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**EFFECTIVENESS OF EXPENDITURE BUDGET FINANCING ON SOCIAL SERVICES AND SOCIAL PROTECTION OF POPULATION**

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*Modern economic development is directly related to expanding the range of functions and tasks of the state, primarily in the field of social security to the population. This requires revitalization of education, medicine, and other social sectors, the introduction of progressive forms of social support for low income population. On the other hand, the implementation of these tasks requires a significant investment of financial resources in today’s conditions that is very problematic. As a result, there is a need to find alternative sources of funding for social projects, modernization of the whole system functioning network of social services and the improvement of social forms of budgetary aid both directly and indirectly.*

*In scientific literature highlighting issues of budget expenses financing for social sectors and social protection received considerable attention. The issues related to the organization of planning, implementation, management of expenditure responsibilities for social needs are specifically highlighted. However, in terms of reorienting the European experience of budgeting, budget relations outlined by the localization issues require further study, scientific study and synthesis.*

*The purpose of the research is the analysis of socio-economic nature, dynamics and structure of expenditure on social services and social protection of state and local budgets, estimation of their place and role in the financial software implementation of social programs at various levels of management and identifying key areas of improvement in organizational and financial form.*

*The presentation of the basics. The determining factor in shaping the system of state and local budgets are constitutional doctrine. According to Art. 1 of the current Constitution of Ukraine [1], and given the choice of European integration, the Ukrainian government has chosen to build a socially oriented market economy, which in turn provides significant amounts of funding for social sectors and social protection. On the other hand, Ukraine is a unitary state, which is inherent in a two-level budget system with a clear division of powers between the central and local authorities. Fixing costs for different levels of the consolidated budget is made in accordance with the principle of subsidiarity. Consequently, the financing costs for health care, spiritual and physical development, education, social protection and social security is carried out mostly at the expense of local budgets.*