

DOI: [https://doi.org/10.18371/fp.4\(36\).2019.190242](https://doi.org/10.18371/fp.4(36).2019.190242)

JEL Classification B52, H62, H63

**INSTITUTIONAL ADJUSTMENT OF FISCAL IMBALANCES****KOLODII Sergey**

*D.Sc. (Economics), Professor of the Department of Management and Information Technologies, Banking University, Cherkasy Institute*  
 ORCID ID: <https://orcid.org/0000-0003-0163-4569>  
 e-mail: kolodii\_sergeri@ukr.net

**HARIAHA Lesia**

*PhD, Assoc. Prof. of Department of Management and Information Technologies, Banking University, Cherkasy Institute*  
 ORCID ID: <https://orcid.org/0000-0002-5266-797X>  
 e-mail: garyaga@ukr.net

**Abstract.** *The features of institutional regulation of fiscal imbalances in Ukraine have been researched in the article. Scientific approaches to interpreting the concept of "fiscal imbalance" have been systematized. It has been determined that to balance fiscal imbalances it is necessary to achieve the balance of financial resources of the state. Indicators of the balance of financial resources of Ukraine have been proposed and analyzed, in particular: balance of the consolidated budget; the volume of public debt; balance in the Single Treasury Account (STA). Objects and institutional constraints to mitigate fiscal imbalances have been justified.*

**Key words:** *fiscal imbalances, consolidated budget deficit, public debt, the balance of funds in the single treasury account.*

The current stage of development of the financial and real sectors of the economy is characterized by instability caused by crisis phenomena of both global and national economies, imbalance of financial flows in the economy, asymmetry of information, problems of functioning of formal and informal institutions, etc. Such phenomena lead to an imbalance of financial flows in the economy, in particular of a fiscal nature, which contributes to the need to improve the regulation of such flows. The purpose of the article is to investigate the features of institutional regulation of fiscal imbalances in Ukraine.

The scientific approaches to interpreting the concept of «fiscal imbalance» have been systemized in the article. A critical analysis of the scientific points of view of permissions to formulate the author's interpretation of the concept of "fiscal imbalances" as an imbalance in the financial resources of the state, which is due to the mismatch of income and expenses can lead to aggravation of not only financial and economic problems, but also social ones.

It has been determined that in order to smooth fiscal imbalances it is necessary to strive to achieve a balance of financial resources.

The financial resource balance indicators have been proposed and analyzed.

The article proposes the establishment of the following institutional constraints to counterbalance fiscal imbalances:

- introduction of a standard (limit) deficit of the state budget in relation to GDP: 5% of GDP in the conditions of economic recession; 3% of GDP in economic growth to 3% per year; 2% of GDP in the conditions of economic growth 3-5%; budget surplus in terms of economic growth in excess of 5% of GDP;

- introducing an institutional limit on the share of public debt service expendi-

ture in the structure of the general budget expenditures of no more than 2% of GDP and no more than 10% of expenditures of general government budget.

- introduction of an institutional limit on the size of the Pension Fund of Ukraine deficit of at least 75% after the introduction of the second level of pension insurance (compulsory funded system).

Introducing institutional constraints to mitigate fiscal imbalances will reduce budget expenditures, reduce macroeconomic financial risks, and reduce transaction costs that accompany the use of government financial resources.

### References

1. Rudenko, M.V. (2017). Teoretychni aspekty vzayemodiyi finansovoho ta real'noho sektoriv ekonomiky [Theoretical aspects of the interaction of the financial and real sectors of the economy]. *Visnyk Universytetu bankivs'koyi spravy – Bulletin of the University of Banking*, 1 (28), 21-29 [in Ukrainian].
2. Bohdan, T. (2018, August 31). Fiskalni dysbalansy i vyklyky dlia biudzhethno-borhovoї polityky Ukrainy [Fiscal imbalances and challenges for Ukraine's fiscal policy]. *Dzerkalo tyzhnia – Mirror of the week*. Retrieved from: [https://dt.ua/macrolevel/fiskalni-disbalansi-i-viklyki-dlya-byudzhethno-borhovoyi-politiki-ukrayini-287107\\_.html](https://dt.ua/macrolevel/fiskalni-disbalansi-i-viklyki-dlya-byudzhethno-borhovoyi-politiki-ukrayini-287107_.html) [in Ukrainian].
3. Zymovets, V.V. (2010). *Derzhavna finansova polityka ekonomichnoho rozvytku [State financial policy of economic development]*. K. : NAN Ukrainy ; In-t ekon. ta prohozuv [in Ukrainian].
4. Kyrylenko, O.P. (Ed). (2015). *Munitsypalni finansy [Municipal Finance]*. Ternopil: Aston [in Ukrainian].
5. Zheliuk, T. (2013). Podolannia fiskalnykh dysbalansiv u systemi antykryzovoї polityky derzhavy [Overcoming fiscal imbalances in the state's anti-crisis policy system]. *Svit finansiv – The world of finance*, 1, 123-133 [in Ukrainian].
6. Fiscal Decentralization Indicators. The World Bank. Retrieved from: <http://www1.worldbank.org/publicsector/decentralization/webfiscal.pdf>.

7. Khomiak, M.S. (2016). Rozpodil derzhavnykh dokhodiv i fiskalni dysbalansy v ramkakh biudzhethnoho prostoru [Distribution of government revenues and fiscal imbalances within the budget space]. *Ekonomika i suspilstvo – Economy and society*, 6, 338-343 [in Ukrainian].
8. Ivanova, A.M. (2016). Fiskalni dysbalansy v Ukraini ta shliakhy yikh podolannia [Fiscal imbalances in Ukraine and ways to overcome them]. *Visnyk Odeskoho natsionalnogo universytetu – Bulletin of the Odessa National University*. Serii: Ekonomika. T. 21, 7(1), 137-142 [in Ukrainian].
9. Kravchuk, N. (2012). Hlobalni fiskalni rozryvy i dysbalansy: instytutsiini ta dys-trybutyvni efekty [Global Fiscal Gaps and Imbalances: Institutional and Distribution Effects]. *Svit finansiv – The world of finance*, 4, 73-92 [in Ukrainian].
10. Kolodii, S.Yu. (2011). Institutsional'noye regulirovaniye formirovaniya i ispol'zovaniya finansovykh resursov gosudarstva v posttransformatsionnoy ekonomike: monografiya [Institutional regulation of the formation and use of state financial resources in the post-transformation economy: monograph]. Simferopol: LLC «DiAiPi» [in Russian].
11. Statystychna informatsiia [Statistical Information]. ukrstat.gov.ua. Retrieved from: <http://www.ukrstat.gov.ua> [in Ukrainian].
12. Ofitsiinyi sait Ministerstva finansiv Ukrainy [Official site of the Ministry of Finance of Ukraine]. mof.gov.ua. Retrieved from: <https://mof.gov.ua> [in Ukrainian].
13. Derzhavnyi ta harantovanyi derzhavoiu borh [Public and government guaranteed debt]. mof.gov.ua. Retrieved from: <https://mof.gov.ua/uk/derzhavnij-borg-ta-garantovaniy-derzhavju-borg> [in Ukrainian].
14. Ofitsiinyi sait Derzhavnoi kaznacheiskoi sluzhby Ukrainy [Official site of the State Treasury Service of Ukraine]. treasury.gov.ua. Retrieved from: <https://www.treasury.gov.ua/ua> [in Ukrainian].