

Risks to the economic security of the region from the implementation of budget decentralization

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Abstract

Impact of budgetary decentralization on the economic security of the region is clear. More economically active communities will obtain resource base an expansion, as most of their income will remain in local budgets. Communities of isolated rural district budgets that have a narrower tax base, where ability to collect new taxes is much smaller, feel the negative effects of the reform (more stress), as the resource base of such budgets will only be reduced. The essence of the economic security of the region in terms of budget decentralization lies in the ability and capability of economy to ensure the quality of population life at the proper level, socio-economic and socio-political stability, prevent emergence and counteract the impact of internal and external threats at the optimal cost of financial resources and their rational use.

Keywords: economic security of the region, budget decentralization, risks of budget decentralization implementation, ensuring economic security

Economic security of a complex entity such as a region cannot be determined only by the state territory's economic system. Achieving economic security at the regional level is hampered by a number of unresolved issues. Thus, economic security of regions is threatened not only by legal insolvency of many issues, destruction of scientific and technical potential, lack of environmental protection system, migration of human resources, shadowing of the economy, growth of economic crime, territorial disparities and low professional competence of management but the main thing is the lack of security priorities in their social and economic development.

Ensuring economic security of the regions should become the most important function of the state in terms of budgetary decentralization, and at the local level, it is possible to confront some of its threats. Realization of opportunities to achieve the level of economic security of the region is influenced by many factors (threats): economic, political, psychological, scientific, technical, social and many others, which understand the cause and effect relationships existing in the system security, and are the driving force behind opportunity transformation into reality and maximize efforts to use internal reserves.

To assess the ability of the regional economic system to counter threats, it is necessary to analyze: structure of threats to the economic security of the region; sources of threats; negative effects of threats. Sources of danger are conditions and factors that, under certain circumstances, manifest hostile intentions, harmful properties that are destructive in nature.

In the current environment, economic policy should be aimed at strengthening the financial position of regional economic entities and increasing their self-sufficiency through fiscal decentralization. In economic terms, budget decentralization aims to increase efficiency of the budget system by delegating powers to the local authorities and autonomy in decision-making when generating revenues and using budgetary resources. Decentralization of

budgetary resources enhances the incentives to eliminate shadow business in a particular territory, as the mechanism of distribution of funds and openness of political decisions in the interests of the territorial community becomes more transparent, which will significantly strengthen economic security at the regional level.

A rational approach to spending the budget means minimizing the budget deficit. Successfully conducted budget decentralization contributes to the financial capacity of the territory, activation of investment activity, stimulation of entrepreneurial activity, which ultimately strengthens the economic potential of the region [14, 69].

At the same time, while characterizing budgetary decentralization as a positive progressive process, the problems it can create must also be taken into account.

In particular, in the context of decentralization, it is more difficult to reconcile the local needs of individual territorial communities with the macroeconomic goals of the entire state. Excessive decentralization of the budget system complicates the implementation by the state of such a function as stabilizing and redistributing revenues through the budget and managing the budget process in general, since it is more difficult for the central government to decentralize responsibility for tax sources than for local budget expenditures. In the face of financial and economic instability, the goals of the state and regional authorities in the implementation of budget policy may have different priorities, and equalization of budgetary security may be ineffective, which will lead to increased differentiation of regional development. Transfer of spending power to the regions and the right to set local taxes independently is advantageous, above all, for high-income regions, because the opportunities to provide public services in the "rich regions" will continue to be higher than in the "poor regions" that is, economically powerful regions and further become stronger.

Therefore, when extending the powers of local

governments to make management decisions about budgeting and use, it is necessary to understand clearly the benefits and risks of budgetary policy implementation, to determine the necessary and sufficient level of its implementation, since

deepening of budget decentralization is capable of promoting horizontal regional budgeting. cause horizontal budget imbalance in future; the readiness of the central government of the state and society as a whole for such changes.

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