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THE IMPORTANCE OF THE STATE BUDGET IN THE REGULATION OF SOCIO-ECONOMIC PROCESSES

The most important fund of funds through which the state distributes and redistributes GDP is the state budget. The state budget reproduces all its multifaceted activities and ensures the performance of its functions. The state budget occupies a central place in the financial system of Ukraine.

In its economic content, the budget is a complex and multifaceted economic category. The Budget Code of Ukraine states that “the budget is a plan for the formation and use of financial resources to ensure the tasks and functions performed by public authorities, the Autonomous Republic of Crimea and local governments during the budget period” [1, p. 3].

The budget as an independent economic category is a form of existence of real, objectively determined distributive relations, which serve a specific purpose – to meet the needs of society as a whole and its administrative-territorial structures in financial resources.

The economic significance of the state budget is that it actively influences social reproduction depending on the methods of mobilization of financial resources and directions of their use. Thus, the budget determines the rate of economic growth, improving the structure of social production, its development, optimization of cost proportions in the distribution of income for national and domestic needs, for production and social spheres, as well as for certain sectors of the economy.

In the context of democratization of society, the establishment of market principles of management is necessary to rethink without a doubt the important role of the budget. The classical attitude to this institution as a centralized fund of monetary resources, the financial plan of the state and the central level of public finance today is being transformed and supplemented with new characteristics. With the objective ability to ensure the distribution and redistribution of much of GDP, the state budget today is becoming an effective means of meeting the needs and interests of the general population, fiscal and regulatory tool of state influence on socio-economic processes.

The financial impact of the state budget on the economy has a quantitative and qualitative assessment. Quantitative is determined by the question of whether or not to provide funds and in what quantity, qualitative – in establishing the proportions of the distribution of GDP and the use of various instruments of this distribution. Establishing the optimal ratio of budget and GDP is an important economic problem, due to the peculiarities of the functioning of the economy of each country. It should be noted that a significant part of GDP is redistributed through the State Budget of Ukraine in sectoral and territorial sections, as well as among certain segments of the population.

The state budget actively influences the formation and improvement of socio-economic infrastructure, which in turn stimulates or inhibits the development of production. Thus, in the conditions of market relations the budget acquires special value for regulation of structure of financial resources of sectors of economy, the enterprises of various patterns of ownership, privatization processes. Through the system of payments and methods of financing, the state budget directly affects the solvency and mobilization of internal reserves of economic entities.

In the transition to a market economy, the state budget retains its important role. But the methods of its influence on social production and the sphere of social relations are changing.

References

1. Budget Code of Ukraine № 2542-III of June 21, 2001. URL: <http://www.rada.gov.ua>.