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ФІСКАЛЬНЕ РЕГУЛЮВАННЯ ТА ЙОГО СПЕЦИФІКА В УМОВАХ ТРАНСФОРМАЦІЇ ЕКОНОМІЧНИХ ІНСТИТУТІВ

У статті розглянуто фінансове регулювання як один з головних інструментів державного регулювання економіки. Проаналізовано специфіку та етапи реформування фінансової політики України в умовах трансформації економічних інститутів. Аналіз історичних та економічних аспектів фінансового регулювання та сучасних проблем на кожному етапі відбувається трансформації дає можливість запропонувати механізм поліпшення ефективності фінансового регулювання. Визначено напрями розвитку фінансового регулювання.

Ключові слова: фінансове регулювання, фінансова система, бюджет, бюджетні відносини, податкова політика.

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ФИСКАЛЬНОЕ РЕГУЛИРОВАНИЕ И ЕГО СПЕЦИФИКА В УСЛОВИЯХ ТРАНСФОРМАЦИИ ЭКОНОМИЧЕСКИХ ИНСТИТУТОВ

В статье рассмотрено финансовое регулирование как один из главных инструментов государственного регулирования экономики. Проанализирована специфика и этапы реформирования фінансової політики України в условиях трансформации экономических институтов. Анализ исторических и экономических аспектов фінансового регулювання и современных проблем на каждом этапе происходящей трансформации дал возможность предложить механизм улучшения эффективности фінансового регулювання. Определены направления развития фінансового регулювання.

Ключевые слова: финансовое регулирование, финансовая система, бюджет, бюджетные отношения, налоговая политика.

Karpukhno I.

FISCAL REGULATION AND ITS SPECIFICITY IN THE TRANSFORMATION OF THE ECONOMIC INSTITUTIONS

The fiscal regulation as one of the main instruments of state regulation of the economy is considered. The specificity and stage of the reforming fiscal policy of Ukraine in the transformation of economic institutions are analyzed. The analysis of historical and economic aspects of fiscal regulation and the allocation problems in their development at every stage of ongoing transformation allowed to propose the mechanism for improving the efficiency of fiscal regulation. The directions of the development of the fiscal adjustment are determined.

Keywords: fiscal regulation, financial system, budget, fiscal relations, tax policy.

Problem statement. In countries which are undergoing some transformations, fiscal regulation ceased to meet the new requirements and needed a radical reform. One of the important problems is the imbalance in fiscal system of Ukraine, which has a negative impact on the financial independence. To find ways improve the mechanism of fiscal regulation is necessary to study periods of the development of fiscal regulation of Ukraine in the process of reforming its tax system. The fiscal regulation belongs to the main tools of state regulatory impact on the economic system. Welfare of the population, financial situation and standard of living in the country depend on sizes and shapes of fiscal activity. The analysis of the role and specificity of the fiscal regulation, especially in the transformation of the economic institutions, is very important.

Analysis of recent researches and publications. The specificity of reforming the state finance and fiscal policy in Ukraine are considered by such Ukrainian scientists: A.Moldovan [1], S. Hasanov, V. Kudryashov, R.Balakin [2], A. Kozyuk [3], B. Sokolovska, L.Rainova [4]. Actual issues and mechanisms of strategies in tax system reforming are considered by R.Myarkovsky [5], T.Iefimenko [6].

Main purpose of the article. The purpose of the article is the analysis of the role and specificity of the fiscal regulation, especially in the transformation of the economic institutions in Ukraine.

Results and discussions. Fiscal regulation is the governmental influence on the economy by means of taxation, the formation of the volume and composition of public spending in order to secure an adequate level of employment, the prevention and control of inflation and the negative influence of cyclical fluctuations. In general, fiscal regulation is a kind of a state regulation mechanism of activity of economic entities. The main instruments of fiscal regulation are taxes and governmental spending. The essence of the fiscal regulation is manifested in the forms and methods of mobilizing financial resources and their use according to the tasks and needs of the state.

The revenue of a budget expresses economic relations, which arise between the government and enterprises, organizations or citizens in the process of formation of the budgetary fund of a country. Different types of payments of the enterprises, organizations and population serve as a form of the manifestation these economic relations in a state budget. They are mobilized in the budgetary fund. The revenues of a budget are the compulsory irrecoverable payments, which go into a budget. The revenues of a budget include tax income, nontax income, income of the operations with a capital, transfers.

The features of fiscal policy of Ukraine are formed in the process of reforming the entire system of public finance. In the development of fiscal regulation of Ukraine we can single out the following stages:

The first stage is till 1990. This is a fairly long and difficult stage of development of Ukraine's financial system in the presence of the state, private autonomy as a part of another country, but the lack of relevant attributes of statehood. Historical analysis of the development of Ukraine's financial system shows that during this period Ukraine depended on another State that didn't facilitate to the development of national public finances. Military facilities were built, but the interests of the country and the structure of the national economy weren't taken into account. It eventually became one of the worsening factors of the financial and economic crisis. Obviously, the prerequisites for the formation of features of Ukraine's fiscal regulation were the strengths and the weaknesses of the financial system of the USSR.

The second stage is 1991-2001. It's becoming stage of the public finances, it's a stage of restoration of Ukrainian statehood and approval of it as a subject of international law. All sectors of the economy had been reformed; new market environment had also been formed. The financial system of Ukraine had remained quite complicated and bureaucratic and hadn't been promoted out of the economic crisis. However, in these conditions, the basic principles of statehood had been formed and the state functions had been changed. On this basis, the fiscal relations and the principles of building of Ukraine's financial system had been updated. However, major challenges of this phase are the following:

- The development of the public finances and the reforming of the budget process had occurred without a clear vision and strategy;
- The non-settlement of the legal issues on the functioning of the fiscal relations;
- The high level of the centralization of public finances;
- The mismatch between the government spending and the revenues;
- The chaotic development of the intergovernmental relations;
- The prerequisite for the accumulation of debts.

The third Stage is 2001-2010. This stage is the stage of the introduction of new principles of the reforming and development of the national budget system. It was in accordance with the Budget Code of Ukraine [7], which was adopted by the Verkhovna Rada in June 21, 2001, and in accordance with the requirements and standards of the budget legislation of the European Union. At this stage, the budget process had been formed to reflect the new budget forms and methods of the state regulation of the social and economic processes, as well as intergovernmental relations were formed in order to stimulate certain areas and the overall economy. According to Article 95 of the Constitution of Ukraine the

budget system should be based on principles of fair and unbiased distribution of social wealth among the citizens and territorial communities.

In accordance with the Code of the simplification of the budget system, the direct intergovernmental relations had been introduced between the state and 686 local budgets, which were formed on common principles. All budgets are independent. The independence of budgets is provided by the availability of their own income source and the law to determine the direction and to use them according to the active legislation. These principles have been put in the basis of budgetary system of Ukraine. They consist of unity of the budgetary system of Ukraine, balance, independence, fullness, efficiency and effectiveness, subsidiarity, targeted use of budgetary funds, justice and impartiality, publicity and transparency.

A budgetary process is regulated by a budgetary legislation process of a drafting, consideration, affirmation and execution of budgets, report of their use, and control of the compliance of a budgetary legislation (article 2 of the Budgetary Code). The law regulation of a budgetary process in Ukraine is carried out with the Constitution of Ukraine, The Budgetary Code, and The Law of the state budget on a certain year.

In 2004 the distribution of powers between branches of the government was changed: there was a transfer of the approval of the Declaration goals and objectives of the budget for the next budget period to the government that created the preconditions for the formation of the fiscal policy for the relevant year in accordance with the Program of the Cabinet of Ministers of Ukraine. However, a formal approach to redistribution of the income between budgets and inter-budgetary relations creates the illusion of the balance and stability of the budget system of Ukraine.

The fourth stage began in 2011 and this stage is associated with the coming into force of the Tax Code of Ukraine. The reforms to changing the structure and principles of the tax system of Ukraine are the means of adapting the national tax legislation with EU legislation for the integration of Ukraine into the European community.

Certain criteria should be used to estimate a tax system. The World Bank and the auditing company «PriceWaterhouseCoopers» annually analyze tax systems of the world, assessing the tax burden and ease of tax administration (burdensome of tax system). According to the data for 2011, the Ukraine ranked 181st out of 183 countries in the overall ranking on the ease of paying taxes [8]. The Ukraine ranked 183 place by the number of tax, because the Ukraine had the largest number of tax payments among other countries. In the ranking of countries based on the total tax rate the Ukraine took 149th in 2011. The total tax rate in Ukraine was 55.5 %, in which 43.3 % was the total tax rate on labour [9].

According to the data for 2013, The World Bank have noted an improvement in business conditions in Ukraine - the country's position in the ranking has improved by 15 points - with 152nd place to 137th [10]. Spheres of significant success of reforms were: "taxation" (position rose from 183 to 165th); "Starting a business" (improvement in ranking from 116th position to 50th); "Registering property" (an increase from 168th place on the 149th). The "taxation" position of Ukraine improved on 18 points from 183 to 165th place in the ranking. The possibility of electronic providing of data and payment for medium and large enterprises in Ukraine has greatly facilitated the procedure of taxation. The time spent on reporting and payment of taxes decreased from 657 hours to 491 hours (2013). Improving the business environment in Ukraine is also due to reduction in the number of tax payments in connection with the entry into force of the Tax Code (from 135 to 28) and a decrease in the total tax burden to 57.1% of net profit to 55.4%.

The analysis of the historical and economic aspects of fiscal regulation of Ukraine and the allocation problems in their development at every stage of ongoing transformation allows us to consider the mechanism for improving the efficiency of fiscal regulation. The use of the fiscal regulation as a state management tool should have address and complex character, and should be functionally justified. To achieve this process it is necessary to reform the fiscal regulation in accordance with a certain algorithm, namely:

- The identification and formulation of the key objectives of the purposes of the socio-economic development and the specification of objectives to current problems.

To solve the main problems which exist in the finance system, the criteria for improving the efficiency of the fiscal regulation must be developed. These criteria should include the indicators that can be compared across countries and over time. Thus, a state with a high level of material well-being is characterized by the following features: large scale redistribution of GDP through the budget system, the social nature of the expenditure side of budgets, financing investment in human capital, i.e. education, health, social compensation, the formation of budget revenues primarily through progressive income taxation of individuals; containment of social stratification at a level ensuring social justice, the increase of budget revenues by permanent reduction in tax rates, budget subsidies for the economy. The criteria of efficiency of fiscal regulation may be: GDP growth, unemployment rate, the degree of compliance with legal and similar acts on the budget, the level of monetization of the budget deficit, the value of foreign exchange reserves used to finance the budget deficit. For analytical purposes, along with the core indicators, other indicators are used to characterize the role of the budget in an economic and social policy. In our opinion, fiscal regulation like any governmental policy should be aimed at creating the conditions primarily to increase the population of the country and to improve the quality of life. The population of Ukraine has declined [11]. A completely different trend, for example, in the U.S., where the population from 2000 to 2010 increased by 10 % [12].

- The selection and training of personnel who will implement the goals. The promotion of the growth of labour productivity by financing activities and investment programs for the implementation of the state innovation policy which is aimed at the accelerating development of the scientific and technological revolution and fundamental science and information technology. In Ukraine, the share of enterprises engaged in innovation decreased. Under conditions of the economic crisis it is necessary to form such a fiscal policy that has stimulated investment in production processes and innovation, which is characterized by the country's transition to a higher level of technological failure with ongoing reorientation of capital to high-tech industries, the development of science and education.

- The development of methods, tools and specific definition of organizational forms that will ensure a target set. The provision of social functions of the state through the optimization programs in the field of pensions and health insurance should be made, the ensuring of the implementation of social guarantees to the population, support for family values should also be considered. The promotion of education and professional development of the workforce through strengthening financial instruments into economic growth and living standards. We believe that the state should promote a gradual increase in the welfare of all citizens.

The budgetary relations are characterized by manifold features because they represent different directions of distributive process (between spectrums and fields of the economy, spheres of public activity and territory of the countries) and cover all the levels of economy. The budgetary relations are of objective character. They are usually stipulated by situation when a certain part of national income must be concentrated in the state every year. This certain part is necessary to satisfy social needs of the citizens, to defend a country, to pay all the expenses of governmental control. The budgetary relations receive the appropriate material and objective application in the process of functioning.

The indications of State Budget perform a control function, since they can be used to determine how to accumulate in the state financial resources from businesses, and whether the size of these resources is adequate to public needs. The role of a state budget is of great importance in the social development because it is one of the main institutes of economic sovereignty of a country. The essence of a state budget process as an economic category is realized through distributive (redistributive) and control functions. Due to distributive function of a budget the concentration of money in a government takes place, as well as the use of this money to satisfy all the needs of a state. The control function allows to understand if financial resources get into the disposal of a state in time and fully, if there actually exist

the proportions in the distribution of budget funds, how they are used, how their size matches central resources of a state for its needs and so on. A state budget has always represented a compromise between basic classes of bearers of socio-economic interest. This compromise is between owners and employees concerning the taxation of owners, their income and salary. Sizes and kinds of social expenses of a budget are also taken into account. The compromise between all general state and local interests, between industrial and agricultural regions concerning distributive taxes and budget subsidies is also important. In this respect the landmarks of a state structural policy among the branches and enterprises concerning tax subsidies, preferential loans and state orders must be also mentioned. These compromises are accompanied by political and electoral battles.

The directions of the development of fiscal regulation should be the following. In our opinion, the development of fiscal regulation of Ukraine should generally enhance the political, business, social and cultural activities of Ukrainian citizens, and economic development of the state. The following measures to improve fiscal regulation can be offered:

- defining a set of strategic and tactical socio-economic indicators and conduction of their monitoring;
- creating the institutional conditions and pursuing an active policy of employment and wage regulation in the public sector;
- improving the system of social protection of disabled people and the social security system of the working population;
- pursuing a policy of smoothing regional disparities;
- improving the mechanism of taxation in accordance with the modern trends of the taxation systems in the world.

Conclusions and further researches directions. Thus, fiscal regulation of Ukraine has a number of significant drawbacks. Despite the improvement of Ukraine's position on the rating of The World Bank, the qualitative changes in the mechanism of fiscal regulation is not enough. Reforming of the system of fiscal regulation in order to harmonize the interests of the state and tax payers remains one of the most important problems. Modernization of the fiscal regulation mechanism should take place in the direction of simplifying the tax system taking into account the current global trends of tax policy. The development of a balanced fiscal policy must be in order to achieve sustainable economic development.

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