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## **FORMATION OF MIDDLE CLASS AS A PRE-CONDITION OF IMPROVEMENT OF HUMAN POTENTIAL OF UKRAINE**

The article analyzes the characteristics and problems of the middle class in Ukraine. The author examined criteria for classification of population at different rates, particularly regarding income, education level, income inequality, citizenship. It is proved that in a decline in living standards and greater economic inequality and stratification of the population, the middle class is a necessary prerequisite for improving the human potential of Ukraine and important task to achieve socio-economic development.

The problem of the shadow economy is forcing businesses to hold asocial policy regarding employees, which in turn leads to the inequality of income and inhibits the formation of the middle class. The evaluation of state ownership of the material and financial assets of country's population concluded on

its non-compliance with European standards. The author determines the main reasons that prevent the enrichment of the middle class with representatives of the public sector. Given the fact that the middle class existing in Ukraine in fact cannot be considered as a real driving force of social and economic development, the article highlights the need for practical measures of the middle class in Ukraine.

The results of the research identified key factors that promote and inhibit the formation of the middle class as the main stabilizing force of socio-economic development of Ukraine, its human potential and provided practical recommendations to enhance the process of formation of a European-type middle class in Ukraine as a prerequisite of improvement of the human potential to achieve the strategic goals of sustainable positive development.