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## **STATE DEBT AS A DEBT BURDEN ON THE NATIONAL ECONOMY**

**Abstract:** This article presents a statistical analysis of the indicators characterizing the public debt as a debt burden on the state and its further development. It describes the consequences of the increase in debt, their implementation and attempts to prevent them. The article discusses the statistics on public debt in Italy and Spain; the reasons of their growth are analyzed. It also considers the role of debt in the economy of an individual state and the world as a whole. The influence of the nature of decisions on the debt problem is determined. The main factor of debt development, such as the growth of economic crises is touched upon.

**Keywords:** public debt, cumulative effect, crisis, external debt.

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## **ГОСУДАРСТВЕННЫЙ ДОЛГ КАК ДОЛГОВАЯ НАГРУЗКА НА НАЦИОНАЛЬНУЮ ЭКОНОМИКУ**

**Аннотация:** В статье представлен статистический анализ показателей, характеризующих государственный долг как долговую нагрузку на государство и его дальнейшее развитие. Описаны последствия увеличения задолженности, их реализация и попытки их предотвращения. Приводится статистика по уровню государственного долга в Италии и Испании, анализируются причины его роста. В статье также рассматривается роль долга в

экономике отдельного государства и мира в целом, определяется влияние характера решений на долговую проблему. Затрагивается основной фактор развития задолженности, такой как рост экономических кризисов.

**Ключевые слова:** государственный долг, кумулятивный эффект, кризис, внешний долг.

The development of the world economy is determined by the expanding globalization, which is rapidly gaining momentum in its importance for regulated and unregulated processes. Regardless of the course of interpretation of various consequences, globalization can act as a negative factor that destroys the foundation of economic activity of the state. The problem of economic debt has a positive growth dynamic, thus generating a rapid spread on the world stage. The formation of debt policy remains a relevant process at the moment, requiring more specific attention. The climate of financial security is determined by the state budget, as well as all possible variants of its deficit [4].

The ability to serve external debt is one of the factors of macroeconomic stability, which characterizes the key basis of the country's well – being. The nature of the solution of the debt problem depends on the budgetary capacity of the state, the stability of its national currency, as well as the behavior of all segments of the financial market. It should be noted that the lack of a coherent state policy to attract external financial resources has an impact on the growth of external debt, in turn, affecting the negative factor for economic transformation [3]. The role of debt is to be able to finance expenses in the deficit of own funds. However, the current situation in many countries proves the irreversibility of increasing public debt every year due to the lack of rapid decisive action to form an objective situation. The table presents the ratio of public debt to GDP, from which a brief analysis can be made.

Table – Public debt ratio as % of GDP

Country	Public debt as % of GDP		
	2007 y.	2012 y.	2017 y.
Italy	99,8	123,4	131,8
Spain	35,6	85,7	98,3

Italy's financial debt exceeds \$2 trillion, the default of which can lead to the collapse of the financial system not only in the state, but also in the world. This cannot but affect the standard of living of the population itself, which has plummeted by 10% over the past 10 years. The infrastructure has undergone negative changes, as well as the weakening level of education [1]. The negative economic situation in the country also affects the birth rate of the population, based on the uncertainty of any stability. Regarding Spain, it should be noted that in the intermediate periods the country's economy had positive development trends. However, after a period of the small rise, the economy returned to its original place with even greater consequences. During the crisis, the idea of reindustrialization of the Spanish economy has made its way. At the same time, we are talking about the formation and strengthening of new traditional industrial sectors [5]. However, despite all the decisions taken, the rapid growth of unemployment has involved more than 6 million people, which clearly shows the impact of public debt on the domestic system. If you cannot repay the debt the government has to increase taxes for the visible probability to pay the debt [2].

The growth of economic crises is a basic factor in the development of debt, as well as the growing progression of the budget deficit and the lack of resources. Compression of potentially generated revenues is due to the lack of competitiveness of domestic production in the global market.

Thus, the economy pays considerable attention to the strategic mistakes of the parties, their structural shortcomings. The cumulative effect is the full component of the external crisis impact and the country's own imbalances imposed on it.

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