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PUBLIC FINANCIAL POLICY MODERNIZATION FACTORS IN THE SOCIETY SOCIAL DEVELOPMENT SYSTEM

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Abstract. *The problems of urgent need of Ukraine state financial policy modernization in the direction of strengthening its social orientation are considered. The dominant factors of influence on the effectiveness of public financial policy instruments are highlighted, and the attention is paid to their system interrelated actions in the conditions of Ukraine. Proved that taking into account these factors will ensure adaptability, agility state financial policies to ensure effective implementation of the social functions of the state, promote progressive social development. Suggestions for implementation of measures of the domestic state financial policy aimed at overcoming the negative factors of social development of Ukrainian society are formulated, they envisage the harmonized usage of its instruments and their coordination with the goals of social policy, making appropriate institutional changes/adjustments/corrections.*

Keywords: *public financial policy, social policy, social development, budgetary and monetary instruments, modernization, factors, institutional environment.*

The article is devoted to the research of issues related to the objective necessity of the state financial policy of Ukraine modernization in the direction of strengthening its social orientation.

The purpose of the study is to determine the dominant factors that determine the need to modernize the public financial policy of social development of society in the context of transformational transformations and exacerbation of current global and national challenges.

Research methods. It is used a set of scientific methods and approaches in the study, including analysis, systematic, comparative, and statistical.

Results of the work. Based on the social development index dynamics analysis, it is shown that in order to

achieve the set of objective positive states of the Ukrainian society, which correspond to the level of European countries and are generated by an exogenous and endogenous environment, it is necessary to use effectively the instruments of the state financial policy - fiscal and monetary. The dominant factors in the national economy that influence the effectiveness of financial instruments are distinguished: managerial-organizational, financial-economic, institutional, information-statistical, and demographic and others. It is substantiated that these factors give rise to destructive social processes, provoke social risks in the national economy aggravation and require the implementation of an adaptive and preventive state financial policy of a

tactical and strategic nature, taking into account the needs and potential demands of society, demographic changes, cyclical development of the economy. It is shown that the systemic effect of the negative factors that significantly affect the efficiency of the financial instruments of state policy to increase quality of life, determines the need to improve public financial policy aimed at social development of society through its modernization. It is determined that the main directions of modernization of the national public financial policy need to be coordinated with the strategic vector of development of Ukrainian society in the direction of European integration. In this context, the importance of aligning

public financial policy instruments with social policy and formulating a systematic approach to their use is substantiated, considering the effects of certain factors at the national and local levels. Proposals for implementation of systematic measures of the domestic state financial policy aimed at overcoming the negative factors of social development of Ukrainian society are formulated, which provide for making appropriate changes/adjustments/corrections for introduction of social innovations and institutional changes.

Scope of results: the system of state financial regulation, the state financial policy.

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