

The federal government tries to use both monetary policy (money control through mechanisms such as interest rate changes) and fiscal policies (taxes and expenditures) to maintain low inflation, high economic growth and low unemployment. And they manage it because the USA has enough inflation. However, over the past year, the figure began to increase. According to Focus Economics, it reached 2.5% in January and 2.7% in February 2017, reaching the highest level since February 2012.

Following the ideals of the “free market” and the definition of “individual freedom” and “free enterprise”, the US market economy was recognized as one of the most efficient economies with the lowest levels of inflation and unemployment in the world. An essential feature of the market economy is the full freedom of individuals and legal entities to choose between a large number of goods and services, according to their tastes and preferences.

Conclusion. The US economy is the most mature, complex, and efficient economy in the modern world. In the system of productive forces of the American economy a huge role is played by highly professional labour, an army of scientists, engineers and designers. The growth rates of the US economy are not the highest, but they are stable and quite sufficient to meet the growing solvent needs of the domestic market of the country. Also, the USA financial system is characterized by great flexibility, reliability and diversity.

References

1. Simoes A. The United States [Electronic resource] / Alexander Simoes – Retrieved from: <http://atlas.media.mit.edu/en/profile/country/usa/>.
2. United States Economy [Electronic resource]. – 2013. – Retrieved from: www.economywatch.com/world_economy/usa.
3. What are the features of US Economy? [Electronic resource]. – 2016. – Retrieved from: <https://www.quora.com/What-are-the-features-of-US-Economy>.

Dmytro Kovalchuk

Vasyl' Stus Donetsk National University

Vynnytsia

Research Supervisor: L.H. Sarkisian, PhD in Economics, Ass.Prof.

Language Supervisor: N.V. Striuk, Lecturer

ADVANTAGES AND DISADVANTAGES OF THE SCANDINAVIAN BUSINESS MODEL

Introduction. In the twentieth century Sweden there was something that is often called “an economic miracle”. In only a few decades, a poor agricultural country became one of the richest and most highly developed industrialized countries.

The special feature of this model is the leading role of the private sector. The low proportion of state property combined with the role of the public sector. The

cooperative sector plays the essential role in agriculture, industry, trade, housing, banking and insurance. Private property and market competition with government programs aimed at the equal profits distribution. The high level of the economy socialization is shown in the redistribution of a large part of GDP through the tax system, which allows implementing active social policy.

In the context of crisis, Ukraine must look for ways to overcome it, one of the most obvious and probably the most effective ones is the transition to the mixed economy model, as the market economy is ineffective and worsens the situation in Ukraine.

The objective of the paper is to study the advantages and the disadvantages of the Scandinavian business model.

Results of research. Advantages of the Scandinavian business model:

- Care for the population. The state provides the proper level of medicine, education and life of all Swedes. And the main thing –people do not have to pay for it. There is no difference who consults a doctor – the founder of Skype or just an unemployed person [2].

- Low social differentiation, and as a consequence the phenomenon of a highperforming middle class. Which is the lion's share of the total population. It strengthens the unity of the population and eliminates dissatisfaction with the authorities [2].

- Creating truly competitive environment in some markets. Giving all the entrepreneurs equal opportunities, the state believes in honest competition, which will inevitably lead to the up-to-date inventions. The state subsidizes promising projects and enterprises in a crisis period [1].

- The low level of corruption, or rather, its absence. Creating the proper living conditions for every Swedish resident, leads to the disappearance of corruption as the source of enrichment [3].

- Creation of co-operatives. Significant privileges and subsidies for cooperatives stimulate export and GDP growth. Cooperatives serve as a temporary place of earnings for youth and a “springboard” in their careers. In agriculture, as in other areas, it increases labour productivity and gives farmers freedom to act, which inevitably leads to the emergence of high-quality products [1].

Each economic phenomenon has both advantages and disadvantages. Capitalism is more effective than the command-administrative economy, though it is completely unfair. The Scandinavian model, having taken only the best sides of each of the two economic systems, still has its drawbacks.

Disadvantages of the Scandinavian business model:

- High taxes. They can ruin the business during a crisis period. It also helps to reduce the motivation for running own business, going to international markets. High taxes force the Swedes to export capital from the country and register business in other countries. Thus, the state will not receive budget revenues through the tax system, will not increase the supply on the market, will lose the number of workplaces for its population. Also, it will increase the import [1].

- Excessive care of the state reduces motivation for productive labour. High social protection stimulates the development of laziness and parasitism among the population. The unemployed are not always in a hurry to find a new job, waiting for the state to do everything for them [2].

- Low-effective management in crisis situations. Democratic principles of personnel management in fast-growing markets, such as IT, do not allow to make quick decisions that can reduce the competitiveness of Swedish companies [1].

- Significant role of the state in the economy. In addition to high taxes and high social protection, it stimulates the growth of democracy. A significant role of the state does not allow entrepreneurs to enter some of the strategically important markets for the state [3].

Conclusion. The modern market economy of a mixed type is the most perfect system of all existing ones. It is quite flexible, adapted to internal and external conditions. The state always helps, the main objective of state economy regulation is to maintain economic and social stability. [3] Today's market economy can not be imagined without government intervention. State regulation performs such important functions as maintaining competition, stabilizing the economy, providing social protection and much more. The main advantage of the mixed economy is the efficiency of the use of resources and the economic freedom of producers. The mixed economy dictates the most effective use of all resources and promotes the introduction of up-to-date technologies.

References

1. Волков А. Шведская модель [Электронный ресурс] / А. Волков — Режим доступа : http://expert.ru/countries/2007/03/shvedskaya_model/

Volkov A. Shvedskaia model [Swedish model] [Electronic resource] / A. Volkov – Retrieved from: http://expert.ru/countries/2007/03/shvedskaya_model/ [in Russian]

2. Модели экономических систем [Электронный ресурс] / Режим доступа : <http://www.grandars.ru/student/mirovaya-ekonomika/typy-ekonomicheskisistem.html>.

Modeli ekonomicheskikh system [Models of Economic Systems] [Electronic Resource] / – Retrieved from: <http://www.grandars.ru/student/mirovaya-ekonomika/typy-ekonomicheskisistem.html> [in Russian]

3. Куликов А.М. Основы экономической теории: Учебник помощь. – М.: Финансы и статистика, 2011 года. – 332 с.

Kulikov A.M. Osnovy ekonomicheskoi teorii: Uchebnik pomoshch. – M.: Finansy i statistyka 2011 hoda. – 332 s. [in Russian].