

SECTION 1. ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

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EFFECTIVENESS OF FISCAL POLICY IN UKRAINE AND ITS IMPACT ON ECONOMIC DEVELOPMENT UNDER UNCERTAINTY

Fiscal uncertainty is the situation, when different economic, social or political factors, the probability distribution of which we can't get in future, impact on the fiscal indicators and lead to the budget losses. Such uncertainty factors influence on the fiscal policy direction: it may be administered or canceled certain taxes, expanded or narrowed tax base, unexpected additional government spending may be arisen and the structure of the state budget changed.

So the fiscal uncertainty is more specialized and narrower concept. It involves such factors as legislative uncertainty and state budget uncertainty. The legislative uncertainty is based on the changes in the number of new legislative acts in budget sphere. The state budget uncertainty includes the gap between the actual and the predicted budget revenues and the gap between actual and forecast budgetary costs.

To measure the level of fiscal uncertainty in Ukraine we propose the fiscal uncertainty index. Such index consists of three components: the gap between the actual and the predicted budget revenues, the gap between actual and forecast budgetary costs and the number of changes and new legal acts in the fiscal sphere.

The fiscal uncertainty index can take as the negative and positive value. So, if the

index ≤ 0 , the level of uncertainty is low. While the index > 0 the parameters of uncertainty are higher than average value during the period, that is, the level of uncertainty is high, so that needs special attention.

The index of fiscal uncertainty is the higher, the more positive it is. The greatest situation of fiscal uncertainty could be seen in Ukraine in the crisis year of 2009, then – in the period after the Tax Code of Ukraine acceptance in 2012 (with a lag of a year), and the last in 2013, accompanied by a political crisis and the revolution of dignity.

To analyze the relation between the fiscal uncertainty index dynamic and the fiscal indicators we have used the Spearman correlation index. As a result the closest relationship is between fiscal uncertainty index and the tax (especially customs) revenues, the non-tax revenues and the dynamic of the capital and foreign direct investment.

Though the essence of uncertainty doesn't provide the opportunity of the future uncertainty level estimation, but its estimation in the past gives us the possibility to calculate the impact of the shocks on the fiscal policy results. The research showed that such impact was great and the improvement of the budget prediction methods was necessity.