

# **Budget deficiency management: domestic practice and best external experience**

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The urgency of the research topic is that the budget deficit is permanently inherent in public finances in most countries of the world, both developed and emerging markets, therefore it is necessary to develop and adhere to certain fiscal rules regarding the use of budget funds received from financing a budget deficit for his optimization.

Research of topic is that the budget deficit is permanently inherent in public finances in most countries of the world, both developed and emerging markets.

The state budget as the main financial plan of the state is a description of the state's income and expenditures for a certain period of time, which has the status of the law. The result of the formation of monetary resources is reflected in the revenues of the state budget, and their use – in its expenditures.

Budget revenues are formed on the basis of all tax, non-tax and other proceeds carried out on a non-refundable basis, including grants, gifts, transfers, etc. The budget expenditures reflect the means by which the planned state measures and programs are financed, with the

exception of funds aimed at repayment of the principal amount of the state debt and the return of excessive amounts paid to the budget.

Low budgetary discipline and, as a result, non-compliance with budgetary constraints on the limit of the deficit, cause a deterioration of the financial situation in the country and deepening financial irresponsibility of governments.

On the basis of a generalization of the European Union's call for education in addressing the issue of reducing budget deficits and public debt, the following recommendations for improving Ukraine's fiscal and debt policy can be developed.

As a result of the study it was proved that one of the most effective methods of managing budget deficits was fiscal cial rules that have been widely used in most countries, including the EU, to avoid macroeconomic destabilization.

The authors, based on the generalization of the positive experience of the EU countries in addressing the issue of reducing the budget deficit and public debt, have developed recommendations for improving the fiscal and debt policy of Ukraine.