

FINANCIAL POLICY IN ENSURING THE DEVELOPMENT OF TERRITORIAL COMMUNITIES: THEORETICAL AND METHODOLOGICAL ASPECTS

VOZNYAK Halyna

*Doctor of Economics, Professor,
Leading Researcher, Department of Regional Financial Policy, M. Dolishniy
Institute of Regional Research of National Academy of Sciences of Ukraine,
Professor of the Department of Economics and Public Administration
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0003-2001-0516>*

HOLYNSKYY Yuriy

*PhD in Economics, Associate Professor,
Associate Professor of the department of Financial Management
Ivan Franko National University of Lviv
ORCID ID: <https://orcid.org/0000-0003-2724-5027>*

Abstract. *The article reveals the theoretical and methodological foundations of the financial policy of development of territorial communities. The author's approach to understanding the essence of this concept is substantiated. It is proved that this concept is an integrated, comprehensive type of policy which generalizes several areas and is revealed by a logical combination of the following components: a) taking into account the interests of local financial policy actors and their role in ensuring economic growth of territorial communities; b) determining the directions of formation and efficient use of financial resources; c) implementation of measures aimed at achieving the strategic goals of local economic development. The principles, functions and tools for implementing such a policy are specified. The strategic and tactical goals of the financial policy of community development are defined. It is argued that the financial policy of ensuring the economic growth of territorial communities in conditions of instability should be adaptive, sustainable and focused on achieving the goals of local economic development, supporting the population, business and critical infrastructure. The measures for implementing financial policy in the context of its structural components (budget, tax, investment) are specified. The study emphasizes that, given the security challenge, financial policy for different types of communities cannot be unified and should take into account: the geographical location of the community, flexibility in the distribution of public funds, cost optimization, support for critical facilities for the livelihood of residents, interaction with international partners, etc.*

Key words: *financial policy, territorial community, development, economic growth, war, instability, budget policy, instruments.*

Negative trends caused by the war are causing destructive changes in the financial and economic system of territorial communities and increasing the risks of their economic growth. Therefore, it is time to find effective mechanisms to ensure the economic growth of

communities, among which financial policy can take a prominent place and become one of the important components of regulation and a tool for managing economic and social processes. In view of this, the issue of substantiating the theoretical and methodological foundations of financial policy is timely.

The purpose of the article is to deepen the theoretical and methodological foundations of the study of financial policy for ensuring the development of territorial communities in conditions of instability.

The article reveals the theoretical and methodological foundations of the financial policy of development of territorial communities. The author's approach to understanding the essence of this concept is substantiated. It is proved that this concept is an integrated, comprehensive type of policy which generalizes several areas and is revealed by a logical combination of the following components: a) taking into account the interests of local financial policy actors and their role in ensuring economic growth of territorial communities; b) determining the directions of formation and efficient use of financial resources; c) implementation of measures aimed at achieving the strategic goals of local economic development. The principles, functions and tools for implementing such a policy are specified. The strategic and tactical goals of the financial policy of community development are defined. It is argued that the financial policy of ensuring the economic growth of territorial communities in conditions of instability should be adaptive, sustainable and focused on achieving the goals of local economic development, supporting the population, business and critical infrastructure. The measures for implementing financial policy in the context of its structural components (budget, tax, investment) are specified. The study emphasizes that, given the security challenge, financial policy for different types of communities cannot be unified and should take into account: the geographical location of the community, flexibility in the distribution of public funds, cost optimization, support for critical facilities for the livelihood of residents, interaction with international partners, etc.

Reference

1. Voznyak, H.; Stasyshyn, A. (2023). Kryzy: prychny, typy, naslidky dlya rozvytku terytorial'nykh hromad. [*Crises: causes, types, consequences for the development of territorial communities*]. Financial space 4(52), 7-25. [in Ukrainian].
2. Ukraine's public debt has reached 92% of GDP - Forbes estimates. Retrieved from : <https://forbes.ua/news/derzhavniy-borg-ukraini-syagnuv-92-vvp-otsinka-forbes-09012025-26148>
3. State web portal budget for citizens. Retrieved from: <https://openbudget.gov.ua/>
4. Finansy. Byudzhet. Podatky. Natsional'na ta mizhnarodna terminolohiya: nauk. entsykl. vyd. : u 3 t. T. 2 / za red. T. I. Yefymenko. Kyiv 2010.647 [in Ukrainian].
5. Yukhymenko P. I. (2005). Suchasni tendentsiyi ta stratehiya finansovoyi polityky Ukrayiny. [*Current trends and strategy of financial policy of Ukraine*]. Finance of Ukraine. 10, 101-111. [in Ukrainian].
6. Lazebnyk, L. L. (2006). Shchodo teorii finansovoyi polityky: doslidzhennya v koordynatakh orhanizatsiyno-ekonomichnykh vidnosyn. [*Regarding the theory of financial policy: research in the coordinates of organizational and economic relations*]. Current economic problems. 9, 51-65. [in Ukrainian].
7. Kubakh T.G. (2007). Sutnist' finansovoyi bezpeky yak skladovoyi ekonomichnoyi bezpeky derzhavy. [*The essence of financial security as a component of the economic security of the state*]. Bulletin of the Ukrainian Academy of Banking. 2, 46-51. [in Ukrainian].

8. Lyuty I.O. (2020). Finansova polityka: suchasni vyklyky ta superechnosti realizatsiyi v Ukrayini. [*Financial policy: modern challenges and contradictions of implementation in Ukraine*]. Finance of Ukraine. 5, 50-62. [in Ukrainian].
9. Zymovets V.V. (2010). State financial policy of economic development: monograph / NAS of Ukraine; Institute of Economics and Forecasting Kyiv, 356. [in Ukrainian].
10. Huther J. An Integrated Approach to Government Financial Policy. New Zealand Treasury. Working Paper. 1999. №08. Juny. URL: <http://www.treasury.govt.nz/publications/research-policy/wp/1999/99-08/twp99-08.pdf>
11. Fedosov V. (2002). Financial restructuring in Ukraine: problems and directions: Monograph / V. Fedosov, V. Oparin, S. Lyovochkin; ed. V.M. Fedosov; Ministry of Education and Science of Ukraine. KNEU, 30. [in Ukrainian].
12. Mysak S.O. (2002). Financial Policy. Monograph. 5. [in Ukrainian].
13. Financial policy of local development: monograph / Yu. M. Petrushenko, V. T. Wentzel, A. V. Vysochyna. Sumy: Sumy State University. 2020. 380. [in Ukrainian].