

**GOVERNMENT BUDGET DEFICIT:
ESSENCE, FACTORS, INDICES**

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Under conditions of cyclical development of national economies and global financial threats government budget scarcity is a relevant problem both for advanced economies and developing countries, as well as for emerging market and middle-income economies.

Research objectives are the following: a) comprehensive analysis of economic problem of government budget deficit: disclosure of essence of this phenomenon, analysis of causes and factors of its emergence and deepening; b) statistical analysis of fiscal deficits in Ukraine and EU member countries; c) providing the recommendations referring the ways of budget deficit reduction. Research methods: dialectical method, historical method, system approach, comparison method, statistical analysis.

In the paper essence of government budget deficit is analyzed from the point of view of history of economic thought up to modern interpretations. An axiological evaluation of this phenomenon and the degree of its inevitability in various types of economic systems are debated. In the article consequences of this phenomenon for a national economy of a country are also analyzed.

Much attention is paid to detailed analysis of causes and factors influencing the government budget deficit forming. In the paper a retrospective investigation of government budget deficit in Ukraine

and post-socialist countries, which are now new members of the European Union, is carried out. This study is based on a number of indices of deficiency (absolute and relative indices of scarcity, the deficit coefficient, growth rate of fiscal deficit). Conclusions are drawn about the depth of this problem in Ukraine and EU new member countries.

In the article the evolution, advantages and disadvantages of concepts of government budget balancing are disclosed (annual balance concept, balancing within the business cycle, concept of functional finance). Also recommendations on methods of government budget deficit reduction are given.

KEYWORDS: *government budget, government budget deficit, deficit indices, public debt, government budget balancing.*