

**INTEGRAL ASSESSMENT OF FINANCIAL POTENTIAL  
MANAGEMENT IN UKRAINE**

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In this paper the financial potential of the region as an economic category, based on which should formed the financial relations between the state and the regions is grounded. The main attention is paid to the determination of the sources of formation of financial potential of households.

**Key words:** financial potential households in the region, directions of improving the efficiency of households in the region.

*Statement of the problem and its relationship with important scientific and practical tasks.* National economic system of Ukraine is a composite socio-economic complex, regional components of which significantly affect on resolving of their territorial and national problems. The concept of sustainable socio-economic development requires a balanced resolving of socio-economic problems, problems of saving the favorable state of the environment and natural-resource potential in order to satisfy the vital needs of present and future generations in each region.

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Sustainable social and economic development of Ukraine determines the relevant principles management of the economy and social sphere in the regions.

In forming of market economy the role of the region should be much higher than it is today. Because a separate territory performs important functions such as creation of material, labor, scientific conditions of industrial activities, providing habitats and organizing way of life, leisure, education and rehabilitation of people. The social division of labor leads to the formation of the regional structure of the national economy as a system of economic entities in the selected territories.

In modern terms the importance of management regional finances in terms of stabilizing the economy is growing. Effective their management is particular relevance in the context of limited resources when the need of rationalizing and improving the efficiency requires of search new solutions and principles that would advance the existing system in Ukraine with world standards.

With the adoption of the Budget Code in the Ukraine activated the issues on the rational distribution of regional financial resources according to the priorities of development the territories and ensuring of maximum efficiency of use of public funds. But in the study of socio-economic orientation of local budgets of recent years can be traced increasing in spending these means while reducing the level of funding of social sphere and economic development slowdowns. Thus takes place discrepancy in the growth of actual expenditures of local budgets to the current state of socio-economic development. Nowadays no single approach to the definition of "regional finances", no practical mechanism for managing regional financial resources, which leads to large their dispersion and complicates control over them; no clear optimization of structure of financial resources by sources and directions for their use.

*Analysis of recent publications on the issue.* An important contribution to the study of nature management of regional finances made such prominent

scholars as A. Smith, J. St. Mill, F. Modigliani, M. Miller, A. Kraus, J. Scott, R. Litcenberg, I. Kim, S. Myers, N. Meylaf, G. Donaldson, M. Gordon, S. Grossman, O. Hart, M. Harris, A. Raviv, R. Schulz, G. Jarrel, J. Gitman, J. Van Horn, D. Garner, J. Simmons, R. Owen and others.

The problem of rationality of regional governance was studied by many domestic economists, including H. Voznyak, A. Halchynsky, Y. Hladky, V. Heyets, M. Dolishniy, B. Zablotsky, V.V. Zymovets [4], S. Ishchuk, O. Denys, M. Dolishniy, A. Yepifanova, A. Kalytenko, A. Kinakh, I. Kaminska, T. Klymenko, O. Lytovchenko, O. Lyutkevych, A. Epifanov, V. Popovkin, W. Izard, M. Kozoriz, U. Sadova, V.S. Svirinsky [5], I. Yaremko and many others.

***Formulation of research objectives.*** However, the results of the spent research can not fully satisfy the theory and practice of management of regional finances. Without attention is the problem of stabilizing the social and economic development of regions as a factor in rational management of regional finances in the Ukraine in the post-crisis period, because no new approaches to the management by territories; not enough developed a comprehensive assessment of territorial level of development; no analysis of tools of the regional financial policy; not identified key factors and criteria that influence on this process.

***Presentation of the main results and their justification.*** Just regional finances designed to promote development of the territory based on increasing production efficiency hotel and restaurant industry, agriculture, trade, tourism, and with it the growth of employment, reducing unemployment in the region, attracting investments in the economy of region.

Now to the fore obtained the problem of in-depth studies of regional finances, their nature as an economic category, on the basis of which are formed financial relations between economic entities within the region, outlines the

strategic directions of their development, based on financial policy of the state, evaluation the level of social and economic development of the region. It consists in the fact, in practice, regional management there is no single set of indicators that comprehensively describe the state of regional socio-economic policies and not created a universal model of regional development.

The second problem relates to the lack of system performance, which is not only a choice of selected economic indicators, but also defines interrelationship between them. The third problem is the lack of a unified approach to the units in which are presented the main economic and financial indicators of the region.

The importance of these problems and the lack of solid theoretical studies have defined objectives and main tasks of scientific research.

The financial resources of the region are created by the sources that fill it. However for determining financial possibilities of the region in ensuring the socio-economic development is not enough. It is important to determine its real and potential financial opportunities. Since in domestic economic literature there are various definitions of the economic substance of such concepts as "real financial opportunities", "potential financial opportunities" of entities, we consider it appropriate to justify own interpretations of such terms in relation to the definition of financial opportunities in the region:

- real financial possibilities determined by the volume of all funds received for a specified period of time from sources that shape it, and the disposal of the local authorities and they can be used for socio-economic development of the region;

- potential financial opportunities the region represent the estimated value of the total volume of financial resources that can be received in the result the effective use of all the sources that it fills, introduction of new technologies

innovative processes of improvement of the system of management of financial resources of the region.

Since each of the designated groups of subjects the regional economy (enterprises, population, financial intermediaries and other categories that fill the budget of the region) can form their own financial potential, using the best achievements in the field of financial resources management at all stages of implementation of production and economic processes. Financial potential of any of them can be represented by:

The financial potential of the region (country) = Actual financial potential +  
real financial potential + prospective financial potential.

Actual financial potential = (Gross regional product + legal entities revenues +  
individual income + deposits of individuals and legal entities)

\* inflation index for some periods.

Real financial potential = (Gross regional product – gross regional costs) +  
(legal entities revenues – individuals costs) + (individual income  
– individuals expenses) \* inflation index.

Prospective financial potential = (Savings of individuals and entities +  
cost of fixed assets + value of minerals of the region +  
revenue potential of the region using natural-climatic  
and innovative capabilities) \* inflation index.

Exploring the financial possibilities of regions in the future, it is important to consider also unused in the production and economic circulation of such resources of territory as the availability of natural resources, mineral resources, which at the current time is used to create new business structures and widening the sphere services to citizens and business entities. Assessment of financial possibilities of the region to use unused at the moment of research of its natural and industrial-economic resources should be based on predicted calculations the

feasibility of their use for a specified period of time, taking into account costs to implementation. The methodology for calculating these measures involves the use of methods for assessing the effectiveness of investment projects related to attracting new sources of financial potential forming.

Thus, increasing the financial potential of the region is directly dependent on the results of activity of subjects the regional economy and efficiency of the system of financial resources management at all stages of production and economic activity.

A key role in the reception of financial interrelations between basic subjects of the economy that arise in the process of filling the regional budget belongs to the State Tax System. Taxes paid by all subjects of national, including regional economy, according to the regulations and rules established by the current legislation of Ukraine.

***Conclusions and recommendations for further research.*** Financial and economic relations, which thus arise between entities, regions and national economy are set and regulated by the state.

From tax policy of the state depends formation not only financial potential of the regions, but also the national economy as a whole.

As a result many researchers the main drawbacks of the national tax system is unsettled of financial relations between the state and the regions, the excessive centralization of the tax system, its direction at filling the state budget with subsequent redistribution of income between regions.

Thus, the methodological approach makes it possible to evaluate the results of activity of the regions according to the requirements of market economy, that will force local authorities to include not only active search for financial resources necessary for strategic and operating objectives of social and economic development, but also in ensuring their effective use.

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