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Budget Interests in the System of Economic Security of the State

The necessity of intensification of research studies in the sphere of economic security of the state appears in Ukraine under the condition of the development of market relations. In this case, instruments of the improvement of the level of economic security in the budget sphere become very significant.

The purpose of the article is to determine, concretize, and interpret budget interests and risks in the system of ensuring economic security of the state.

Results of the article are analyzed theoretical basis of economic security in the correlation with budget interests. It examines theoretical aspects of key elements of economic security in the budget sphere – budget interests and budgets risks. It proves that categories ‘budget interests’ and ‘budget risks’ take up key positions in the theory of economic security. As they play a leading role in the process of the strategy choice of its ensuring.

It determines the category ‘budget interests’ as the combination of budget needs of carriers of interests. This fact is a driving force of budget activities entities, directed to getting definite benefits through the budget for providing the operation and possibility of the successful development of the society, state, juridical and natural persons. It determines a budget need as the necessity in cost budget for the improvement and support of a definite level of an individual vital activity, social group, society, as well as the usual functioning of the state and juridical persons.

Key words: *economic security, budget interests, budget risks, budget system, economic mechanism, institutional mechanism.*

The necessity of intensification of research studies in the sphere of economic security of the state appears in Ukraine under the condition of the development of market relations. The problem of ensuring economic security is of a great importance, as it is caused by the development of a domestic economy of today, as well as by the intensive industry development. In addition to that, the instruments of the increasing of the level of economic security in the budget sphere acquire significance. The budget sphere is an important part of government regulation of the social-economic development of the state. To increase the efficiency of the influence of the budget system on social-economic development of the state it is necessary to provide the realization of actions, which can help to increase the level of budget equilibrium, as well as the effectiveness of the use of cost budget. These actions can also help to guarantee the economic security of the state. The investigation of the basic nature, as well as the importance of budget interests and budget risks, as key positions in the theory of economic security in the budget sphere, is the urgent task to solve.

A number of foreign scientists are engaged in studying problems of budget systems and state finances, including J. Buchanan, A. Hansen, R. Musgrave and others. American economists A. Hansen and R. Musgrave consider the state budget as one the most

effective means for the solution of economic problems, the achievement of economic stability, an important controller of economy, an instrument for economic planning [2; 3]. In J. Buchanan’s opinion, state finances must promote the permanent development and economic prosperity [1].

Taking into account the increasing demand in public benefits satisfying, the necessity to investigate the state budget is proved. Thus, R. Musgrave thinks that rendering social goods and service, as well as the adjustment of distribution of incomes and property, as well as a high level of employment maintenance under the sufficient stability of prices are functions of social finances [3].

Researches of local scientists T. Bondaruk (2013) [4], O. Vlasyuk (2011) [5], I. Lunina (2006) [6], K. Pavlyuk (2006) [7], and others play the considerable role in the studying problems of the budget system and economic security of the state. Most scientists paid attention to the problems of the state budget formation, intergovernmental relations, and economic security of the state. Some principles of their researches are of interest at this time.

Despite the profundity of this problem revelation, the regulator aspects of guaranteeing of economic security taking into account budget interests of the state need further theoretical analysis.

The purpose of the article is to determine, concretize, as well as interpret budget interests and

risks in the system of ensuring economic security of the state.

Categories 'budget interests' and 'budget risks' take up key positions in the theory of economic security. As they play a leading role in the process of a strategy choice of its ensuring. Budget interests determine the dynamics of the state budget policy and the state budget strategy. The procedure of discovering, determination, systematization, concretization as well as structuring the budget interests is a basic stage of the organization of the system of ensuring economic security in the budget sphere. As just budget interests are a driving force for the development and strengthening the budget system in different aspects of its process. The assessment of crisis situations in the budget sphere is connected with discovering and analysis of real and potential risks of economic security in the budget sphere in different segments of the financial system.

The local scientist T. Bondaruk declares that in general the mechanism of ensuring economic security includes two related subsystems: economic and institutional mechanisms. The economic mechanism of ensuring economic security – is the mechanism of acts of objective economic laws. These laws are typical for this stage of the society development showed through the system of social-economic relations of production that depend on the level of the development of the productive forces in the society [4, p. 149]. The institutional mechanism – is the combination of agencies and organizations, legislative and regulatory acts, as well as methods of economy management and regulation that are used by the state to ensure economic security. The institutional mechanism includes organizational-economic and technical-economic relations of production. That means a group of superstructure relations of production for providing the economic policy of the state [4, c. 150].

Thus, firstly, we will examine the problems of budgets interests as an economic-legal category from the point of its definition, as well as revealing its basic nature. It is necessary to define more accurately the basic nature of the category 'budget interest'. From the list of not numerous works that are appropriate to the investigation of the problem of budget interests, we can emphasize on the research of K. A. Butayev (1999) [8]. For the first time he tried to pay attention to the problem of budget interests from the point of their understanding, revealing their basic nature, as well as argumentation the significance of the research of this category for the purpose to reveal contradictory interests and ways of their adjustment. But, the scientist doesn't investigate the precise structure, classification, systematization, as well as concretization of interests. Besides, he examines the problem only in one context connected with exposing interests between authority levels in the system of

intergovernmental relations. The researcher also examines contradictions, but he doesn't propose the scheme of interests coordination on state and social levels, a level of personal budget interests, as well as in the system 'inside-outside' budget interests.

According to the tasks of our research, the main object of our attention in K. Butaiev's works is the proposed definition of budget interests as 'a social-economic function of incomes and expenses of the multi-element budget system of state and municipal territorial-economic formations. They aim to support on the essential level of the development of life support sectors, as well as to satisfy needs of the social sphere in the centre, as well as on regional and local levels' [8]. But before analyzing the definition, we are to clear up the basic nature and content of the concept 'an interest' from the point of its lexical, economic and legal contents.

The analysis of dictionaries' definitions let us distinguish three main approaches to the understanding of the word 'an interest':

- an interest as the collection of needs;
- an interest as a goal;
- an interest as a benefit.

There is not a distinct and established differentiation of these categories up to now. The designation of interests shows their similarity: 'interests are a main motive of human activity' and 'needs are the source of the person's activity'. The difference of these concepts is expressed by understanding of interests as the attention to something important, considerable, useful or something that seems so. In this case, the need is understood as the demand or shortcoming in something important for vital functions support. To be objective to the idea that the person's attention is caused by a certain need, we can declare that the interpretation of budget interests as the combination of budget needs has all reasons to exist.

L. Abalkin considers 'an interest' as the desire of the subject to reach the goal. The scientist emphasizes that interests are reflected in people's consciousness as goals that have been set and as the desire to reach the goals [9]. In this context, a goal or the system of budget goals presents the budget interest. It helps to understand the concept about the subject (in this case about the budget), its nature from the point of carriers of interests to satisfy the needs and bring some benefits and advantages to the subject of interests. For instance, 'the budget interest is in coming to the peak volume of the budget income part'. In this case, the budget interest determines the purpose of 'budget incomes maximization'. Such an approach to the interpretation of this category is more similar to ways finding of the realization of interests or to outside form of expression. According to this fact, the definition of budget interests as the combination of budget goals is unpractical. This interpretation of the approach is more acceptable to the definition of other

element of the system of ensuring security – it is an equalizer.

The interest as a benefit, advantage or income – is the most spread interpretation. It is caused by the development of the search of economic sources and motives for a person's activity in different spheres of scientific knowledge, as well as in philosophy. If it is possible to assume that the budget interest is an income, we can declare that this fact can change the basic concepts about the budget sphere as the system that has no purpose to get the financial income. In this case, the system does not correspond to the concept of basic nature of budget as the instrument that lets realize state functions for satisfying social needs: in security, social ensuring, education, as well as keeping people healthy. The notion 'an income' or 'a benefit' does not relate to the budget sphere if only not to change the usual financial understanding of an income into the social or public income. The contradiction of the coordination of the notions 'an income' and 'a budget' can be leveled in this case. Budget relations can be interpreted as the benefit with the special emphasis not on the financial meaning of the desired income but on the social, state and personal advantage.

We examine the legal aspect basing on the standards of Ukrainian Law 'About the basis on national security of Ukraine'. According to this Law, national interests are determined as 'important vital material, intellectual, and inner values of the Ukrainian nation as the carrier of sovereignty and the only source of the authority in Ukraine, as well as the determinant needs of the society and state. The realization of these needs guarantees the state sovereignty of Ukraine and its progressive development' [10, article 351]. In a legally set standard the basic determination relates to one of three revealed classical approaches to the understanding of the category 'an interest'. The determination is clear and full. But we must admit that we have not found the determination of budget interests in legal documents of Ukraine.

According to the economic aspect, it is important to mention that the economic interest is one of the most controversial categories. Despite the polemics of economists that are members of different epochs and scientific tendencies, all authors stick to the point that:

- interests are the driving force of economy;
- interests are the manifestation of relations of production;
- interests are the system with carriers who are individuals or groups of individuals united according to special features (it follows the characteristic of subject interests);
- interests' basis are subject's needs;
- interests that are caused by the complex of material-technical conditions of the reproductive process, as well as by the system of relations of production where the form of propriety for the capital goods is the main.

It is important to define the category 'a budget interest'. We base on the following statements:

- the definition must be universal for all carriers of budget interests;
- the definition must relate to one of three approaches of the classical definition of the notion 'an interest';
- the definition must reflect the category with its essential characteristics, but it must be clear, simple, and valuable.

The first approach of understanding 'a interest' (interest as the combination of needs) will be the basis for the definition. The reason is that the society, social classes, groups and persons have realized needs, and now they become their interests.

According to the information mentioned above, we consider that budget interests are the combination of budget needs of carriers of interests. This combination is the key factor of subjects' budget activity oriented on getting some benefits through the budget for ensuring functioning and possibility of the progressive society development, state development, as well as juridical and natural persons' development.

The basic structure of the definition consists of the following elements – lexical interpretation 'interests are needs' and the enumeration of essential characteristics of budget interests (Fig. 1, authoring): this is the combination of budget needs of carriers of interests: the state, society, juridical and natural persons (citizen).

In addition to the basic approach to the definition ('an interest as a need'), we used two others. The budget interest, as a goal, is showed in the definition 'a purpose' – it is the formation of conditions for the existence and possibility of the progressive development of carriers of interests with the use of the budget set of instruments. 'An interest as a benefit' has the meaning in the determination of features of the budget interest as getting some benefits through the budget.

Defining the budget interest as the combination of budget needs, we must explain the other significant category of the economic security in the budget sphere. It is 'a budget need'. We stick to the fundamental definition of a need as the necessity or the lack of something for supporting the life in the organism. We consider it reasonable to define the budget need as the necessity (a need) in the cost budget for achieving and supporting a definite level of an individual life, social group, society, as well as the usual functioning of the state and juridical persons.

Budget needs of the state – are the significant reason of the state existence, as well as the budget needs of the society are the inalienable condition for the usual functioning of the human community, as well as its development. The needs with other content are the basis of budget needs. They are social, individual, state, and economic needs. The level of the

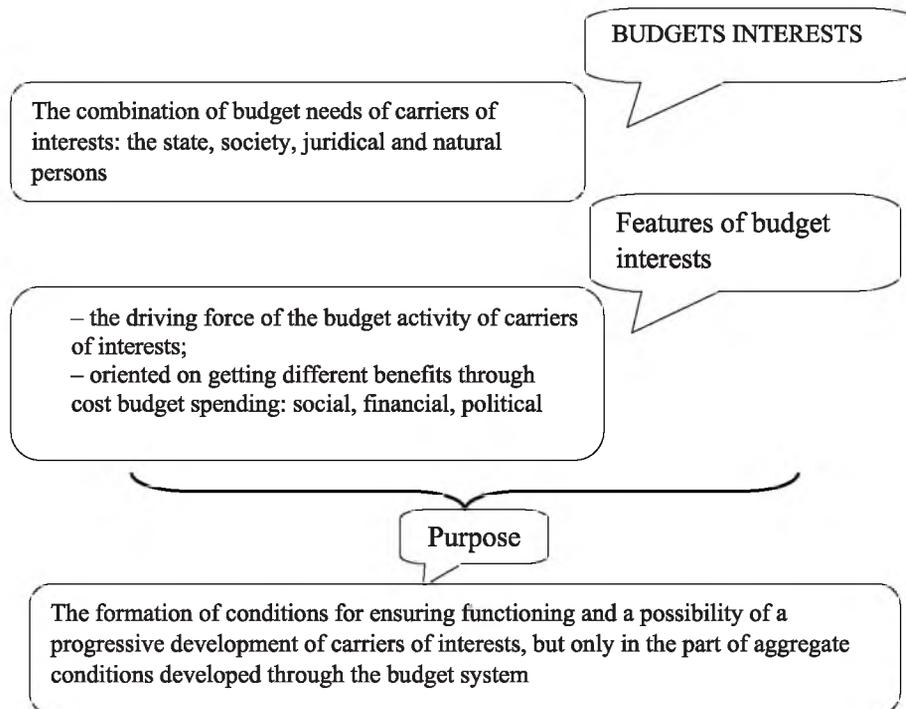


Fig. 1. The basic scheme of the definition 'budget interests'

budget needs depends totally on the level of the state development in a political-economic sphere, as well as in a social-cultural sphere. The development of these spheres causes the development of new budget needs. These needs can be transferred from less important to a basic group. It demonstrates the general regularity of budget needs development with the development of the social-economic and cultural-political progress in the form of increasing needs. Thus, a detailed study of needs is the significant condition for budget interests' findings, as well as for their contradictions findings. It helps to improve a budget planning on all its level.

Relatively to the volume of budget and its structure, budget needs can be classified as absolute (they show the maximum amount of needs in costs budget of all subjects) and real (they can and must be objectively satisfied in the course of optimal budget process).

The article analyses theoretical aspects of the economic security in the connection with the budget interests. It proves that the categories 'a budget interest' and 'a budget danger' play the key position in the theory of the economic security in the budget

sphere. As they play the leading role in the process of the strategy choice of its ensuring.

The category 'budget interests' is defined as the combination of budget needs of carriers of interests. This combination is the motive factor of the budget activity of subjects that are oriented on getting some benefits through the budget for ensuring functioning and the possibility of the progressive society development, state, as well as juridical and natural persons.

Describing the budget interest as the combination of the budget needs causes the necessity to define the category of the theory of the economic security in the budget sphere. It is 'a budget need'. It defines the budget need as the necessity (a need) in the costs budget for achieving and supporting a definite level of the individual life, social group, society, as well as usual functioning of the state and juridical persons.

Future researches must be oriented on the classification of the budget interests as the element of the system of the economic security in the budget sphere.

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Бюджетні інтереси в системі економічної безпеки держави

У статті проаналізовані засади економічної безпеки у взаємозв'язку з бюджетними інтересами. Розглянуті теоретичні аспекти ключових елементів економічної безпеки в бюджетній сфері – бюджетних інтересів і бюджетних загроз. Обґрунтовано, що категорії "бюджетний інтерес" і "бюджетна загроза" займають ключові позиції в теорії економічної безпеки, оскільки відіграють провідну роль у процесі вибору стратегії її забезпечення.

Виділено основні підходи до розуміння категорії "інтерес": інтерес як сукупність потреб; інтерес як мета; інтерес як вигода. Обґрунтовано, що економічний інтерес – рушійна сила економіки – є проявом виробничих відносин та системою, носіями якої є особи або групи, об'єднані за певними ознаками (звідси властивість суб'єктності інтересів). Інтереси зумовлені комплексом матеріально-технічних умов відтворювального процесу й системою виробничих відносин і базуються на потребах суб'єктів.

Обґрунтовано, що базова структура дефініції "бюджетний інтерес" складається з таких елементів: 1) лексичної інтерпретації "інтереси – це потреби": 2) перерахування істотних ознак власне бюджетних інтересів, зокрема розгляд останніх як сукупності бюджетних потреб носіїв інтересів: держави, суспільства, юридичних і фізичних осіб (громадян). Метою бюджетних інтересів є створення умов для існування і можливості прогресивного розвитку носіїв інтересів з використанням бюджетного інструментарію. "Інтерес як вигода" є важливим аспектом трактування аналізованої категорії при визначенні ознак бюджетного інтересу в частині отримання вигоди різного роду через бюджет.

Подано трактування категорії "бюджетні інтереси" як сукупності бюджетних потреб носіїв інтересів, що є рушійним чинником бюджетної діяльності суб'єктів, направленої на отримання певної вигоди через бюджет з метою забезпечення функціонування і можливості прогресивного розвитку суспільства, держави, юридичних і фізичних осіб. Бюджетні потреби визначено як необхідність у бюджетних коштах для досягнення і підтримки певного рівня життєдіяльності індивіда, соціальної групи, суспільства, а також оптимального функціонування юридичних осіб і держави загалом.

Ключові слова: економічна безпека, бюджетні інтереси, бюджетні загрози, бюджетна система, економічний механізм, інституційний механізм.

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Бюджетные интересы в системе экономической безопасности государства

В статье проанализированы теоретические основы экономической безопасности в бюджетной сфере в контексте ключевых элементов – бюджетных интересов и бюджетных угроз. Обосновано, что категории "бюджетный интерес" и "бюджетная угроза" занимают ключевые позиции в теории экономической

безопасности, поскольку играют ведущую роль в процессе выбора стратегии ее обеспечения. Представлена трактовка указанных категорий, а именно: “бюджетные интересы” определены как совокупность бюджетных потребностей носителей интересов, а “бюджетные потребности” – как необходимость в бюджетных средствах для достижения и поддержания определенного уровня жизнедеятельности индивида, социальной группы, общества, а также оптимального функционирования юридических лиц и государства в целом.

Ключевые слова: *экономическая безопасность, бюджетные интересы, бюджетные угрозы, бюджетная система, экономический механизм, институциональный механизм.*

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