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EXPENDITURES OF THE CONSOLIDATED BUDGET OF UKRAINE FOR HUMAN CAPITAL DEVELOPMENT

Abstract. *The article analyzes the expenditures of the consolidated budget of Ukraine for human capital development. It is established the main directions of financial resources in the current conditions of economic transformation. In particular, expenditures on economic activity have been growing at a steadily high rate, both in the last two years and in the entire five-year period under study. In addition, spending on health and national defense has increased significantly over the past two years. However, in 2020, almost 7,0 percent less (for each sector) was allocated to environmental protection and housing and communal services than in the previous 2019, which is evidence of the government's lack of attention to these important areas. To ensure the reform process, the education sector is funded at the appropriate level. It is noted that budget expenditures are an important tool for ensuring sustainable dynamics of socio-economic development of the country, improving the welfare of citizens, increasing the volume of public goods and social services. It is noted that in 2020 the execution of the state budget was carried out with a significant deficit, which increased 2,7 times compared to 2019. This situation, scientists and practitioners associated with the global pandemic COVID-19. The latter has significantly affected the consolidated budget expenditures and the allocation of financial resources to finance priority sectors of the economy. Emphasis is placed on the problems of non-adoption of the Budget Declaration, inefficient management and use of budget funds, which is to some extent a deterrent to the development of the national economy, human capital, economic growth. The directions of further researches of expenses of the consolidated budget of Ukraine in the context of separate branches and acceptance of effective administrative decisions are offered.*

Keywords: budget, human capital, budget funds, budget expenditures, education financing, consolidated budget, socio-economic development of the country.

JEL classification: G280, I18, I22, H41.

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With the deepening of globalization, the transformation of Ukraine's economy, as well as the crisis caused by the coronavirus pandemic COVID-19, there is a need for effective economic policy by the state in terms of socio-economic security and human capital development. Achieving real efficiency is possible only through the quality of the stages of the budget process and increasing the effectiveness of

budget execution at all levels. After all, in the current conditions of economic transformation, society demands from the government quality social services, the provision of the appropriate level and quantity of public goods. To meet the needs of the population, the government is forced to increase budget expenditures on the priority goals of socio-economic development. Thus, budget expenditures are a reliable

tool for regulating the socio-economic development of the country and the implementation of effective state economic policy in terms of ensuring the development of human capital. A significant share of GDP is concentrated in budget expenditures and this requires effective steps towards intensifying the development of budget relations and ensuring the implementation of the main tasks and functions of the state.

It should be noted that the Ukrainian Government is taking a number of steps towards the development of human capital and strengthening the socio-economic protection of the population. In particular, the Minister of Finance Serhiy Marchenko took part in the event «Human Capital Project. Ministerial Conclave 2021», dedicated to the discussion of investing in human capital for ecological, sustainable and full recovery in the post-pandemic period. The key issues of the conclave meeting were: the restoration of the human capital system in the field of health, education, solving the problems of jobs in the pandemic period and the post-pandemic period. Participants discussed investing in the fight against inequality and the disproportionate impact of the pandemic on the poor and vulnerable in the world; creation of sustainable systems of service provision with the help of «reasonable» financing and improvement, modernization of social protection systems; how investing in human capital can help create comfortable jobs: expanding economic opportunities and ensuring environmental and financial sustainability [1].

The consolidated budget of Ukraine is an important indicator of forecasting and use of state funds, which is at the

same time extremely relevant in the current conditions of transformational changes taking place in the country.

As a generalized, integrated, statistical indicator, the consolidated budget gives an idea of the implementation of all levels of the budget (state and local), as well as indicates the directions of budget policy. This is relevant in the context of economic transformation in the context of the scientific search for theoretical and practical aspects of the direction of expenditures of the consolidated budget of Ukraine, which necessitated this study.

Many works of Ukrainian scientists are devoted to the development of human capital: O. Amosha, V. Antonyuk, V. Brych, O. Grishnova, A. Kolot, E. Libanova, U. Sadova, L. Semiv, N. Ushenko and many others. Issues of budget expenditures are studied in the works of I. Blahun, M. Buchkovych, L. Vitrenko, R. Voronko, V. Glukhova, Y. Kovalenko, L. Klets, L. Lysyak, I. Chugunov and others. At the same time, the scientific and methodological tools for improving the budget expenditure management system in terms of human capital development remain relevant for the country today, especially in the context of transformational change and other challenges.

The purpose of the article is to study the structure and dynamics of expenditures of the consolidated budget of Ukraine in terms of economic transformation, establishing the main directions of budget expenditures and clarifying the problems of efficiency of budget funds aimed at human capital development.

In modern conditions of social development, budgetary relations, the strengthening of the role of budget

expenditures in regulating the processes of socio-economic development of the state and its territories can be traced. Because the optimal and effective redistribution of the centralized monetary fund of the state makes it possible to effectively pursue budgetary and general state economic policy.

The budget policy is manifested in the structure of revenues and budget expenditures. Budget expenditures are an effective tool for influencing the magnitude of aggregate demand, the volume of money supply, and its structure, inflation, unemployment, as well as the structure of the economy and so on.

The Budget Code of Ukraine divided the concept of «budget expenditures». According to these norms (item 13 of Art. 2), budget expenditures – the means directed on implementation of the programs and actions provided by the corresponding budget [2]. The Budget Code states that budget expenditures do not include: debt repayment; granting loans from the budget; placement of budget funds on deposits; purchase of securities; return of overpaid amounts of taxes and fees and other budget revenues, carrying out their budget reimbursement; compensation of part of the amount of penalties (financial) sanctions transferred to buyers (consumers) at the expense of penalties (financial) sanctions applied by the bodies controlling the collection of budget revenues, based on the results of the inspection on the application or complaint of the buyer (consumer) settlement operations [3].

Budget expenditures are an indicator of the socio-economic policy of the state. The economic essence of the formation of budget expenditures is the need

to solve complex problems of socio-economic development. With their help, the state performs its functions and regulates economic and social processes.

Budget expenditures are classified according to the functions with which they are related; economic characteristics of the operations in which these expenditures are made; a sign of the chief administrator of budgetary funds; budget programs [4, p. 77].

According to L. Y. Klets, budget expenditures are economic relations on the basis of which the process of using the monetary resources of the centralized fund to perform its functions by the state is carried out. Budget expenditures are funds directed to the implementation of programs and activities provided for the relevant budget, with the exception of funds for repayment of the principal amount of debt and repayment of overpaid amounts to the budget [5, p. 27].

Quite a concise definition of the term is given by I. G. Blagun, R. M. Voronko, M. L. Buchkovich, in their opinion, budget expenditures are legally defined norms and directions of use of budget funds [6, p. 31]. The authors are convinced that the socio-economic essence of budget allocations is determined by: the nature and functions of the state, the level of development of the country, the form of budget transfers, the branched ties of the state budget with the national economy.

In accordance with the functions assigned by the Constitution of Ukraine to a certain level of executive bodies (central or local), both the local community budget and the State Budget of Ukraine are formed. These

budgets concentrate the general fund of financial resources of the country. The consolidated budget of Ukraine combines a set of budgets (state and local) that are part of the budget system of Ukraine. The composition and structure of the consolidated budget allow drawing conclusions and generalizations about the economic, social, political state of the country at this stage of its development. Ukraine, as a unitary state, has a two-tier budget system with a clear division of powers between the central government and local governments. The consolidated budget reflects the use of centralized and decentralized funds at all levels of the budget. Fixing of expenditures at different levels of the consolidated budget is carried out in accordance with the principle of subsidiarity. The consolidated budget of the country is an important statistical indicator of the peculiarities of forecasting, formation and use of state funds, which is extremely relevant in terms of studying the theoretical and practical aspects of these expenditures as part of public finance. A balanced approach to expenditure planning is an important prerequisite for effective regulation and implementation of the socio-economic policy of the country.

The structure of budget expenditures by functional classification is approved by the Ministry of Finance of Ukraine and it characterizes the general, multi-vector goals of public administration in various areas.

Thus, in 2020, the consolidated budget expenditures increased compared to 2016 by 47,6 % or 759 699,9 million UAH (table).

During the period from 2016 to 2020, all expenditures increased,

but their share in economic activity increased significantly – 74,8 % (196 634,3 million UAH), health care – 57,1 % (100 382,7 million UAH), public order, security, and the judiciary – 54,8 % (87 449,3 million UAH). Expenditures on national defense increased by 50,7 % or 61016,8 million UAH, education – 48,7 % (122 848,0 million UAH), for spiritual and physical development – 46,7 % (14 826,2 million UAH). The volume of consolidated budget expenditures on housing and communal services increased by 45,5 % or 14 667,0 million UAH. The smallest amount in the period under study, aimed at national functions – 34,5 % (70 685,6 million UAH), environmental protection – 30,9 % (2 801,2 million UAH), as well as for social protection and social security – 25,5 % (88 388,8 million UAH). The latter indicates a weak social orientation of the government in addressing these issues.

Our analysis shows that over the past five years, the top three areas of budget funding have included: economic activity, health care, public order, security, and the judiciary. It is worth noting that defense spending due to hostilities in the east of the country has increased due to Russian aggression and this is a justified step. The smallest amount of budget expenditures is directed to environmental protection, social protection and social security. The latter, although showing a small percentage of growth, but in terms of funds is quite high.

If we compare the last two years, in 2020 the consolidated budget expenditures increased compared to 2019 by 14,1 % or 22 5176,7 million UAH. Consolidated budget expenditures on economic activity increased

Table

Structure and dynamics of consolidated budget expenditures for 2016-2020 (by functional classification)

Indexes	2016		2017		2018		2019		2020	
	UAH million	Specific weight, %	UAH million	Specific weight, %	UAH million	Specific weight, %	UAH million	Specific weight, %	UAH million	Specific weight, %
National functions	134133,2	16,05	166248,8	15,73	191541,8	15,32	203121,3	14,83	204818,8	12,84
Defense	59357,3	7,10	74360,4	7,04	97024,0	7,76	106627,7	7,78	120374,1	7,55
Public order, security, judiciary	72057,0	8,62	88479,8	8,37	118025,2	9,44	141455,8	10,32	159506,3	10,00
Economic activity	66180,3	7,92	102883,4	9,74	140761,3	11,26	154219,3	11,26	262814,6	16,47
Utilities	17547,5	2,10	27187,5	2,57	30345,5	2,43	34487,1	2,52	32214,5	2,02
Education	129435,1	15,49	177755,7	16,82	210029,4	16,80	238757,4	17,43	252283,1	15,81
Healthcare	75408,5	9,02	102391,6	9,69	115847,8	9,27	128377,8	9,37	175791,2	11,02
Spiritual and physical development	16884,7	2,02	24342,3	2,30	28992,9	2,32	31550,1	2,30	31710,9	1,99
Social protection and social security	258330,7	30,92	285761,2	27,04	309363,6	24,75	321786,7	23,49	346719,5	21,73
Environmental protection	6255,4	0,75	7349,3	0,70	8242,1	0,66	9729,8	0,71	9056,6	0,57
Total expenses	835589,8	100,00	1056759,9	100,00	1250173,6	100,00	1370113,0	100,00	1595289,7	100,00

Composed by the author according to the data [7].

significantly – 41,3 % (108 595,3 million UAH), health care – 26,9 % (47 413,4 million UAH). Also, in 2020, defense spending increased compared to 2019 by 11,4 % or 13 746,4 million UAH, public order, security, and the judiciary – 11,3 % or 18 050,5 million UAH. A much smaller amount of consolidated budget expenditures is directed to social protection and social security – 7,2 % (24 932,8 million UAH), for education – 13 525,7 million UAH (5,4 %), national functions – 0,8 % (1 697,5 million UAH), spiritual and physical development – 0,5 % (160,8 million UAH). At the same time, in 2020, 673,2 million UAH or 6,9 % was allocated for environmental protection less than in 2019. The situation is similar with housing and communal services, for example, 2 272,6 million UAH or 6,6 % was allocated to this sector less than in the previous 2019.

Summarizing our analysis, it should be noted that expenditures on economic activity have been growing at a consistently high rate, both over the last two and the entire five-year period. In addition, spending on health and national defense has increased significantly over the past two years. However, in 2020, almost 7,0 % less (for each sector) was allocated to environmental protection and housing and communal services than in the previous 2019, which is evidence of insufficient government attention to these issues. Meanwhile, these industries are one of the components of human capital formation, and the functional classification of consolidated budget expenditures reflects the priority aspects of the state.

It should be noted that any industry that is crucial in the formation of human capital, in particular the provision of

quality education to the population, the continuation of educational reform requires an appropriate level of funding. In this situation, the state, in our opinion, despite the difficult conditions and growing needs for defense, has found an opportunity to finance education. As can be seen from the table, expenditures on education in 2019 amounted to 23 8757,4 million UAH (6,0 % of GDP, or 17,43 % of total expenditures of the consolidated budget of Ukraine). For comparison: in 2018, this amount amounted to 21 000 029,4 million UAH (5,9 % of GDP, or 16,8 % of the total expenditures of the consolidated budget of Ukraine). Thus, even in such difficult conditions, the Government of Ukraine was able to provide financial support to the education sector at the level necessary to continue its reform. Expenditures on general secondary education have the largest share in expenditures, which amounted to, for example, in 2019 – 48,3 % of expenditures of the consolidated budget on education, on higher education this figure was 21,5 % of general expenditures, for preschool education – 15,1 % of general expenditures of the consolidated budget of Ukraine.

As noted in the analysis of the draft State Budget of Ukraine for 2021, the half-destroyed in 2014–2019 key sectors of the budget sphere (education, culture and health) in 2020–2021 received from the state an increase in both absolute and relative amounts of budget financing. Such positive changes were achieved, firstly, by increasing the total expenditure of the consolidated budget, and, secondly, by streamlining the artificially inflated «predecessors» expenditures on public order, security and the judiciary [8, p. 20].

The system of higher education in recent years has undergone significant institutional changes, which are reflected in the public financial support of the industry. The analysis of budget financing of expenditures of higher education institutions at all levels show positive dynamics, but an extremely insufficient provision of targets both in general and in terms of budgets. The growth rate of expenditures on higher education is lower than in the education sector as a whole. The transfer of funding for college and technical school expenditures to local budgets under decentralization should be supported by centralized financial resources (eg, development subventions, not just current expenditures). Allocation of funds from state and local budgets to private institutions of higher and pre-higher education is inappropriate [9].

In 2020–2021, expenditures on education amounted to approximately 6,7 % of GDP. However, in the draft State Budget of Ukraine for 2022, for the first time, expenditures on education in the consolidated budget for 2022 are projected at more than 7 % of GDP, which meets the requirements of Article 78 of the Law of Ukraine «On Education» [10] and amount to 392,2 billion UAH. The total amount of state budget expenditures (including transfers) on education is planned at 185,6 billion UAH, which is 16,7 billion UAH more than in 2021. For 2022, the education subvention from the state budget to local budgets in the amount of 108 billion UAH is taken into account, which is 8,4 billion UAH more than in 2021. At the expense of these funds, 420 thousand teachers will be provided with salaries. 1 billion UAH will be allocated for the implementation of the

New Ukrainian School reform. To ensure the quality of the educational component of the educational process, for the first time, two subventions in the total amount of 3 billion UAH are provided. These funds will be used to purchase equipment for canteens of general secondary education institutions, as well as for measures related to fire safety in educational institutions. Also, for the first time since 2017, funds have been taken into account to significantly increase scholarships for students to provide equal opportunities for every child to receive a quality education. The government has increased the amount of academic scholarships for more substantial financial support for the best students: in vocational pre-higher and higher education institutions – by 1,5 times, in vocational education institutions – by 2,5 times. Thus, the state is doing everything possible to finance the education system [11].

International practice shows that budget expenditures should be redistributed among the priority sectors of the economy, thus financial recovery of enterprises in the real sector, to create favorable macroeconomic conditions for economic growth and budget revenues. With the help of budget expenditures, the state influences the level of employment, a revival of business activity, stimulates demand, macroeconomic growth, regulates pricing policy [12, p. 109].

In the current conditions of economic transformation, budget expenditures are focused on a certain structural modernization of Ukraine and support for sustainable economic development (Figure).

As can be seen from the figure, the average share of expenditures of the

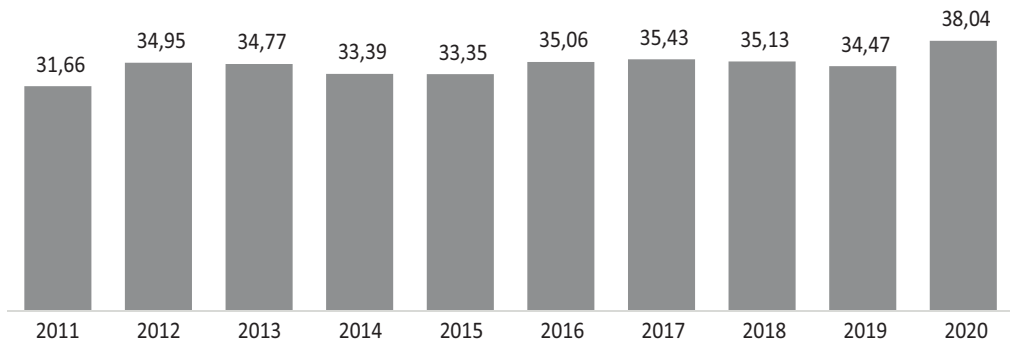


Figure. **Expenditures of the consolidated budget of Ukraine as a percentage of GDP, %**
 Composed by the author according to the data [7].

consolidated budget of Ukraine in GDP during 2011–2020 was 34,72 %. The main factor in the formation of budget expenditures at all levels (state and local) is the doctrine enshrined in the Constitution of Ukraine. After all, the basic law of Ukraine enshrines the European integration aspirations of Ukrainians to build a national socially oriented market economy. Budget expenditures are carried out on a subsidiary basis, taking into account the two-tier budget system of Ukraine with a clear division of functions and powers between central and local authorities.

In each country, the structure of consolidated budget expenditures varies depending on external and internal challenges, problems facing the country at the appropriate stage of its development. In addition, they are an indicator of the socio-economic policy pursued by the state at this stage.

It should be noted that an important mechanism for improving budgetary relations in terms of budget expenditures is the study of existing problems and finding ways to avoid them or eliminate their negative impact on the country's budget and, accordingly, the welfare of citizens. In this context, it is important to increase

the efficiency of budget expenditures and increase the production of quality public goods and services. The state, as the main producer and customer of public goods, is interested in increasing the volume of this product to meet the portfolio of society's demands.

World-renowned scientists Paul Samuelson and William Nordhaus argue that: «Public goods are goods whose service costs another person equal to 0 and which people cannot be forbidden to use» [13, p. 76]. The best example of public goods is the national defense system. According to scientists, when a country defends freedom and way of life, it does the same for its population, regardless of whether someone wants it or not. Private production of public goods is usually insufficient, so the government is taking steps to increase their production. By buying public goods in the form of a system of national defense or lighthouses, the state behaves like any other business entity that uses money: resources. As soon as the «money votes» are redistributed, a market mechanism enters and directs resources to firms so that beacons and tanks can be obtained [13, p. 76].

The economic encyclopedic dictionary edited by S. V. Mocherny

notes that «public goods and services» – a set of tangible and intangible benefits provided to the population by the state in direct and indirect forms on a mostly equivalent basis (by excluding taxes) [14, p. 398].

Scientists divide public goods into different categories, for example, economic goods should include: tunnels, bridges, roads; social – education, health care, housing, environmental protection, etc.; legal – development and improvement of laws; political – the maintenance of the police, army, prisons, etc.; ideological – the influence of the state on broad sections of the population with its values; national services – the implementation of state defense functions. There is no clear gradation between these categories of economic goods and services. For example, defense functions due to aggression by another country are shifting to the political plane.

The state, as a subject of economic relations, performing various economic functions, redistributes the wealth of the people, including resources (financial, labor, material, information), including budget expenditures for common needs, creating public goods.

Public goods in the form of social infrastructure, create comfortable living and working conditions for citizens, obtaining an appropriate level of education, which in turn affects the development of human capital, production efficiency, productivity, ensures sustainable development of the national economy, which is the main task and priority of the state.

Among a number of factors in the development of modern society, human capital is perhaps the most important, because it is the intellectual abilities,

knowledge and competencies of each individual, acquired in education and multiplied by skills acquired during professional activities, are the main conditions for the national economy [15, p. 22].

In the process of distribution of budget expenditures, as well as their further development, an important role is played by management decisions. The efficiency and effectiveness of budget execution, achieving the goal of budget programs, increasing the volume of public goods, increasing the level of social security of the population, and the dynamics of socio-economic development of the country depend on timely and sound management decisions of officials. Management decisions should be based on social development trends, apply appropriate tools and resources, determine the best ways of the next stages, specify deadlines, establish interaction in the budget system and should affect the efficiency of planning and use of budget expenditures, completeness and quality of social, budget, the economic policy of the state. The quality of management decisions is formed under the influence of the social environment in which socio-economic relations develop. Effective management decisions ensure quality planning and efficient use of budget expenditures in the system of regulation of the socio-economic development of the country. The budget policy in the field of expenditures reflects the priority areas of use of budget funds, which are aimed at ensuring economic growth, macroeconomic balance.

Our study showed the problems of efficient use of budget expenditures. Thus, in 2020, cases of inefficient management and use of budget funds

totaling 11 billion 928 million UAH were identified. In the structure of inefficient management and use of budget funds, the largest share is an inefficient use of funds – 4 220,8 million UAH (35,4 %), inefficient management of state property – 3 927,8 million UAH (32,9 %), inefficient management of funds – 2 040,7 million UAH (17,1 %), uneconomical use of funds – 1 036,1 million UAH (8,7 %), unproductive use of funds – 702,6 million UAH (5,9 %) [16, p. 9].

In our opinion, among the main problems of inefficient use of budget funds, that characterize not only 2020, but are systematic, which are repeated from year to year are: non-compliance by participants in the budget process of budget legislation; lack of severe punishment and responsibility for the budget violation committed by the participants of the budget process, etc. Contribute to this, the annual untimely adoption by the Government of decisions on the distribution of subventions from the state budget to local budgets, as well as failure to approve in a timely manner the procedures for the use of budget funds. A chronic shortcoming of the state budget execution, which leads to inefficient use of budget expenditures, is the development of budget funds in November-December, ie at the end of the budget period. This practice, in our opinion, negatively affects the quality of construction work, overhaul, timely commissioning of facilities, such as schools, kindergartens, etc., contributes to the inefficient use of budget funds.

In addition, the reason for inefficient management and use of budget expenditures is the lack of a holistic approach to their management. Lack of clear rules, the responsibility of budget

managers, complexity and systemic interaction of mechanisms, taking into account all components of the overall system and ensuring its harmonious coexistence.

In our opinion, the inefficient use of budget expenditures has a similar effect on the public financial management system, and therefore requires immediate government intervention in order to develop mechanisms to resolve the situation. Because, it negatively affects the dynamics of socio-economic development of the country, increasing the volume of social production, providing the population with quality educational, medical and other services and benefits.

Expanding the professional skills of individuals, experience, and improving the health of the population, according to the World Bank, affects the capacity of human capital.

The system of budget expenditures is a set of interrelated elements that are a consequence of the distribution of budget funds, characterize the socio-economic relations and ensure the implementation of government functions and tasks. Budget expenditures must be justified and balanced in order to achieve the most effective results of budget programs and the goals of the budget system of Ukraine.

For example, the analysis of the consolidated budget, in particular, in terms of the State Budget of Ukraine showed that in 2020 the state budget was executed with a significant deficit, which increased 2,7 times compared to 2019. This situation, scientists and practitioners associated with the global pandemic COVID-19. Of course, the latter has significantly affected the

consolidated budget expenditures and the allocation of financial resources to finance major sectors of the economy. Thus, with the amendments to the state budget on April 13, 2020, the Fund for Combating Acute Respiratory Disease COVID-19 was established, which with further changes amounted to 80,9 billion UAH (72 billion UAH – general fund and 8,9 billion UAH – special fund of the state budget).

Among the largest recipients of the Fund were: the State Agency of Motor Roads – 26,2 billion UAH (actually used 25,7 billion UAH, or 98,3 %); Ministry of Health – 21,8 billion UAH (actually used for the general fund 17,8 billion UAH out of 20,4 billion UAH, or 86,8 %, 1,4 billion UAH allocated for the special fund); Ministry of Social Policy – 11,8 billion UAH (actually used for the general fund 4 billion UAH out of 6,8 billion UAH, or 59,8 %); Ministry of Economic Development, Trade and Agriculture – 10,7 billion UAH (actually used 8,8 billion UAH, or 82,1 %) [17]. In 2020, the Cabinet of Ministers of Ukraine adopted 41 decisions on the allocation and redistribution of funds from the COVID Fund – 19 in the amount of 78,4 billion UAH. In total, 11,9 billion UAH allocated from the COVID Fund was not used – 19 funds, or 15,2 percent of the plan [18].

The study showed the importance of increasing the consolidated budget expenditures, including in the context of state and local budgets in the priority areas of social development and human capital development.

For better planning and financing of budget expenditures on education, it is necessary to improve the information base, in particular, obtained from the results of accounting and management accounting in educational institutions,

which will contribute to more effective control over the use of budget funds. Also, in this regard, we consider it necessary to improve the budget classification of expenditures, its detailing [9].

The development of educational services should be based not only on increasing the amount of funding for education, but also on increasing the efficiency of their development and the effectiveness of higher education institutions. This should be done through the development of regulatory funding models and other mechanisms that will lead to the provision, accessibility and quality of education. The main indicators of the efficiency of spending funds by higher education institutions are the positive dynamics of the following indicators: the number of teaching staff; the number of doctors and candidates of sciences; the number of defended doctoral and candidate dissertations; the total number of applicants for higher education; the number of applicants for higher education – foreigners; the number of applicants who became winners at the second stage of the All-Ukrainian Student Olympiad and the second round of the All-Ukrainian competition of student research papers; quantity of printed products; the number of citations; Hirsch index [19, p. 142].

Our study shows that among the main problems of consolidated budget expenditures are:

- understanding of expenditures on almost all items;
- the direction of budget expenditures of the State Budget of Ukraine in recent years, was carried out without the adoption of the Government Budget Declaration. Thus, in 2019, the government did not submit to the

Verkhovna Rada of Ukraine a draft Budget Declaration for 2020–2022. And, in 2020, due to the global pandemic COVID-19, the government suspended the development of the Budget Declaration for 2021–2023. Only on May 31, 2021, was the Budget Declaration for 2022–2024 approved for the first time. This approach has a negative impact on the formation of effective approaches to medium-term budget planning and budget efficiency;

- problems of filling the budgets of all levels and forming the appropriate level of expenditures, including through the pandemic COVID-19;

- the formation of an unbalanced budget, which leads to an increase in the deficit and public debt.

The solution to these problems lies in the plane of optimization of budget expenditures, namely:

- streamlining the budget structure and reducing expenditures on the «inflexible» system of the state apparatus;

- reduction of social expenditures by revising the system of benefits. Instead, the introduction of monetization of social assistance and its provision only to vulnerable groups and raising the quality of social services to the European level;

- annual approval of the Budget Declaration;

- increase funding for priority sectors of the economy, including the development of social infrastructure, housing and communal services, capacity building of the defense sector, development of education, health care;

- to ensure the growth of revenues to the budgets of all levels through the effective use of the economic potential of each administrative-territorial unit.

In order to modernize and stimulate state and local budgets, in our opinion, it is advisable to optimize the structure and composition of consolidated budget expenditures, which requires improving the system of budget expenditures to ensure dynamic socio-economic development, raising social standards, public goods, welfare.

The study showed that budget expenditures are a powerful tool for stimulating and implementing budget policy, human capital development, ensuring the growth of socio-economic development of the country. Due to the expenditures of the consolidated budget of Ukraine, the possibility of financing various sectors of the national economy is provided. The study found that spending on economic activity has been growing at a steadily high rate, both over the past two years and over the entire five-year period under study. In addition, spending on health and national defense has increased significantly over the past two years. The latter is related to the Russian aggression in eastern Ukraine. However, in 2020, almost 7,0 % less (for each sector) was allocated to environmental protection and housing and communal services than in the previous 2019, which is evidence of the government's lack of attention to these issues.

In these difficult conditions of economic transformation, external and internal challenges, the government still found an opportunity to finance the education sector at the appropriate level, which allows continuing its reform so that this sector meets modern societal needs and human capital development.

It is also established that in 2020, along with the existing budget implementation problems, another

global pandemic, COVID-19, was imposed, which limited the capacity of both consolidated and budgets at all levels to finance priority areas of socio-economic development of the country. The latter was not implemented due to the government's failure to adopt the Budget Declaration.

It is necessary to optimize the composition and structure of expenditures of the consolidated budget

of Ukraine to stimulate sustainable, socio-economic development of the country. In addition, given the current transformational changes taking place in the national economy, it is important to conduct a comprehensive study of effective management decisions in terms of all expenditures of the consolidated budget of Ukraine, including education, which should be a priority for further research in this area.

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ВИДАТКИ ЗВЕДЕНОГО БЮДЖЕТУ УКРАЇНИ НА РОЗВИТОК ЛЮДСЬКОГО КАПІТАЛУ

Анотація. У статті проаналізовано видатки зведеного бюджету України на розвиток людського капіталу. Визначено основні напрями фінансування в сучасних умовах. Зокрема, стабільно високими темпами зростають видатки на економічну діяльність. Окрім того, за останніх два роки істотно збільшилися видатки на охорону здоров'я та оборону країни. Водночас на охорону навколишнього природного середовища, як і на житлово-комунальне господарство, у 2020 р. надано майже на 7 % менше, ніж у 2019 р., що свідчить про недостатню увагу уряду до цих галузей. Для проведення реформування на відповідному рівні здійснюється фінансування освітньої галузі. Зазначено, що бюджетні видатки є важливим інструментом забезпечення стійкої динаміки соціально-економічного розвитку країни, підвищення добробуту громадян, зростання обсягу суспільних благ, соціальних послуг. Підкреслено, що у 2020 р. держбюджет виконано зі значним дефіцитом, у 2,7 раза більшим порівняно з 2019 р. Такий стан науковці і практики пов'язують зі світовою пандемією COVID-19, котра істотно вплинула й на видатки зведеного бюджету та спрямування коштів на фінансування пріоритетних галузей економіки країни. Наголошено на проблемах, пов'язаних із прийняттям Бюджетної декларації, неефективним управлінням і використанням бюджетних коштів, що певною мірою стримує розвиток національної економіки, людського капіталу, а отже, й економічного зростання. Запропоновано напрями подальших досліджень видатків зведеного бюджету України в розрізі окремих галузей та прийняття ефективних управлінських рішень.

Ключові слова: бюджет, людський капітал, бюджетні кошти, видатки бюджету, фінансування освіти, зведений бюджет, соціально-економічний розвиток країни.