

ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ

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**ECONOMIC-LEGAL AND PHILOSOPHICAL
ASPECTS OF "EFFICIENCY" DEFINITION
(on an example of the budget
funds allocation process)**

**ЕКОНОМІКО-ПРАВОВИЙ
ТА ФІЛОСОФСЬКИЙ АСПЕКТИ ДЕФІНІЦІЇ
«ЕФЕКТИВНІСТЬ» (на прикладі процесу
розподілу бюджетних коштів)**

Urgency of the research. Efficiency is the part of the transdisciplinary category, and this determines the lack of a clear definition of this category and leaves the content of its work unclear.

Target setting. The question of the efficiency of the budget allocation process remains unresolved and quite often we are talking about the reverse phenomenon, the inefficiency of this distribution.

Actual scientific researches and issues analysis. Today, the issue of the definition of "efficiency" is devoted to the work of many domestic and foreign authors, including T. Hovorushko, S. Ilminska, N. Klymash, A. Paranian, V. Tikin, V. Shvets and others.

Uninvestigated parts of general matters defining. In the plane of modern economocentric social space, in which the triad "right-philosophy-economics" functions in a tied link, the efficiency category is not investigated at the present time.

The research objective. Presentation of the "efficiency" definition in the plane of the interface between economy, law and philosophy on the example of the budget funds allocation process.

The statement of basic materials. Efficiency in the funds allocation process between the links of the budget system should be considered as a "principle of efficiency". This principle implies that while funds allocation process, participants in this process must act in accordance with the specific goals set, involve a minimum amount of budget funds and maximize the result, using the amount determined in the budget in accordance with the goals and objectives. Consequently, the funds allocation should be based on efficiency and effectiveness plans.

Conclusions. Today it is important to create an effective system of budget funds allocation, at the legislative level to define and consolidate the term "efficiency" and to identify the signs of ineffective allocating of budget funds, which will greatly contribute to sustainable economic development.

Keywords: efficiency, law, budget funds allocation, budget system, budget violations.

Актуальність теми дослідження. Ефективність входить до трансдисциплінарних категорій і це детермінує відсутність чіткої дефініції цієї категорії та залишає без конкретики змістовне її навантаження.

Постановка проблеми. Питання щодо ефективності процесу розподілу бюджетних коштів дотепер залишається невирішеним й доволі часто мова йде про зворотній феномен, про неефективність цього розподілу.

Аналіз останніх досліджень і публікацій. Сьогодні питання дефініції «ефективність» присвячені роботи багатьох вітчизняних та закордонних авторів, серед яких Т. Говорушко, С. Ільмінська, Н. Климаш, А. Паранян, В. Тікін, В. Швець та ряд ін.

Виділення недосліджених частин загальної проблеми. У площині сучасного економоцентрованого соціального простору, в якому в ціпкій зв'язці функціонує триада «право-філософія-економіка» категорію ефективність на даний час не досліджено.

Постановка завдання. Презентація дефініції «ефективність» у площині стику економіки, права та філософії на прикладі процесу розподілу бюджетних коштів.

Виклад основного матеріалу. Ефективність в процесі розподілу коштів між ланками бюджетної системи доцільно розглядати як «принцип ефективності». Цей принцип передбачає, що при розподілі коштів бюджету учасники цього процесу повинні діяти відповідно до запланованих конкретних цілей, залучати мінімальний обсяг бюджетних коштів і досягати максимального результату, використовуючи визначений бюджетом обсяг коштів відповідно до мети та завдань. Отже, розподіл коштів повинен здійснюватися на основі планів ефективності та результативності.

Висновки. Сьогодні важливо створити ефективну систему розподілу бюджетних коштів, на законодавчому рівні визначити та закріпити термін «ефективність» та визначити ознаки неефективного розподілу бюджетних коштів, що значною мірою сприятиме забезпеченню сталого економічного розвитку.

Ключові слова: ефективність, право, розподіл бюджетних коштів, бюджетна система, бюджетні правопорушення.

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Urgency of the research. Efficiency refers to transdisciplinary categories that have their own shades, which often complicate the definition process. So, very often, efficiency is seen as a synonym of performance, and therefore any result obtained is conditionally converted into an efficiency indicator. It is precisely the lack of a precise definition of the category that leaves a large number of questions that are not relevant to its content load, but also its positioning among other trans- and multidisciplinary categories.

Target setting. In the process of expanding the sphere of scientific knowledge, the term "efficiency" has not yet been clearly defined and used to indicate the action / "beneficial" result or "what gives the desirable effect." However, the question of the efficiency defining of the budget funds allocation process at this stage remains unresolved and quite often it is about a reverse phenomenon, the inefficiency of this distribution.

Actual scientific researches and issues analysis. The issue of efficiency became even more evident in the seventeenth century [3]. Among the classics of economic science, which either operate terms that are close to the category of "efficiency", or directly used it, it is advisable to indicate G. Emerson, F. Quesnay, T. Man, V. Petty, D. Ricardo, A. Smith. Currently, the issue of the definition of "efficiency" and "performance" is devoted to the work of many domestic and foreign authors, including Ye. Hradoboev, T. Hovorushko, S. Ilminska, N. Klymash, A. Paranian, I. Paderin, Ya. Svitlychna, M. Solodka, V. Tikin, V. Shvets and others.

In the plane of Law, the category "efficiency" became the object of scientific research in the 60-80's. Among the scholars who studied economic and legal realities are S. Aleksieiev, M. Arakelian, O. Venherov, D. Kerymov, V. Nikytynskyi, P. Rabinovych, I. Samoshchenko and others.

The works of such Ukrainian scientists as L. Voronova, O. Muzyka-Stefanchuk, O. Orliuk, N. Pryshva, Z. Peroshchuk, L. Chupryna and others are devoted to the study of economic-legal problems of budget funds allocation, regulation of public financial activity of the state and local self-government bodies, as well as their principles. Among foreign scientists who studied these problems, it is necessary to mention O. Horbunova, Yu. Krokhnina, S. Frolov, N. Khimicheva and others.

Uninvestigated parts of general matters defining. In the plane of a modern economocentric social space, in which a triad of "law-philosophy-economics" operates in a tense bundle, any category that takes place in these three spheres should be considered synthesizing the achievements of various sciences. Unfortunately, this approach is almost absent in the publications of scientists of recent years. And this is very disappointing, because, for example, philosophy is the theoretical basis for the economy for determining the fundamental principles of economic ideology and the basis for the formation of an appropriate level of development of economic thinking. Moreover, the philosophy, serves as an area for problem-setting of the methodological foundations of economic knowledge for the economy, and in practical terms it is "responsible" for at least two main directions: the philosophy of the economy and the philosophy of business. The relation between law and economics is a fact of dialectical connection: one does not exist without the other. The proof of such a thesis is that in the 60's of the twentieth century. H. Kalambrezi and R. Coase, who independently from each other, almost simultaneously made public the results of their own thoughts, which laid the foundations of modern economic theory of law. The contribution of the laureate of the Nobel Prize in Economics (1991), R. Coles, emphasising on the connection between law and economics, is considered more relevant, since by linking the existence of the legal system to transaction costs, the scholar stressed: "the legal system will deeply affect the work of the economic system and manage it in a way"[10].

The research objective. To present the "efficiency" definition in the plane of the interface between economics, law and philosophy on the example of the budget funds allocation process.

The statement of basic materials. The definition of "efficiency" (from lat. Effectus - execution, action) is a generalized philosophical category that has two types of interpretations. In a narrow sense, efficiency is understood as the measure of activity and the quality of a system object [1]. The modern philosophical dictionary interprets efficiency as "a significant relation of changes at the output of the non-equilibrium system to changes in the input. The transformation of one form of energy into another lies at the base of many non-equilibrium processes. The notion of efficiency is addressed when arise such questions as what energy loss is, is it possible to reduce losses to some reference level?"

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[8, p. 1042]. The last question arises especially often, if we talk about the definition of the budget funds allocation process, which depends on ensuring a high level of socio-economic development of territories.

Indexes of efficiency, depending on the tasks, implementation of which ensures the implementation of budget programs [6], can be understood as: 1) expenses on one unit of the product index (economy); 2) the ratio of the maximal amount of recovered goods (executed work, certain services) to the amount of financial losses (productivity); 3) the achievement of the determined result (effectiveness).

In our opinion, the term "efficiency" in the funds allocation process between the linkages of the budgetary system should be considered as a "principle of efficiency". The Budget Code of Ukraine defines the principle of efficiency and effectiveness as one that, when drawing up and executing budgets, all participants in the budget process should strive to achieve the goals, planned on the basis of the national system of values and tasks of innovative economic development, by providing high quality services, with the involvement of the minimum amount of budget funds and achieve maximum results [2, p. 7].

Consequently, the ineffective funds allocation process today should be interpreted not as specific financing operations, but only as an assessment that budget funds have not been allocated rationally. The main reason for such a negative process, such as ineffective budget funds allocation, is irresponsible, incompetent decisions of managers and recipients of budget funds. In our opinion, ineffective budget funds allocation is a budget offense, the responsibility for which should be fixed in the norms of administrative and criminal legislation, as well as to introduce continuous monitoring of the efficiency of the distribution of funds between the links of the budget process.

It is necessary to emphasize the importance of the implementation and effective application of the funds allocation principle between budgets, which, in our opinion, will lead to economic stability in the country, realization of tasks at the regional and local levels, provision of both social justice and political stability in society.

The study of the experience of other states regarding the budget process as a whole, and intergovernmental relations, in particular, suggests that the structural elements of the budget system differ from each other not only in the level of incomes and expenditures of local budgets, but also in approaches to the funds allocation between different levels of the system. Obviously, there is no perfect model for regulating intergovernmental fiscal relations, although the decisive factor affecting the outcome is compliance with the principle of the funds allocation efficiency.

An effective regional system of intergovernmental transfers from such countries as Australia, France, Germany, Switzerland, the United Kingdom and the United States is characterized by the following criteria: 1) high level of autonomy of local self-government characterized by sustainability and predictability of budget revenues; 2) fairness, objectivity and transparency of the system of intergovernmental transfers; 3) information openness, availability of a large database; 4) harmony and development of procedures for interaction between authorities at different levels; 5) the ability to improve dynamically the mechanism of intergovernmental transfers.

So, analyzing foreign experience, we can talk about the benefits of a decentralized model of interbudgetary relations. However, in today's Ukraine, decentralization should not be unequivocally supported. Any modernization takes time, because there is a comprehensive focus on updating not only public institutions but also social ones. Therefore, the introduction and implementation of the principles of funds allocation between budgets in Ukraine has not reached perfection yet.

One of the directions for improving the organization of the distribution process is the definition of a transparent and well-founded mechanism for the distribution of state budget funds, which will allow assessing the needs of a particular territorial community in centralized effective support.

It is necessary to create an appropriate system of public finance management that can not only solve the problems that arise in the course of their development, but also restrict possible internal and external negatives, namely: 1) to intensify the introduction of innovative mechanisms aimed at expanding the resource base of the public finance sector; 2) to ensure the stabilization and sustainability of public finances during the period of reforms; 3) the fight against corruption.

If the principle of effective funds allocation between budgets is fully implemented, then, in our opinion, it will contribute to: 1) increase of economic efficiency - creation of additional long-term institution-

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al incentives for regional and local authorities, further structural reforms; 2) raising fiscal responsibility - managing public finances in the interests of the population, under condition of effective use of tax and other mandatory payments of the respective territories; 3) social justice - equal access of the community to social guarantees and public services; 4) political consolidation - achievement of public consent on distribution of powers (competences) between different levels of government and subjects of the budget process, creation of conditions for the effective implementation of their powers and functions by central, regional and local authorities; 5) territorial integration - preventing the emergence of disproportions of regional development, ensuring the unity of the fiscal system.

Consequently, one of the directions of the implementation of this principle of allocation of budget funds is the need to improve the national legislation and its compliance with international law in terms of implementation of the principle of effective funds allocation between the links of the budget system, taking into account national socio-political, organizational and economic peculiarities.

The practical feasibility of implementing the outlined principle is possible only under certain conditions, in particular: 1) the need to amend the current Budget Code of Ukraine, namely, the addition of its section "Legal principles and mechanism of budget funds allocation between the links of the budget system", which would fix the conceptual apparatus at the legislative level of the budget funds allocation process between the links of the budget system, having established a system of principles of distribution of funds between budgets and the mechanism of this distribution [4, p. 13]; 2) improvement of the decentralization process of the budget system.

Conclusions. Therefore, today it is important to create an effective system of budget funds allocation, to determine and fix the term "efficiency" at the legislative level and to identify the signs of inefficient budget funds allocation, which will greatly contribute to the sustainable economic development. At the same time, lawmakers should remember the warnings of the famous scientist P. Sorokin saying "if state power is ignorant and guided in its policy not by the good of society, but by narrow-minded selfish considerations of its own good, the growth of the interference of such power under other equal conditions is unlikely to be an advantage, it will more likely cause public harm" [9, p. 342].

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