

## USE OF BUDGET REGULATION MECHANISMS OF THE NATIONAL ECONOMY IN THE SOCIO-ECONOMIC MODEL OF UKRAINE

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DOI: 10.32342/2616-3853-2021-1-14-5

**Key words:** *state budget, regulatory mechanisms, socio-economic model, taxes, budget revenues, budget expenditures.*

*The article is devoted to the review and analysis of the possibilities of using budgetary regulatory mechanisms in Ukraine. Based on previous research, a hypothesis was put forward about the characteristics of budget regulation depending on the socio-economic model of the country, namely the ratio of three vectors of influence: state, social and market. In order to determine the inherent features of the model of Ukraine, an analysis of the dynamics of the main structural items of revenue and expenditure of Ukraine, assessed the effectiveness of such changes in the domestic economy and their impact on the economic environment over the past five years.*

*In the course of the research, the items of expenditures and the main sources of budget revenues were considered separately. Thus, the analytical analysis of the income part allows us to claim an increase in the tax burden on individuals and entrepreneurs, but at the same time indicates a decrease in the share of income from rent for the use of natural resources. In addition, the increase in the minimum wage led to an increase in the transition of the share of workers in the «shadow», which in turn did not allow to realize the forecasts for an increase in this article of income. Along with this, the increase in revenues from entrepreneurial activities due to the nationalization of some enterprises and financial institutions, indicates a relatively large share of the role of the state in shaping the budget process, but also indicates its inefficiency. The decrease in the share of revenues from value added tax and excise duty also reveals the shortcomings of the NBU's monetary policy and the corruption component in customs. Calculations of the dynamics of growth of absolute indicators of budget revenue items indicate a predominant excess of dynamics on inflation, which in turn confirms the thesis of increasing the tax burden against the background of the economic downturn during the global pandemic. In this case, the use of deterrence instruments (increase in taxes, increase in the discount rate) is not considered appropriate by the state regulator during the phase of decline in terms of generally accepted economic theories.*

*The analysis of budget expenditures by articles indicates the state's efforts to respond to current challenges. There is a clear increase in health and defense spending. But at the same time, expenditures on education, environmental protection and utilities do not have such a dynamic upward trend. Attempts to use «monetary mitigation» mechanisms in the context of the implementation of the «Big Construction» plan were not effective: the increase in jobs was insignificant, and corruption scandals with budget funding and dubious tenders again indicate the inefficiency of state institutions in general and the budget process in particular.*

*As a result, it is necessary to emphasize the need for a gradual reorientation of the socio-economic model to a more balanced one, taking into account current trends in the world economy. Indeed, the role of the state in times of crisis is very important. But the state must be effective in its regulatory activities. Therefore, the creation of powerful public organizations and the development of market mechanisms will help balance economic development and prevent the monopolization of Ukraine's economy.*

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*Одержано 28.10.2021.*

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