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## **GOVERNMENT EXPENDITURES IN CONTEXT OF SOCIALIZATION OF ECONOMIC DEVELOPMENT**

Economic growth doesn't stand to reason on its own, but in the modern conditions it only realizes in the case when it results in the achievement of social outcomes: increase in living standard, decrease in morbidity and mortality, increase standard of education, culture, achievements in social stability, decrease in inequalities, a greater level of satisfaction of the needs and rationalization of consumption. Besides, as a result of the spread of the paradigm of sustainable economic development problems of reducing inequalities in income distribution as well as the issues of rational use of natural resources and environmental protection, preservation of moral values and national security without hypertrophied military build-up gain in importance.

The effective economic policy as a set of activities aimed at economic processes for solving socially important problems is taking on a special role in the socialized economic growth. One of the main mechanisms of the current economic policy is budgetary management as an element of fiscal policy.

The main objective of fiscal policy in the context of the social economy is provision of adequate standards and regulations for optimal recoverable process of sociodynamics in the social spheres of society. This involves the use of two basic methods of financial impact on the socio-economic development of society: accumulation of income by government in order to finance the budgets of all levels and regulation of distributive relations and processes on an irrevocable basis. Thus, the taxes in a social state, on the one hand, are the main source of financing public social expenditures, the material basis for budgetary policy, and on the other, the budget and taxes are effective implements of regulation of social and economic relations.

Thus, the whole essence of socialization of fiscal policy can be determined through the setup for the implementation of human rights in the social and labor sphere as well as the welfare of all members of society, the desire to reduce inequalities in access to various goods, minimization of society polarization. According to it its main task is a promotion to economically efficient meeting individual and collective requirements of society.

In the context of the socialization of budget expenditures it would be reasonable to divide the budgetary management toolkit into two main groups. A feature of the first group is that government expenditures are aimed at reducing «market failures» and their negative impact on the socio-economic processes. The other group includes subsidies, grants, guarantees,

government grants to the private sector, i.e. government spending aimed directly at business activity.

In the process of building a budget management system, there should be taken some factors into consideration as follows. Firstly, the fiscal policy affects the distribution of the main society resources such as human, physical and natural ones. Its incentives directly determine the proportion of consumption and conserve resources and the results of their use. Secondly, the fiscal policy is a powerful instrument of economic policy aimed at stimulating or restricting economic activity and as a result it leads to a redistribution between generations, regions, social groups, economic activities across national debt, social security, taxation of natural resource extraction, taxation of environmental pollution and public funding of the elimination of its consequences. Thirdly, the modern fiscal policy recognizes the existence of public welfare and anti-welfare, assets and liabilities. This is due to the fact that subsidies, grants and all tax breaks are often taken as tools of political lobbying. Thus, despite their potential to improve the quality of economic growth, fiscal measures may do more harm than good.

As a result, the tools of the first group should be aimed at reducing the impact of «market failures» on the accumulation of capital, in particular human one, or knowledge, the environment, and in addition that makes it possible to improve performance of private investment. Provided that there is effective taxation and absence of overly regressive taxation, this leads to a decrease in inequality of the social structure of society. Otherwise, for example, government expenditure on public welfare makes for the growth of living standards, but do not reduce social differentiation. Public expenditure on education, public health determine the acceleration of investment in infrastructure, diffusion of knowledge and protection of natural resources. However, there may be a problem of cost-effectiveness in the solution to the market failures problems, which may be associated with bureaucracy, corruption, poor infrastructure.

The instrumentation of the second group (subsidies, grants, guarantees to private business entities, government grants, tax rebates), tends to have a non-social nature. As a rule it is the object of lobbying political elites used a limited range of subjects. This, in its turn, exacerbates the economic and social differentiation, and misallocation of resources, ousts investment in human and natural capital.

Numerous studies, for example, confirm that the state financial support of agriculture and the energy sector often leads to larger structural inequalities, reducing production efficiency, including as a result of «rent seeking». It is estimated 20% of the richest population received more than 40% of global energy subsidies, and 10% of the subsidies is the share of 20% of the poorest population. Moreover, they often result in inefficiencies of investment decisions in energy infrastructure and acceleration of climate change. It is also revealed that the subsidies to the poor often do not provide a more efficient use of resources, especially in the absence of effective pricing and taxation. The subsidies for agriculture, moreover, leads to deforestation, and therefore degrades the environmental management system.

Thus, the budgetary management of socially oriented economic development must provide further growth and development of business entities creating the appropriate economic and social infrastructure that is capable of promoting human development, improving the quality and living standard, social development and others. Accordingly, firstly, there are need to ensure a high quality institutional and political system of society, rationally to secure property rights, to establish an appropriate system of social protection, in particular under institutional, historical, geopolitical, socio-cultural and other conditions. Secondly, an important aspect of budget management is a balance between public expenditure and social investments to «market failures» decisions, and non-social expenditure and the development of society that must be accompanied by the substitution of the second group in favor of the first.

In this context, it is advisable to define the some guidelines of budgetary management in socialized economic development, in particular for Ukraine. These problems require further investigation and study: improving participation of a state in the redistribution of GDP

through taxes and budget; increase in the tax burden, provided a simultaneous increase in real incomes and living standards, social security, social and individual responsibility; improving the system of regulation of the minimum wage; expansion and optimization of the income structure; optimal income taxation of individuals and legal entities; effective and equitable progressive taxation of incomes; effective redistribution of budgetary funds; optimal social taxes; effective social and welfare benefits, and others.

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### **СУЧАСНІ ТЕОРІЇ ІНДУСТРІАЛЬНОЇ МОДЕРНІЗАЦІЇ НАЦІОНАЛЬНОЇ ЕКОНОМІКИ**

Сьогодні Україна потрапила до вкрай складної ситуації, виходом з якої стає розробка нової стратегії розвитку, в основу якої покладено сучасні та перспективні принципи найбільш прогресивної концепції індустріального розвитку. Запорукою нової національної стратегії економічного розвитку країни має стати «...швидкий технологічний розвиток, заснований на перетворенні науки в безпосередню продуктивну силу, а мірою такого прогресу виступає становлення всебічно розвиненої особистості та розширення творчих можливостей людини» [1, с. 3].

Останнє десятиріччя характеризується втратою постіндустріальною теорією своєї переваги перед неіндустріальною. Обидві теорії в стратегії економічного розвитку відводять особливе місце науці та знанням. Різниця лише полягає в тому, що постіндустріальна теорія вважає, що вони функціонують за межами матеріального виробництва, а неоіндустріальна навпаки вважає їх безпосередньою продуктивною силою.

Теорія постіндустріального суспільства стала розроблятися у країнах Заходу з кінця 60-х років минулого сторіччя. В основу такого суспільства покладено доміную сфери послуг, особливо її інформаційного сектору. Концепція постіндустріального розвитку була розроблена для осмислення масштабних змін, що відбулися в західних суспільствах протягом останніх п'ятдесяти років. Тривалий час у світі ця концепція була основною, оскільки вважалося, що вона описує сучасне суспільство, до якого повинні прагнути інші суспільства, якщо хочуть розвиватися. Постіндустріальна доктрина, що підкреслювала прискорення переходу від виробництва матеріальних благ до виробництва інформації, отримавши широке визнання все ж залишилася більше методологічною основою для розвитку нових концепцій, таких як концепція інформаційного суспільства, ніж теорією, придатною для практики.