

# FORMATION OF PUBLIC FINANCIAL RESERVES IN THE RETROSPECT OF ECONOMIC DEVELOPMENT

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One of the most common tools for maintaining the stability of national economic systems is the formation of public financial reserves during the period of economic growth, in the conditions of excessive state budget funds.

Historical periods reflecting the evolutionary path of transformation of the definition of “state reserves” originate in ancient Rome when the first bankers who were to receive free funds from the state treasury in the form of loans were selected and borrowed for social needs – a prototype of modern state financial reserves.

The study of the evolutionary space of the formation of public financial reserves shows that new approaches to understanding the state reserves were investigated as a prerequisite for the formation of a sound financial policy of the state and considered as means of “budget surpluses”.

The research of modern financial theory and practice is based on the definition of the prospects for reforming the world monetary and financial system, which changes the ideas about the role and significance of the state financial reserve in the future of global economic development, as well as the principles underlying the institutional reforms necessary to ensure the development of the world economy and its stability.

The conducted research testifies to high efficiency and versatility of instruments of state financial reserves and the possibility of their application for various types of economic systems. Effective use of public financial reserves requires assessing the long-term prospects of the impact of this instrument on the economic system and coordinating the use of public financial reserves with the priorities of government policy.