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IMPACT OF POWERTY AND SOCIAL INEQUITY ON ECONOMIC GROWTH AND ECONOMIC DEVELOPMENT OF UKRAINE

Modern Ukraine is characterized as a country with a high level of social inequity and a large share of poor population. Similar situation explains existence of a large variety of social and economic problems that negative impact on prospects of further economic development of the state.

Undoubtedly, not all expressions of social inequity may be identified as harmful and undesired ones. It is worth mentioning that social equity may be considered in two different senses: as equity of results (rights of individuals for goods received to satisfy their needs must be equal, regardless of their efforts and skills) and as equity of possibilities (each individual has equal chances to reach certain results owing to their skills and efforts). The objective of society to achieve social equity as the equity of results is harmful, because it blocks society's social and economic development through the loss of stimulus for the efficient activity. The purpose to attain social equity as the equity of possibilities is, in contrast, leads to full realization of working, scientific, cultural and other potential of the state.

Just different skills and working forces of individuals or their families do not restrict the reasons of social inequity in Ukraine. Moreover, sometimes individuals have an opposite relation between their revenues and working, physical, intellectual or creative skills. The principle of equity of possibilities is not working in Ukraine, and social inequity is excessive and causes numerous negative consequences in present as well as in future periods. They are as follows:

- disability of individuals to increase their revenues even through improvement of their work productivity, which results in economic activity decrease and lower volumes of national production;
- absence of fair payment for the work activity that leads to public morality deterioration and destruction of outlook positions of the society;
- disability to realize own potential (physical, intellectual, creative) that may result in the loss of a work model of behavior and distribution of asocial effects (alcoholism, drug addiction, robbery, etc.);

– significant differences in rates of revenues of two opposite parties of representatives (the reach and the poor) with small share of middle class results in interests division, blocks development of an efficient social and economic policy, and creates social tensions;

– demonstration of the lifestyle of the richest social group as the perfect one in the society with low-income households deepens the above-determined negative effects.

Besides, a large share of the poor restrains current economic growth through limited internal aggregate demand and reduces the state economic potential because of an inadequate volume of investments in human capital generally and in education and healthcare particularly. That is to say, the poverty and social inequity without sufficient governmental interference deepen and reproduce themselves.

All the mentioned facts determine necessity of development and implementation of efficient governmental measures directed towards decrease a rate of the poverty and social inequity in Ukraine. Such measures are the following: fighting against corruption and stealing public funds; tax evasion through offshore transactions; investment climate improvement in order to attract foreign investments and activate the business activity of domestic business entities; improvement of social standards with the aim of increase of volumes of domestic market and providing possibilities for reproduction and accumulation of human capital, etc.