inefficient distribution of public benefits and services which is differentiated as to the territorial sign. These divergences, in their turn, cause different availability of equipment of regions and, therefore, territorial societies, with common good. These divergences must be small enough not to cause extremely appreciable differences in citizens' possibilities in the sense of the development of their personality and living chances. It means that Anthony Downs' principle must be stuck to. It says that “public good is good that provides indivisible benefits, and because of its existence everyone can use it regardless of how many people benefit from it”. Every individual notwithstanding the place of living must have nearly equal possibilities of development and living conditions, due to transport situation, quality of collective and public services and the level of social infrastructure development etc [2].

The problems of relations between the state and regions belong to the second sphere. In the first place it's due to the considerable centralization of budgetary sphere left to us since Soviet times. Such state of affairs causes the formation of stable financial dependence of local authorities on money injections from center and does not provide sufficient motivation in expansion of their profitable base. Local authorities are not interested enough in the increase of inputs to their budgets.

The formation of local budgets provides for considerable centralization. It encourages the employees of local authorities to inactivity. This problem is rather weighty in Ukraine. It

was noted not once that local organs of different power levels have little stimuli to increase the professional level of activity.

The improvement of the system of activity indicators has already risen the level of accountability and responsibility in lots of power organs. These data stimulate the citizens to demand the responsibility of power organs for the insufficient level of services, at the same time the organs of power also need financial and other stimuli for providing the leading role in the process of reformation.

Obviously, such situation appeared due to substantial defects in a domestic budgetary sphere. The imperfection of a legislative base in conditions of its own budgetary system making, search of optimal mechanisms of its balancing, regulation of interbudgetary relations mechanism, caused undesirable effect. As a result, we got the unsettled income list of every budget type. The instability of profitable base of local budgets made the process of the effective budgetary planning and the determination of policy of local authorities in a prospect impossible.

Besides, an important condition is not fulfilled, namely local taxes and fees must become the basis of income. The present structure of local budgets filling can not be considered perfect because the part of local taxes and fees is small [3].

The third sphere lies in an interregional plane and is expressed in lack of competition among the local authorities.

Classification of problems according to the spheres of activity does not mean that they are separated from each other. Borders among the spheres often have conditional character, and certain interbudgetary problems are caused by the processes which serve like the regulator of co-operation between the territorial society and region, of relationship among regions and the state and regions as well.

Conclusions. The clear differentiation of interbudgetary problems will enable in the future to develop a set of instruments, methods and influence facilities for their decision. In its turn it will allow to establish and activate the effective process of interbudgetary relations regulation in Ukraine. The establishment of such approach to the determination of the interbudgetary transfers will favor the increase of transparency and objectivity of budgetary process. Following an adoption of the new approaches to the differentiating of profitable sources between the state and local budgets, determination of charges on the realization of plenary powers and interbudgetary transfers, bringing calculations for budget formation separately to every city of regional value, district and regional soviet local budgets will become more independent, stable and predictable in the decision of current problems.

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