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ECONOMIC SCIENCES

FORECASTING THE IMPACT OF THE PANDEMIC ON THE PAYING CAPACITY

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Abstract

The relevance of this topic is due to the fact that in modern conditions, income inequality can reach enormous proportions and pose a threat to political and economic stability in the country, exacerbated by the impact of the pandemic, because the standard of living of the population depends on them. According to forecasts, the poverty rate in the country due to the pandemic will increase from 27.2% to 43.6%, and in the worst case - up to 50.8% of the total population.

We recorded a sharp increase in poverty in the first quarter of 2020. In the first half of the year, the poverty rate rose to 51%. In the first half of 2019, 41% of Ukrainians were poor. The poverty rate in 2020 will be 45-50%. Despite the state's efforts to help people who have lost their jobs, the average nominal amount of unemployment benefits in 2020 has decreased even in hryvnia equivalent. According to the State Employment Center, in January-November - by UAH 309. In dollar terms - from \$ 164 to \$ 126 per month.

The current situation in the field of income in Ukraine is characterized by a large accumulation of social tensions, which can be reduced by creating conditions for proper quality of life. The official assessment of inequality in Ukraine does not reflect the real state of affairs, insofar as it does not take into account undeclared cash income, the informal economy and informal income. Namely, informal employment is a significant source of income and consumption for a large part of the population. The deepening of social stratification is also influenced by the lack of state efforts to reduce social inequality.

Keywords: paying capacity, poverty, pandemic, unemployment, social inequality, income.

Introduction. One of the main indicators that reflect the quality of life of the population is the standard of living. The concept of living standards is determined by the ratio of monetary income and subsistence level, the proportion of poor and rich, the purchasing power of the middle classes, housing, housing and utilities. That is, in other words, the standard of living of the population is based on the availability of promising work and decent pay for it and the opportunity to use guaranteed quality services.

In recent years, the problems associated with ensuring income growth have become especially relevant. According to the State Statistics Committee of Ukraine, in the structure of income of the population the main part (more than 50%) is wages. The change in the ratio of wages and the subsistence level in recent years has not been in favor of wages.

Due to the COVID-19 pandemic, Ukraine may face the worst recession in decades, leaving more than 9 million people in poverty. This is stated in the UN report for October. According to the study, since the beginning of the pandemic, more than 80% of households have lost their income and more than 40% of families have lost at least one family member. It is emphasized that although there are currently no separate data on eastern Ukraine, the socio-economic consequences of this recession for the conflict-affected region are likely to be devastating. In the territories not controlled by Ukraine, 58% of families currently report the use of negative adjustment mechanisms to meet their basic needs, compared to 49% in early 2020. The share of

households in debt is also increasing: 15% in September against 11% before the pandemic.

The urgency of this topic is due to the fact that in modern conditions, income inequality can reach enormous proportions and pose a threat to political and economic stability in a country amplified by the pandemic. That is why almost all developed countries are forced to constantly reduce the income gap population, because they depend on the standard of living.

Unlike most of the poor in other parts of the world, the poor in transition economies tend to have a fairly high level of vocational training, in the past they had employment guarantees, and when they reached retirement age they expected the state to pay a sufficient pension on a regular basis. and significant benefits. Unfortunately, Ukraine is one of the countries with a high level of poverty. A significant decline in production during the economic crisis, which lasted more than 10 years, inflation, declining productivity, artificial retention of surplus labor, rising unemployment and the duration of unemployment, combined with the monopoly position of certain industries and enterprises inevitably led to lower gross domestic product per capita, reducing the share of wages in its structure, reducing real incomes and real wages, reducing effective demand of the population and consumption while deteriorating its quality and structure. Added to this is the process of polarization of the former egalitarian society, which is characterized, on the one hand, by a rapid concentration of funds and property in the hands of small groups, and on the other by a progressive increase in poverty and deprivation. Communication with the poor indicates

the formation of a divided society, in particular because the poor consider themselves isolated from other citizens, forgotten by the state, and this view is held not only by the elderly but also by young people. Due to the lack of necessary self-organization and the natural lack of funds, the poor do not participate in informal mechanisms of mutual assistance.

Analytical review of studies. As a result of the review of theorists and practitioners to determine the nature and highlight the main problems associated with poverty and income inequality, we can conclude that this topic is quite relevant and important for today's society. With each passing year and the changes that are taking place at the legislative level, the situation is deteriorating and the number of the poor is increasing. Preliminary research on the problem of poverty is based on the works of VF Ojbon, S. Ringen, P. Townsend, O. Kangas, who focused on universal approaches to poverty, which, however, did not contain a complete picture of the factors and aspects of this phenomenon. Ukrainian researchers Yu.I. Saenko, GZ Goleusova and VP Bevz used methodological approaches to determining poverty and the peculiarities of this manifestation. To fully cover this problem, it is necessary to take into account a whole paradigm of factors - social, economic, political, cultural, regional, which must be adapted to the specifics of our state system and tools for implementing social policy.

Economic consequences of the pandemic.

At the same time, according to estimates of the Chamber of Commerce and Industry of Ukraine, only in the first two weeks of quarantine the number of unemployed increased by 500-700 000 people, over the next two weeks - in April - another 500-600 000 people were added. And the total number of unemployed in Ukraine (not only officially registered) is actually at least 2.5-2.8 million people.

According to Info Sapiens, in March 2020, 60% of respondents said they had financial losses, including due to: a decrease in regular income (38%), complete loss of power (16%) and job loss (14%). Only 46% of respondents expect to receive their full salary in March, while almost every second respondent believes that he will be paid only for the days he worked; 29% of Ukrainians said they were afraid of losing their jobs as a result of quarantine, and 34% - a decrease in regular income

As of 2019, Ukraine has the lowest purchasing power per capita in Europe. According to a study published by GfK, the average Ukrainian can spend an average of 1,830 euros a year after paying mandatory payments. This amount is almost 37 times less than the average resident of Liechtenstein. There, a resident can spend 67,550 euros a year on food, accommodation, payment for services and energy supply, pension savings, etc. In addition to Liechtenstein, the highest rates are in Switzerland, Luxembourg and Iceland, the lowest - in Kosovo, Moldova and Ukraine. Analysts estimate that in 2019, European consumers in 42 countries had almost 10 trillion euros at their disposal. This is 3.5 percent more than last year. The overall average purchasing power for all European countries was 14,739 euros per year per person. At the same time, the results of

only 16 countries were higher than the European average. The GfK study takes into account nominal indicators without inflation adjustments. The researchers calculated per capita income after taxes and mandatory payments and taking into account subsidies and other payments. All indicators were converted into euros. Ukraine every year is last in this ranking.

Theoretical and methodological bases of formation of poverty and inequality in the received incomes of Ukraine

At the beginning of the third millennium, the problem of overcoming poverty is considered by the world community as key in the socio-economic policy of any country where this phenomenon is widespread. Poverty is defined as the inability due to lack of funds to maintain a way of life inherent in a particular society in a particular period of time. The poor include those who are not voluntarily deprived of basic necessities: adequate housing, food, clothing, and health. Poverty is also a fear of the future, due to a person's insecurity in their ability to protect themselves and their loved ones. Poverty is an extreme manifestation of poverty. Poverty and the poor in post-socialist countries are significantly different from other parts of the world. In the imagination of most of the so-called "new poor" the transformation period is associated with material deprivation, the destruction of ordinary life, the collapse of traditional social structures.

Modern science defines poverty as the inability due to lack of funds to maintain a way of life inherent in a particular society in a particular period of time. The point is that due to material deprivation, the poor cannot eat according to local standards, cannot pay for housing and utilities based on their needs, cannot be treated and rested, ensuring the recovery of health lost due to illness or overload, and finally, cannot provide education for themselves and their children.

Thus, having an economic background, poverty is a much broader phenomenon in various aspects of life.

Another definition of poverty is the inability to maintain a minimum level of consumption determined on the basis of physiological, social and cultural norms. The difference in these definitions, in fact, is that the first poor are all those who live below a certain actual average standard of society, and the second - only those who live below the minimum set by society [2, p. 41-48].

The poverty line is a tool for determining the prevalence of poverty in Ukraine and the degree of impoverishment of the population. People are considered poor if their income or consumption is below a certain level, which is defined as the poverty line. Theoretically, according to the interpretation of poverty, there are two main ways to determine the poverty line - normative and relative (statistical). The normative method, by definition, involves focusing on a particular social norm. To determine the poverty line, it is the subsistence level (sometimes called the minimum consumer budget or the minimum consumer basket). It includes the cost of consumption of food, non-food products and paid services sufficient to maintain the individual, the family of all social ties inherent in this social stratum.

It is clear that the subsistence level is a dynamic socio-economic category that changes with social development and not only under the influence of rising prices and inflation. Its level depends on the complex of consumer goods (consumer basket), which is determined by society under certain socio-economic conditions at least material security and is calculated in the prices of real purchases. Naturally, the consumer basket will be different for people who differ in age, health status, marital status, place of residence and so on.

Within the concept of human development, new approaches to interpretation and a new method of measuring "multidimensional" poverty were proposed. Accordingly, today poverty is interpreted as a multifaceted phenomenon, with the following forms:

- objective and subjective;
- absolute and relative;
- by income and opportunities;
- temporary and chronic (congestive).

Objective poverty is determined by the country's accepted criteria for income and access to certain material and spiritual goods: opportunities to educate children, acquire vocational training, receive quality treatment, have housing that meets accepted standards, and so on. In contrast to this interpretation, subjective poverty is understood as one that is determined by self-esteem; that is, a person is poor when he identifies himself in this way. The subjective concept involves establishing a poverty line based on the analysis of the population's perceptions of the amount of resources (income) needed to meet minimum needs.⁵² On a sample survey of the population or determines what income level provides a living wage and prevents poverty, or classifies their financial situation. This method was proposed in the 1970s by experts at the University of Leiden in the Netherlands [2, p. 41-48].

The problem of dividing poverty into "absolute and relative" is one of the most controversial aspects of the whole theory. Based on the definition of poverty as a level of well-being that does not meet the standard material and spiritual needs of the population, it is necessary to recognize the fundamentally relative nature of this category. According to the level of social welfare, to the existing living standards in society, the idea of standard needs, ie poverty, changes. If we add the practice of providing state aid to groups in poverty, the practice associated with significant budget expenditures, it becomes clear the political basis of this category. The level of poverty is determined, first of all, in accordance with the political guidelines and economic potential of each country. There can be no single standard of poverty worldwide: those who are undoubtedly poor, say in the United States or Switzerland, will be considered quite wealthy in third world countries.

Depending on their duration, poverty can be temporary (short-term or seasonal) or stagnant (long-term). Stagnant poverty, as a rule, leads to more serious consequences and is often the result of the simultaneous action of a whole range of factors. It is also associated with the fundamental impossibility for a family or an individual to solve their own problems and overcome financial difficulties. Temporary poverty can be the result of one or more factors:

- a continuous decline in the welfare of the population due to sudden socio-political, economic or natural changes;
- long-term arrears of salaries, pensions, scholarships, etc.;
- seasonal fluctuations in prices and, accordingly, seasonal fluctuations in food security of certain segments of the population (only in countries with a generally low standard of living) [27, p. 181-190].

Today, it is advisable to conduct a study of poverty in Ukraine on the basis of an integrated approach that will determine the extent of absolute and relative poverty. This conclusion is especially relevant at the current stage of development of poverty research, as discussions on the choice of a single evaluation criterion are becoming increasingly acute. Discussions between proponents of the relative and absolute approaches arise from the presence of positive and negative characteristics for both criteria. The unsuitability of a criterion for modern conditions is mainly explained by the specifics of the transition period and the peculiarities of the socio-economic situation in the country [29, p.70-79].

The essence of income inequality and features of its manifestation in Ukraine

The modern interpretation of inequality presupposes going beyond purely economic parameters - economic, social, political and ethnocultural inequality are distinguished. Some groups of the population, due to the restriction of their rights, may suffer from a particular type of inequality, but their combination is the most acute. It is through cumulative influence that such extremely negative and threatening to national security phenomena as the rejection of certain groups of the population from public life, polarization and marginalization of society are formed [10, p.91-96].

The most obvious manifestation of economic inequality is income inequality, which can cause (and usually causes) inequality of access to the basics! social benefits (quality medical care, quality education, comfortable housing), resources (financial, including loans, land, etc.), to the realization of their basic rights in general (rights to health, life, security). But at the same time, income inequality itself is at the same time a consequence of other types and manifestations of inequality [10, p.91-96].

Thus, the lack of access to quality education dooms children from poor families to poverty in their adult lives, because even in Ukraine, where a large part of the population with higher education does not work in a specialty or in jobs that do not require high qualifications, Since 1999, there has been a steady direct relationship between the level of education and the level of income. This fully applies to inequality in life expectancy - children from poor families face a higher risk of premature death or disease and are less likely to realize their potential [18, p. 40-44].

High-income people usually live longer than the poor; in turn, good health is the foundation of proper economic competitiveness. Deep inequality has a very negative impact on economic growth opportunities. Low living standards often result in morbidity and low levels of education, which undoubtedly reduces the

economic activity of the respective groups of the population, affects the country's overall labor potential, and thus leads to a slowdown in economic growth as a whole. Conversely, an increase in the income of the poor leads to an increase in demand for domestically produced goods, while the affluent are more likely to focus on imports or even buy a significant part of clothing, footwear, machinery, etc. abroad.

Thus, it is the growth of demand from the poor that most stimulates the development of the national economy, which, in turn, causes an increase in demand for

labor. Finally, a fairer distribution of income is a significant stimulus (both material and psychological) for increasing the participation of all segments of the population in economic development, while increasing inequality threatens social tensions and resistance from those who have lost hope of improving their lives.

We suggest to consider the following table. 2.1. consolidated budget was to have a picture for summarizing data.

Table 2.1.

Expenditures of the consolidated budget of Ukraine on a functional basis,% of GDP			
Indicator	2018	2019	2020
1	2	3	4
Expenses	35.1	35.9	32.9
National functions (without debt service)	2.1	2.2	2.1
Public debt service	3.3	3.6	3.2
Defense	2.7	2.6	2.7
Public order, security and the judiciary	3.3	3.5	3.6
Economic activity	4.0	4.3	4.4
- agriculture, forestry and fisheries;	0.4	0.4	0.4
-coal industry;	0.1	0.1	0.1
road management;	1.7	1.7	2.0
Environmental protection	0.2	0.3	0.3
Utilities	0.9	0.8	0.7
Health care	3.3	3.2	2.9
Spiritual and physical development	0.8	0.8	0.8
Education	5.9	6.2	5.6
Social protection and social security	8.7	8.3	7.0
-transfers of the Pension Fund	4.2	4.5	3.8
Housing subsidies	2.0	1.4	1.0
Net loans provided by the state	0.1	0.1	0.1
Budget balance	-1.9	-3.2	-2.1

Thus, looking at the table you can see the percentage change in budget expenditures to GDP, which for three years fluctuates within +/- 5%. These dynamics do not play a special role, but if you pay attention to the level of this percentage, you can see how low its value is. Differences in income and opportunities provided to certain groups often reflect inequalities in political power. Vulnerable layers on! Settlements remain so largely due to weak political influence on government decisions, and weak influence is determined primarily by their vulnerability. Thus, economic inequality is an obstacle to democratic transformation and a factor in weakening the legitimacy and corrosion of political institutions.

Income inequality often leads to macroeconomic instability: significant population stratification is a factor in poverty (especially defined by the so-called relative criterion) and, consequently, large-scale secondary redistribution of income through social transfers; large social transfers lead to high budget expenditures and, consequently, a budget deficit, the need to cover which provokes inflation. Inflation has a much stronger impact on the living standards of the poorer sections of the population, so it provokes increasing inequality, you! carrying it to a new turn of the spiral. The circle closed. The growing inequality in the distribution of wealth in

the world is one of the greatest social and economic political challenges of our time. Income inequality is common to all economic systems.

For modern Ukraine, poverty has become not only a chronic phenomenon, determining the way of life of the majority of the population, but also a factor in the polarization of society, its division into very rich and very poor with a catastrophic decline in the middle class.

According to research, today the ratio of income of rich Ukrainians to the poorest is 30: 1. Such differentiation of incomes arises under the influence of various factors that are related to personal achievements or independently of them, having an economic, demographic and political nature. The state regulates the income of the population through fiscal (taxation) and social policy (system of benefits and social assistance).

The level of efficiency of the economy depends on the state policy of income redistribution through the budget. It is no secret that the stability of government policy in the long run depends on a reasonable balance between fairness and efficiency, and an adequate income tax system can be an important element in this balance. In this sense, taxes are "bread and butter of politics." Any public policy is a game of fighting some counterbalances (for example, fair distribution or fair

distribution of public spending) against others (such as economic growth or administrative capacity).

It is generally acknowledged that the degree of social inequality in Ukraine has no analogues among Eastern European countries, primarily due to the merger of government and business, redistribution of national wealth in favor of high-income groups, amid declining incomes and opportunities for self-realization of the poorest. According to the latest opinion polls, only 2% of the adult population of Ukraine consider themselves wealthy, up to 40% - the middle class, and the rest - 58% identify themselves as poor. In the case of maintaining excessive social differentiation of the population, we can expect increased tensions in society in the near future [6, p. 15-18].

Ensuring equality of social opportunities and equality of social results is important for Ukrainian society. Equality of social opportunities presupposes, first of all, equality of all members of society before the law, in receiving education, health care and social security services. Equality of social opportunities is regulated by Art. 43-53 of the Constitution of Ukraine, according to which every citizen of the state has the right to freely chosen work, protection from illegal dismissal, guaranteed remuneration for work, paid annual leave, social security in case of complete, partial or temporary disability, loss of breadwinner, unemployment due to circumstances beyond their control, as well as in old age. However, judging by the Ukrainian realities, the legislative and executive bodies of government and administration are not able to bring the proclaimed rights of citizens in line with the real capabilities of the country, and even more so to international social standards.

An indicator of population differentiation by income level is also considered to be the Gini coefficient (K J), which reflects the nature of the distribution of the total amount of income of the population between individual groups. With a uniform distribution of income K J approaches 0, the higher the uneven distribution of income in society, the closer K J to 1.

The Gini coefficient in 2019 was 0.238, while in 2020 its value was 0.242, ie the fall of these coefficients in recent years shows that they do not reflect the real picture of population stratification in income.

The reasons for this phenomenon can be considered shortcomings in the formation of the sample of household surveys, taking into account only estimates of income from legal employment, without shadow, while the shadow labor market in Ukraine, according to various estimates, is about 50%, which significantly distorts the results; most of the population has been living below the poverty line for a long time. The low level of income of this part determines the situation of gradual reduction of the uneven distribution of income of the whole population due to the impoverishment of the poor, the transition of the middle class to the poor, the presence of the working population. This conclusion is confirmed by a comparative analysis of KJ in Ukraine and the EU, which shows a significantly lower level of inequality in income distribution compared to the vast majority of European countries.

Therefore, it is not surprising that Ukraine is in the group of countries with a low degree of inequality,

along with EU countries such as Slovenia, Norway, the Czech Republic and Finland (0.20-0.26) in the distribution of income according to the classification of economies for OECD countries. Most EU countries are characterized by medium (France, Croatia, Germany, Ireland, Poland, etc.) or a high degree of inequality in income distribution (0.33-0.35) - Portugal, Greece, Latvia, Spain, Romania and Bulgaria.

Assessments of social inequality and poverty in Ukraine

The fight against poverty is one of the most important global problems of our time. But in Ukraine it has become relevant relatively recently, with the beginning of market transformations. Therefore, in the current socio-economic conditions in Ukraine, one of the most urgent tasks is to increase the efficiency and targeting of social support, improving social governance at all levels - from state to local communities. The practical solution of these problems requires the improvement of appropriate statistical support, in particular the improvement of data sources in order to conduct in-depth studies of the financial situation of the population, identify and assess risks and factors that determine the welfare and social stability [1, 61-68].

Absolutely poor are also those who spend more than 60% of their income on food (the share of food expenditures in total household expenditures is called the Engel coefficient), or whose caloric intake is less than 2100 kcal per day [4]. The poor also include people deprived of the ability to consume certain goods, ie who, for example, do not have a set of the three most common durable goods (color TV, washing machine and refrigerator) or deprived of normal living conditions (with central gas, water and sewerage)) [4].

Poverty levels can also be assessed indirectly through income distribution indicators. Usually, the more unevenly distributed incomes within society, the more the population will consider themselves poor [2]. The main source of timely, complete and reliable information on the level of income, expenditures and available resources of households necessary for comprehensive surveys of the population's well-being is the results of a survey of living conditions of households conducted by the state statistics bodies of Ukraine. This sample observation allows the analysis of various spheres of household life depending on the level of their income (expenses), composition, availability of children, place of residence and other characteristics. The annual sample size is about 10 thousand households. The integration into the survey program of some additional blocks of sociological questions with the use of subjective assessments of the moods, expectations and expectations of certain groups, their problems and levels of needs is significantly enriched. self-assessment of the level of their well-being [4].

These thematic surveys provide an opportunity to combine information on the actual financial situation of each surveyed household with subjective assessments of its members. Household self-assessment of their well-being is carried out by subjectively determining the level of income adequacy to meet basic needs, providing information on consumer restrictions. oppor-

tunities due to lack of funds, as well as social self-identification. This self-assessment involves the choice of answers to questions about: - the level of adequacy of annual household income; - consumer opportunities of certain groups of households; - identification of households themselves as representatives of different segments of the population (wealthy; middle class; non-poor, but not yet middle class; poor) [6, p. 15-18].

The main poverty profiles in terms of socio-demographic and socio-economic groups remain stable. Regardless of the criterion chosen, poverty levels among people of working age and among people of retirement age are below the national average, and vulnerable groups include children and "old" retirees. The most vulnerable are traditionally large families, households with children under 3 years of age and with a double demoeconomic burden (with children and the unemployed).

Poverty profiles differ depending on monetary and non-monetary approaches: high risks of monetary poverty are inherent in children, and non-monetary poverty is much higher among older age groups. When using monetary approaches, the highest risks of poverty are for large families and children without children. Households with two or more children, as well as children under 3 years of age, also have an increased risk. When using non-monetary criteria, the group with the highest risk of poverty are households consisting exclusively of older age groups (75 years and older) [10, p. 91-96].

Thus, it can be noted that the manifestations of human activity and the needs of people differ significantly, and therefore it is impossible to create a single universal indicator to assess the living standards of the population. This requires a system of characteristics, indicators and parameters, which in their unity are able to reflect the degree of satisfaction of individual and social needs, to assess the level of life guarantees. The formation of such a system requires the first solution to a complex problem - the choice of a limited number of indicators that would not only fully characterize the living standards of the population, but also provide an opportunity to carry out its comparative analysis by population and individual areas. The results of the analysis should determine the most significant factors population, and assess the closeness of their relationship in order to identify priority measures, the implementation of which should reduce social inequality [20, p. 84].

The main types of income of economic entities in a market economy are wages, profits, income from land ownership, real estate, securities, intellectual property, and non-competitive members of society - social benefits, payments, maintenance and other transfers. The market economy is characterized by uneven distribution of household income, which encourages the latter to increase employment, more productive and intensive work, and the state - to regulate income inequality in order to avoid their sharp differentiation [3, p.108].

Thus, income differentiation can be considered as a stimulus for economic growth, intensification of business activity. Uneven distribution of resources and money income among the population is associated with the influence of economic causes and factors - the situ-

ation on the labor market, the level of economic development of the industry, region, individual characteristics, marital status and more. People differ in hard work, activity, abilities, education, property ownership, ability to spend income productively, etc. Based on this, they cannot work, earn and live the same, so they have incentives to work more.

It should be noted that reaching a certain limit, socio-economic inequality begins to play a negative role, destroying the motivation of economic entities, suppressing incentives for development, creating social tension, and acts as an anti-stimulus, brake on economic development and social justice, increasing social tensions in society. [4].

Uneven distribution of income undermines the moral values of workers, destroys the moral regulation of their economic behavior, their individual ability to "relatively independently determine and direct their behavior in society without external control, which crystallizes in such concepts as conscience, honor, self-esteem" [1, with. 61-68].

The structure of household income also has a significant impact on the assessment of social inequality and poverty, so I propose to review it in the following figure. 2.3.

Analysis of the state of income distribution in the domestic economy shows the negative dynamics and deepening of inequalities caused by a number of economic, social, foreign economic reasons. The latter were supplemented by the proliferation of economically inactive enterprises, the bankruptcy of business and its shadow component, military aggression by a neighboring state, inaction of public authorities, and so on. In order to clarify the real state of income inequality, there is an urgent need to expand and improve domestic income statistics, widely apply world experience, improve methods of analyzing living standards, relevant indicators, criteria that characterize the differentiation of poverty, minimum wage, minimum wage, consumer basket, etc. The state needs to actively implement the strategy of employment growth for the economically active population in combination with the provision of social protection of non-competitive categories of the population. In further research, attention should be paid to the formation of monetary and value individual share of households in the total product, which is formed under the influence of the relations of distribution and redistribution.

It should also be noted that the application of different methods of assessing poverty and social inequality in practice gives different results, which may differ significantly from each other. This is due to the existence of methodological differences in approaches to poverty assessment. In particular, the adequacy of research results using the approach of comparing household income or expenditure with the standard largely depends on the validity of the standard itself. Overestimation or underestimation of the latter affects the assessment of poverty in the country. In addition, as we have already noted, the level of shadowing of the domestic economy is quite high, so it does not allow to objectively and realistically assess the income of

households, their comparative analysis, to trace the dynamics of income inequality.

It is known that in Ukraine the low efficiency of economic reform and the ineffectiveness of the legislative mechanism of social orientation have led to stratification of the population in terms of material security, led to poverty, marginalization, exacerbation of the employment crisis, narrowing human reproduction, deteriorating health and vitality. which became a threat to the development of human, labor and intellectual potential of Ukrainian society. In a country with a relatively homogeneous population in a short time formed a narrow stratum of rich and very rich people at the same time with the mass impoverishment of citizens. Most people do not even have the level of income and social guarantees that were before, which produces physical degradation and moral disorientation of the people [4].

In the distribution of social benefits and real access to them there is a violation of the principles of equality of rights. There is a general tendency of non-fulfillment of constitutional guarantees regarding free social services in state institutions of health care, education, provision of social housing, etc. According to the results of sociological research [33], more than two thirds of the population of Ukraine lack stability in society and social guarantees that provide a sense of confidence in the future. The existing system of social protection, in particular, social assistance and social compensations do not protect the poor from poverty.

Inefficient redistribution of income and unfair distribution of state transfers aimed at social support of citizens provoke inflated expectations from the state. The state policy on overcoming poverty through mechanical equalization of incomes of socially vulnerable groups of the population is not complex and gives only a temporary effect, which ultimately leads to large social expenditures from the state budget, but does not solve the problem of large-scale poverty. Thus, in Ukraine it is important to create a system of social protection that is able to adequately respond to socio-economic risks and contribute to poverty reduction in all groups [12, p. 3-6].

To solve specific practical problems of overcoming poverty in Ukraine, it is necessary to analyze the main risks of poverty and the composition of the poor, to investigate the causes of the current situation and to predict the consequences and prospects for the future. Ukrainian society is characterized by a high level of poverty among the economically active population, which is associated with both high unemployment and low wages or long delays in its payment.

Today 79% of the poor are households in which at least one working person lives [1, p. 61-68]. Large-scale poverty has developed among those working in the public sector and in stagnant industries. Poverty remains a common phenomenon among families with children with both working parents - almost a third of families with children are poor, which is 1.7-2.0 times higher than poverty in households without children [1, p. 61-68]. Among households without children, the worst situation is traditionally observed in households where all persons are older than 75 years, as persons of

older age groups can not earn additional income to retirement. The differentiation of the population by income is also influenced by the region of residence and the size of the settlement.

The highest level of poverty is observed in rural areas, in the capital the poverty level is traditionally the lowest. The problem of poverty also has an infrastructural dimension - residents of villages and small towns are significantly limited in access to quality medical, cultural, educational and household services. Against the background of stabilization of relative poverty of the entire Ukrainian population, the level and depth of poverty of peasants is growing [20, p. 84].

If in 1999 the level of poverty, the depth of poverty and the level of poverty did not differ significantly between urban and rural areas, in 2008 the poverty rate in rural areas was 38.2%, which is almost twice the poverty rate in the city; poverty rate in rural areas 22.2% against 9.5% in urban areas; the depth of poverty in rural areas is 26.3%, in the city - 20.9% [7, p. 38-58]. In addition to the problem of monetary poverty, Ukraine is characterized by significant scales of deprivation, ie poverty in terms of living conditions. The most relevant aspects of deprivation of different categories of the population experts [1, p.38] identify inadequate living conditions, high cost of health services, the impossibility of full recreation, lack of social infrastructure [4].

The impact of cash costs for healthcare on paying capacity in Ukraine

The proliferation of paid medical services, combined with the rapid rise in the cost of medicines, necessitates the isolation of the impact of these factors on poverty and the identification of their "burden" on the population, including the most vulnerable.

The composition and structure of cash expenditures on health care is determined by the Household Living Conditions Survey questionnaire, the only source of information that allows to obtain fully representative results on a systemic basis. In contrast to the composition of cash expenditures in economically developed countries, where the total costs of health services and the purchase of medical goods (excluding insurance payments), which combine the payment of medical advice, purchase of medicines, hospital bills, gifts, etc., in Ukraine it is possible to single out the following items: costs of medical supplies, devices and equipment; costs of outpatient and outpatient services; payment for hospital services [5, p. 3-9].

The first group of costs mainly accumulates funds for the purchase of drugs. The second group combines the costs of doctor's consultations, diagnostic services, outpatient treatment, including dental treatment. The third group includes all the costs associated with inpatient treatment.

Thus, the available information base allows you to analyze:

cash expenditures of the population on health care: their level in the country as a whole and by individual groups of the population, which differ in the amount of income, their distribution and structure;

catastrophic health care costs and their impact on the impoverishment of the population, in particular, the

distribution of catastrophic costs by type of cash payments, by different groups of the population, determining the determinants of catastrophic costs [15, p. 21-27].

Specialists of the World Health Organization have developed a special methodology 100, which allows to compare these costs with the solvency of the population, identify households for which they have catastrophic - in the context of impoverishment - consequences and assess the fairness of financial burden distribution.

In one form or another, the majority of households are forced to spend on health care (75.9% according to 2006 data), but on average only 2.3% of all household expenditures do not spend it. Basically, the funds are directed to the purchase of drugs and other medical products, due to the traditional desire of the population to maintain their health through medical treatment (either by prescription or by purchasing freely sold drugs) [24, p. 22-31].

However, the share of this component in the total "medical costs" is almost steadily declining. In total, 70.3% of the population incurred such expenses during the year.

Instead, the lowest of this group is the cost of outpatient services. This is due to the fact that most outpatient services are provided free of charge in the system of state-funded public health facilities. In most cases, the population pays only the so-called voluntary contributions or reimburses the cost of materials during analyzes or surveys. Pensioners, children, the disabled and other categories of the population are even exempt from this. Thus, in 2018, only one in three households paid for outpatient and outpatient services. It is probable that along with the official contributions, this item of expenditure also included informal gifts [24, p. 22-31].

According to the results of a study on certain types of households, quite naturally the most vulnerable to catastrophic "medical costs" group of the population are retirees, and for households with two retirees, this risk is significantly (though not twice) higher.

In contrast to other characteristics of poverty, the relatively low risk of catastrophic "medical costs" is typical of families with children, including families with children under 3 years of age. This gives grounds to conclude that medical care for children in Ukraine is still more or less provided by budget allocations. However, falling into the main risk group of large families in 2006, which previously had consistently low rates of catastrophic costs, necessitates monitoring of this indicator [28, p. 20].

Despite the more widespread practice of paying for medical services among urban residents (78.4% of urban households compared to 70.6% of rural households in 2006), such costs are more burdensome for the rural population. Thus, in 2006 they spent 5.5% of their solvency (a similar figure for urban residents was 5.0%), and the share of households with catastrophic medical expenses in rural areas was 1.5% versus 1.1% in the city.

Conclusions and suggestions

Thus, given the above, the priority of the state in Ukraine is to determine the economic assessment of the

trade-off between efficiency and justice, to create a reliable measurement of economic inequality and poverty at the state and regional levels, to introduce adequate assessments of poverty and social programs. In recent years, there has been an intensive process of redistribution of total monetary income in favor of high-income groups against the background of reducing the share of income of the poorest sections of the population. In Ukraine, the degree of income inequality has no analogues among Eastern European countries implementing economic reforms.

The current situation in the field of income in Ukraine is characterized by a large accumulation of social tensions, the reduction of which is possible by creating conditions for proper quality of life. The official assessment of inequality in Ukraine does not reflect the real state of affairs, insofar as it does not take into account undeclared cash income, the informal economy and informal income. Namely, informal employment is a significant source of income and consumption for a large part of the population. The deepening of social stratification is also influenced by the lack of state efforts to reduce social inequality.

It is especially important to establish a single mandatory state standard of the minimum wage in accordance with the subsistence level. In modern conditions, the minimum wage should be set at a level not lower than the value of the poverty line per able-bodied person.

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АЗЕРБАЙДЖАНО-ГРУЗИНСКОЕ ЭКОНОМИЧЕСКОЕ СОТРУДНИЧЕСТВО

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Аннотация

В статье рассматриваются вопросы экономического сотрудничества между Азербайджанской Республикой и Грузией, как стратегических партнеров; проанализированы основные сферы сотрудничества и достигнутые результаты; показаны возможности региональных интеграционных процессов с их участием; освещены перспективы развития азербайджано-грузинских отношений.