

Global problems of national economics development

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Global problems of national economics development: collective monograph

Globalne problemy rozwoju gospodarek narodowych: monografia zbiorowa

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Introduction

The dynamics of modern civilization development is influenced by many factors, the emergence of which is due to the complications of global social relations. It is expedient to include the following: globalization, scientific and technological progress, virtualization and dematerialization of business resources, emergence of new forms of combination of business and government. It is impossible to determine the nature of the influence of the above-mentioned factors unambiguously, since they can be either positive, neutral or negative.

At the same time, the World Economic Forum highlights four main trends that need to be taken into account: the productivity paradox, the fourth industrial revolution, the growing income inequality, and the massive increase in working population¹.

In addition, we are witnessing the emergence and actualization of existing global challenges, such as: cybercrime, environmental pollution, migration processes.

Global challenges can have a significant impact on the functioning of both the global economy as a whole and national ones, accelerating or slow down the pace of their development.

The importance of ensuring the high rates of development of the world economy, acceleration of scientific and technological progress, creation of the newest productions is conditioned by the need to solve the modern problems facing humanity.

In view of the above, the monograph will present the results of research by scientists aimed at solving some certain economic problems.

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¹ The World Economic Forum (2017). 4 reasons why your country should be more competitive. Retrieved from: <https://www.weforum.org/agenda/2017/09/global-competitiveness-report-2017-trends>

Section 1. Economics and Management

1.1. Mechanizm pozyskiwania środków przez przedsiębiorstwa w nowych warunkach wyzwań żywnościowych i finansowych

Nowoczesny rozwój gospodarki narodowej każdego kraju trudno sobie wyobrazić bez aktywnego udziału inwestycji zagranicznych. Prędzej czy później każde przedsiębiorstwo musi zmierzyć się z problemem ograniczenia środków własnych dla dalszego rozwoju, szczególnie w warunkach światowego kryzysu finansowego. W takich przypadkach z pomocą przychodzą zewnętrzne źródła finansowania. Jednym z najbardziej skutecznych sposobów pozyskania kapitału jest wyjście przedsiębiorstwa rolnego na światową giełdę. Pozyskiwanie środków finansowych w procesie realizacji IPO pozwala przedsiębiorstwu rolnemu przyciągnąć niezbędne do rozszerzenia aktywa, które przedsiębiorstwo nie może kupić za własne pieniądze i na nabycie których nierentowne jest wzięcie kredytu. W tłumaczeniu z języka angielskiego IPO (Initial Public Offering) oznacza pierwotną ofertę publiczną i jest jedną z form pozyskiwania dodatkowego finansowania poprzez oferowanie papierów wartościowych emitenta do realizacji przez szeroki krąg inwestorów, którzy mają dostęp do rynku giełdowego. Według oficjalnej definicji nowojorskiej giełdy papierów wartościowych (NYSE) – IPO (Initial Public Offering) to emisja nowych akcji, która odbywa się przez prywatne firmy w celu przekształcenia ich w publiczne.

Nowoczesna branża IPO w różnych krajach rozwija się inaczej. Na przykład w Wielkiej Brytanii, Kanadzie, USA, które są zorientowane na rynek akcji jako na główne źródło inwestycji ulokowana jest największa część IPO. Na giełdy tych krajów starają się wyjść także emitenci innych krajów, którzy nie mają możliwości przyciągnięcia kapitału niezbędnego do dalszego rozwoju na krajowym rynku akcji. W wyżej wymienionych krajach w drodze emisji akcji dofinansowanych jest do 15-20% wszystkich inwestycji w kapitał [1].

Przed rozważeniem zalet IPO w stosunku do innych sposobów pozyskiwania środków finansowych, należy zauważyć, że czasem pierwotne oferty publiczne (IPO) mogą być dla przedsiębiorstw rolnych jedynym możliwym sposobem na przyciągnięcie inwestycji długoterminowych, ponieważ z emisji obligacji korzystają duże i dobrze znane na rynku przedsiębiorstwa rolne, a dla małych, ale obiecujących przedsiębiorstw, przyciąganie obligacji nie jest możliwe.

Zalety IPO w porównaniu z innymi formami zaangażowania przedstawiają się następująco:

1. Pozyskiwanie długoterminowych środków finansowych, których nie trzeba zwracać. Zasoby te można wykorzystać do nabycia innych podmiotów gospodarczych na spłatę istniejącego zadłużenia, finansowanie kapitału obrotowego, zakupu i modernizacji istniejących zakładów produkcyjnych, wdrażanie innowacyjnych projektów. Pozyskane w ten sposób środki mogą być wykorzystane przez zarząd przedsiębiorstwa rolnego według własnego uznania. Ale przy tym muszą być brane pod uwagę oczekiwania inwestorów, którzy przeznaczili zasoby finansowe na realizację określonej strategii rozwoju.

2. Zakup kapitalizacji (wartości rynkowej). Cena publicznego przedsiębiorstwa rolnego, jak zwykle, zawsze jest powyżej kosztów prywatnych tego przedsiębiorstwa. Dzieje się tak dzięki istniejącej płynności i dostępności dość łatwo otwartej informacji o podmiocie gospodarczym.

3. Poprawa stanu finansowego przedsiębiorstwa rolnego. Powodem tego jest dopływ dochodów ze sprzedaży akcji na rachunek firmy i zwiększenie jej kapitału zakładowego.

4. Możliwość przyciągnięcia inwestycji w przyszłości na bardziej korzystnych warunkach. Doskonalenie stosunku zaangażowanych środków do własnych zwiększa dźwignię finansową, tym samym pozwala przedsiębiorstwu rolnemu w razie potrzeby przyciągać dodatkowo pozyskany kapitał o niższych stopach procentowych. Przy tym, jeżeli akcje mają duży popyt, podmiot gospodarczy ma możliwość do przeprowadzenia dodatkowej emisji na korzystnych warunkach.

5. Doskonalenie procesu dywersyfikacji poprzez kupno-sprzedaż przedsiębiorstwa rolnego, ich fuzje, przejęcia lub przystąpienia.

6. Doskonalenie reputacji, wizerunku przedsiębiorstwa rolnego. Uwaga, z którą świat finansów patrzy na korporacje, które poinformowały o swoich planach związanych z IPO, zapewnia takim podmiotom gospodarczym bezpłatną reklamę, co w przyszłości pozytywnie wpływa na wizerunek firmy.

7. Zapewnienie płynności.

8. Motywacja i zachowanie personelu.

Wszystkie powyższe zalety IPO można podzielić na dwie grupy:

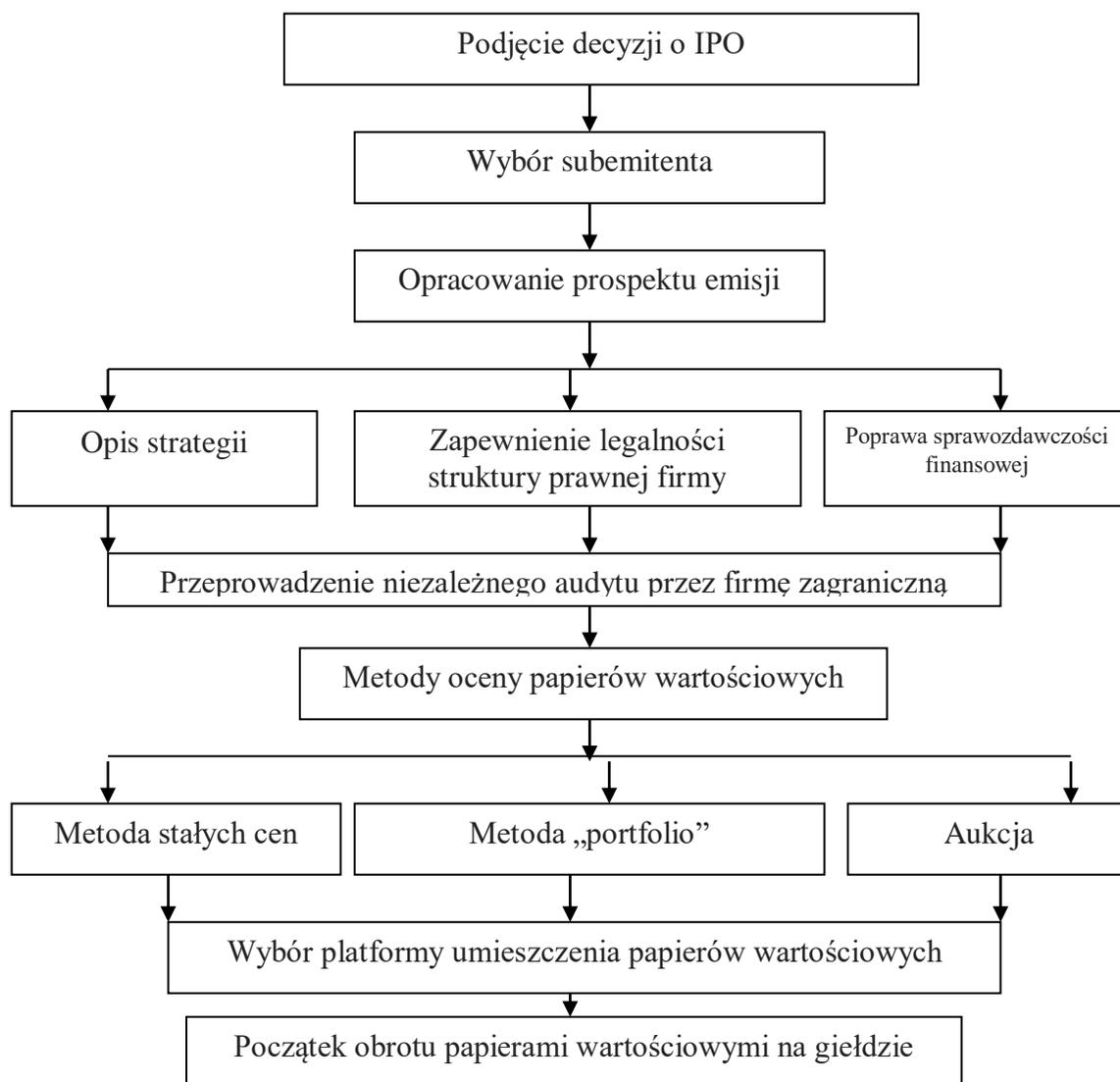
1) Pozyskiwanie długoterminowego kapitału;

2) Korzyści, które otrzymuje firma przy nabyciu statusu publicznego.

Znane są przypadki, kiedy pozyskanie długoterminowego kapitału nie jest celem głównym IPO. Czasami o wiele bardziej istotną przyczyną realizacji IPO jest nabycie statusu publicznego, co można traktować jako nowy etap w rozwoju przedsiębiorstwa rolnego [2].

Oddzielnie należy zauważyć, że po przeprowadzeniu IPO zarząd traci wolność przedsiębiorstwa rolnego, traci część kontroli nad nią, pozbywa się poufności. Po przeprowadzeniu IPO właściciele muszą szczegółowo informować o wszystkich głównych aspektach swojej działalności, o wszystkich zmianach. Informacja, która była poufna, po przeprowadzeniu IPO staje się dostępna dla szerokiego grona użytkowników, wśród których znajdują się konkurenci, klienci, zarówno pracownicy przedsiębiorstwa rolnego, jak i wrogowie.

Algorytm przeprowadzania IPO przedstawiony został na poniższym rysunku.



W przeprowadzeniu IPO, z wyjątkiem emitenta i inwestora, bierze udział wielu pośredników. Głównym z nich jest underwriter – to bank inwestycyjny, który oferuje lub sprzedaje papiery wartościowe inwestorom w procesie oferty publicznej w przedsiębiorstwie rolnym pod warunkiem gwarancji plasowania papierów wartościowych lub ich sprzedaży po najwyższej możliwej cenie.

IPO może odbywać się na trzy sposoby: metoda stałej ceny (oferta publiczna); metoda aukcji; metoda „portfolio”.

W praktyce dochodzi do hybrydowych metod przeprowadzenia IPO. Dla ich realizacji przy sprzedaży akcji korzysta się z następujących metod:

- aukcja / oferta publiczna;
- aukcja / tworzenie portfolio;
- tworzenie portfolio / oferta publiczna.

Należy wspomnieć, iż ostatnia „hybrydowa” metody jest uważana za najbardziej powszechną.

Często tworzenie portfolio służy do sprzedaży akcji przedsiębiorstwa rolnego IPO instytucjonalnym i inwestorom zagranicznym, a oferta publiczna jest zarezerwowana dla małych krajowych inwestorów. Przy przeprowadzeniu IPO metodą stałej ceny lub otwartej oferty publicznej cena akcji jest ustalona z góry. Aukcje są najbardziej popularnym sposobem sprzedaży obligacji rządowych, a także są często wykorzystywane przy prywatyzacji.

W latach 90. najbardziej popularną metodą IPO staje się „amerykańska” metoda tworzenia portfolio. Impulsem do wzrostu popularności tej metody poza USA stało się przeprowadzenie prywatyzacyjnych IPO w krajach Europy Zachodniej i Azji.

Proces tworzenia portfolio rozpoczyna się od ogłoszenia o zakresie cen (Price Range), który ma wstępny charakter i często ostateczna cena może zostać ustalona poza podstawowym przedziałem. Według formalnej procedury zbierania wniosków, inwestycyjne banki oferują inwestorom instytucjonalnym „potwierdzenie zainteresowania” akcjami przedsiębiorstwa rolnego. Jako wskaźnik zainteresowania podaje się wniosek (Bid) na określoną liczbę akcji przedsiębiorstwa rolnego. Również potencjalni inwestorzy mogą określić maksymalną cenę, jaką gotowi są zapłacić za akcję (Limit Price). Czas tworzenia portfolio średnio trwa 2 miesiące, ale czasami może to potrwać nawet do 4 miesięcy. Portfolio zawiera wniosek (Bid) każdego potencjalnego inwestora, nazwę danego inwestora, ilość akcji i maksymalną cenę (Limit Price). W

portfolio podkreślana jest również data dokonania zgłoszenia i daty kolejnych przeglądów wniosku.

Samo przygotowanie firmy do IPO ma długoterminowy charakter. Na około dwa lata przed wyjściem na rynek publiczny firma powinna zacząć dokonywać podstawowych wymagań w stosunku do publicznych korporacji, a mianowicie opracować biznes plan i regularnie publikować roczne sprawozdania finansowe [2].

Etapy przygotowania firmy do IPO:

1) Tworzenie zespołu do przeprowadzenia IPO i walne zgromadzenie. Na tym etapie firma powinna wybrać wiodący bank inwestycyjny, kancelarię i audytora. Proces IPO oficjalnie rozpoczyna się od walnego zgromadzenia.

2) Opracowanie projektu emisji. Poprzedni projekt jest podstawowym narzędziem marketingowym i musi zawierać wszystkie niezbędne dla inwestorów informacje na temat firmy. Zazwyczaj zawiera on sprawozdanie finansowe za ostatnie pięć lat, opis rynku docelowego firmy, konkurencji, strategii rozwoju, zespołu menedżerów, itp. Jednocześnie subemitenci zaczynają analizę działalności firmy (Due Diligence), szczegółową analizę wszystkich informacji, które zostaną wprowadzone lub są ujęte w listach audytorów i doradców prawnych, skierowanych do subemitenta.

3) «Road show». Jednocześnie rozpoczyna się «road show», czyli branie udziału w spotkaniach inwestorów w różnych miastach i prezentacja firmy dużym inwestorom (fundusze, firmy ubezpieczeniowe, banki, osoby fizycznie). Celem tego wydarzenia jest przekonanie potencjalnych inwestorów do zakupu akcji firmy.

4) Początek handlu akcjami firmy. Po uzgodnieniu ceny akcji i nie wcześniej niż na dwa dni po wydaniu ostatecznej wersji projektu firmy, ogłoszone zostanie wejście na giełdę (zwykle po zamknięciu transakcji). Handel akcjami firmy na giełdzie rozpoczyna się następnego dnia po ogłoszeniu IPO. Wiodący subemitent jest odpowiedzialny za organizację handlu i zapewnienie stabilizacji cenowej akcji firmy.

5) Zakończenie transakcji. Umowa o subemisję uważana jest za zakończoną, gdy firma przekazuje swoje akcje subemitentowi, a on przelewa otrzymane pieniądze na konto firmy (zwykle w ciągu trzech dni). Siedem dni po debiucie firmy, IPO ogłasza o danym wydarzeniu. Po 25 dniach od rozpoczęcia handlu kończy się tak zwany «okres ciszy». Dopiero po zakończeniu tego okresu subemitent i inni członkowie konsorcjum mogą robić publiczne prognozy i określać koszt firmy, a także wydawać zalecenia dla inwestorów odnośnie zakupu akcji.

Obecnie uformowana jest struktura światowych rynków kapitałowych, w ramach której można wyróżnić dwa rodzaje giełd: globalne i regionalne. Każdy typ ma swoją niszę rynkową i specjalizacje gospodarcze. Pomyślne przeprowadzenie IPO bardzo zależy od prawidłowego wyboru giełdy papierów wartościowych. Zwykle, na wybór przez emitenta giełdy wpływają takie czynniki jak: rozmiar oferty, docelowa baza inwestorów, masa krytyczna płynności, ustawodawstwo, koszty, doświadczenie historyczne, itp [3].

Podstawowe kryteria wyboru giełdy

Kryteria wyboru	Krótki opis
Rozmiar oferty	Rozmiar oferty determinuje wybór firmy- emitenta. Im wyższej jest planowany zakres zaangażowania, tym większe prawdopodobieństwo, że emisja będzie odbywać się na giełdach krajów rozwiniętych, ponieważ mniej rozwinięte rynki akcji nie będą w stanie zapewnić firmie wymaganą ilość lub struktura inwestorów nie będzie spełniać potrzeb firmy
Docelowa baza inwestorów	Charakteryzuje się obecnością branżowych inwestorów, co determinuje atrakcyjność danego rynku akcji z pozycji rzeczywistej oceny firmy
Krytyczna masa płynności	Określa, na ile pakiet akcji firmy-emitenta jest płynny, co jest ważne, biorąc pod uwagę wymagania poszczególnych giełd względem składanego pakietu akcji
Ustawodawstwo	Obecność przepisów prawa określających poziom liberalności w odniesieniu do inwestorów zagranicznych i przedsiębiorstw-emitentów
Koszty	Wyjście na różne giełdy towarzyszy różnym poziomom kosztów, co ma istotne znaczenie dla emitenta, biorąc pod uwagę wielkość emisji
Doświadczenie historyczne	Kierunek rozwoju giełd w różnych krajach (specyfika branżowa), stopień ich rozwoju, obecne metody wprowadzenia biznesu itp.

Główne zadania przeprowadzenia IPO, które stawiają przed sobą przedsiębiorstwa rolne są następujące:

1. Zaangażowanie znacznego kapitału finansowego na podstawie długoterminowej.

2. Obiektywna ocena kosztów przedsiębiorstwa rolnego. Głównymi przesłankami jest posiadanie skutecznej regulacji rynku i korporacyjnych stosunków, swobodnego dostępu inwestorów i wysokiej jakości konkurencji. Niskie bariery wyjścia inwestorów i różnorodność mechanizmów inwestowania są podstawową kwestią dla wolnego dostępu.

3. IPO potwierdza, że ład korporacyjny w spółce odpowiada dopuszczalnym normom, osiągnięta jest informacyjna przejrzystość, a sama firma posiada długoterminową strategię rozwoju swojego biznesu. Poza tym, świadczy to o tym, że firma ma wsparcie publiczne: akcjonariusze (również zagraniczni) mogą występować jako silny lobbingowy zasób. Skuteczność procesu inwestycyjnego jest ogólnym wskaźnikiem, który zawiera elementy rentowności i ryzyka. Wyczerpująca analiza wskaźników ryzyka i zysku to warunek wstępny do podejmowania skutecznych decyzji w sprawie realizacji danego projektu. Analiza dochodów daje możliwość porównania wymiarów rzeczywistego i prognozowanego strumienia wpływów. Biorąc pod uwagę ryzyko, wyróżnia się zróżnicowane i niezróżnicowane ryzyka. Pierwsze mogą być wyeliminowane w wyniku dywersyfikacji, drugie związane są z działaniem siły wyższej lub ogólnie giełdowymi trendami. Niezróżnicowane ryzyko, które zawiera w sobie akcje, wyceniane jest za pomocą współczynnika «β». Cechą charakterystyczną systematycznego ryzyka dla akcji jest współczynnik β (beta). Odzwierciedla on, w jakim stopniu zmiana rynkowej stopy zwrotu odbija się na zachowaniu poszczególnych akcji i jest określana jako stosunek kowariancji zwrotu z akcji i rynku do dyspersji rynkowej stopy zwrotu.

$$\beta = \frac{Cov(R_i; R_m)}{\sigma_m^2}$$

Jeśli β wskazuje małe znaczenie, to akcja słabo reaguje na warunki rynkowe, prawie nie ma ryzyka systematycznego. Takie akcje nazywane są chronione. Akcje, dla których β pokazuje poniżej 1, nazywane są agresywne, ponieważ ryzyko jest istotne ze względu na dużą wrażliwość akcji. W ten sposób rynek akcji jest bardzo czujny na zmiany sytuacji politycznej i gospodarczej, dlatego należy zwiększyć stopień jego zdolności adaptacji do zewnętrznych i wewnętrznych czynników. Należy również stworzyć system niezawodnej i przejrzystej kontroli nad działalnością rynku akcji ze strony państwa i wszystkich jego uczestników. Bo tylko uporządkowany i konkurencyjny rynek papierów wartościowych może stać się katalizatorem stabilizacji sytuacji finansowej w państwie. W ten sposób Ukraiński rynek papierów wartościowych na dziś nie spełnia swoich podstawowych funkcji, czyli nie jest miejscem, gdzie emitent-duże

przedsiębiorstwa rolne mogą znaleźć środki na rozwój przedsiębiorstwa, a inwestor – atrakcyjne instrumenty finansowe dla inwestycji. Ukraiński rynek przegrywa konkurencję o kapitał z rozwiniętymi giełdami i wieloma giełdami, które się rozwijają. Powstaje problem zwiększenia jego efektywności i konkurencyjności, w tym poprzez rozwój systemu handlu [2].

W ten sposób na obecnym etapie rozwoju gospodarczego stan bezpieczeństwa finansowego jest wystarczająco trudny w wyniku działania wielu czynników, wśród których istotne są poziom rozwoju rynku finansowego, niekorzystny makroekonomiczny i polityczno-prawny układ dla przyciągnięcia inwestycji zagranicznych i rozwoju wewnętrznego procesu inwestycyjnego. Stan rynku finansowego uniemożliwia swobodny przepływ kapitału w najbardziej efektywnie działające sektory gospodarki, ponieważ większość operacji z papierami wartościowymi odbywa się poza zorganizowanym rynkiem. Ponadto, rynek finansowy kraju służy do przeprowadzania operacji związanych z nieproduktywnym odpływem kapitału, co z kolei obniża poziom bezpieczeństwa finansowego przedsiębiorstw rolniczych. W celu wzmocnienia roli rynku finansowego w podnoszeniu poziomu bezpieczeństwa finansowego przedsiębiorstw rolniczych należy wprowadzić szereg kompleksowych działań mających na celu zwiększenie przejrzystości operacji z papierami wartościowymi i ich stężenie w ramach zorganizowanego rynku finansowego. Integracja krajowych przedsiębiorstw rolnych w gospodarke światową pozwala aktywnie korzystać z różnych narzędzi do pozyskania finansowania; wzmocnienie działalności przedsiębiorstw rolnych, w sprawie wyjścia na rynki międzynarodowe, związane jest z sukcesem realizacji oferty publicznej; osiągnięcie efektywności IPO spowodowane jest możliwościami każdej konkretnej giełdy; optymalność emisji uzyskuje się dzięki minimalizacji kosztów i maksymalizacji zwrotu od sprzedaży akcji przedsiębiorstwa rolnego wielu inwestorom.

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1.2. Globalne problemy rozwoju ekonomii finansowej

Gospodarka światowa charakteryzuje się systematyczną integracją międzynarodowych i regionalnych sektorów finansowych, ponowną oceną ryzyka w zakresie stosowania różnych instrumentów finansowych oraz rozwojem międzynarodowej integracji gospodarczej. Nowoczesne reformy instytucjonalne powinny promować tworzenie i rozwój sektora finansowego, który jest ważnym segmentem gospodarki narodowej, gdzie odbywa się tworzenie i dystrybucja zasobów finansowych i usług [1, 87-108; 2; 3, 14-28]. Gospodarka jest złożonym systemem otwartym, który jest daleki od równowagi i stwarza kolosalny potencjał dla nowych konstruktywnych idei w naukach ekonomicznych, w szczególności w finansach, co odzwierciedla dramatyczne zmiany w strukturze gospodarki światowej związane z przerostową dominacją sektora finansowego [4, 111].

Rozwój sektora finansowego wymaga stopniowego dostosowywania pojęciowego aparatu instytucjonalnej teorii ekonomii do segmentu sektora finansowego. Tworzeniu sektora finansowego w gospodarce otwartej poświęcono wielu prac ekonomistów krajowych, a między innymi, pracy: M. Alexandrova, N. Vygovskiej, O. Petruk [5]; A. Beschastnyy [6]; O. Gerasymenko [7]; M. Zveryakov [8]; M. Kapturenko, V. Kuzmenko, I. Mishyna, V. Prihodko, M. Fomin [9] i inne. Brak problemów naukowych w opracowaniach, zależność finansowa nauki dla rozwoju wiedzy naukowej w ogóle, wpływ kryzysu społecznego i finansowego na segment ekonomiczny, identyfikacja pozycji krajowych ekonomistów składa się na przemiany w globalnym systemie finansowym. W stosunku do tego powinno się określić znaczenie sektora finansowego kolejnych badań w celu określenia mechanizmu jej rozwoju, rozwinąć system gospodarczy i sposoby wyjście z kryzysu na nowy poziom zrównoważonego rozwoju.

Rosnące zagrożenia geopolityczne w sektorze finansowym powodują pogłębienie kryzysów gospodarczych [10, 3-17; 11, 49-64]. Kryzys gospodarczy staje się punktem zwrotnym w rozwoju gospodarek i łączy się z naruszeniami na jednym lub kilku rynkach, sprzecznościami w produkcji i konsumpcji, społecznym charakterem produkcji i prywatną kapitalistyczną formą zawłaszczania (K. Marks). Kryzysy gospodarcze pojawiają się z pewnym cyklicznym charakterem w wyniku naruszenia proporcji na poziomie mikro, mezo- lub makroekonomicznym gospodarki. W procesie globalizacji

globalnej gospodarki następuje transformacja kryzysów gospodarczych i cykli gospodarczych [12, 159-170].

Światowy kryzys finansowy i gospodarczy wykazał niedociągnięcia w organizacji i funkcjonowaniu światowego sektora finansowego, błędne obliczenia zarówno krajowych, jak i ponadnarodowych organów regulacyjnych [13; 14, 79-86]. Bahatofaktornist i systemowy charakter globalny kryzys finansowy wymaga uzasadnienia na podstawie teorii regulacji rynku, koncepcje, modele makroekonomiczne strukturalnych predykcji (reguła Taylora, IFB), wartości czasowej pojęć pieniędzy, logiki matematycznej.

Zastosowanie tradycyjnych metod monetarnych i reakcja docelowej stopy procentowej Rezerwy Federalnej na cykle inflacyjne i gospodarcze opisuje regułę Taylora. Jednak nie uważa alternatywnych metod nowoczesnej polityki pieniężnej, takich jak ilościowego programu łagodzenia przez Rezerwę Federalną lub operacjach kryzysowych długoterminowego refinansowania banków przez Europejski Bank Centralny [15; 16; 17]. Teoria realnego cyklu koniunkturalnego może w istocie ujawnić tylko niektóre cechy cykliczności, ale nie jej przyczyny. Oceny skuteczności narzędzi do przewyżnienia skutków światowego kryzysu finansowego jest modelowanie procesu przewyżniania skutków kryzysu, oceny skuteczności narzędzi przewyżnienia kryzysu na podstawie metody zdyskontowanych przepływów pieniężnych.

W literaturze ekonomicznej jako sektora finansowego odnosi się do rynku finansowego, który zapewnia przechowywanie i dystrybucję funduszy inwestycyjnych oraz usług finansowych, współpraca producentów i konsumentów tych usług zgodnie z zasadami określonymi przez państwa i jego agencji regulacyjnych [18]. Składniki na rynku finansowym opowiadają rynku spółdzielni ubezpieczenia kredytowego na rynku usług bankowych, na giełdzie, na rynku usług inwestycyjnych, usług emerytalnych i innych rynków usług finansowych. W sektorze finansowym Ukrainy bankotsentrychnym jest zatem skupić naszą uwagę na regulacji banków, firm ubezpieczeniowych i funduszy emerytalnych pod względem rozwoju i stopniowej realizacji kompleksowego programu antykryzysowego.

Szczególne uwagę zasługuje na kierunki polityki państwa w zakresie rozwoju sektora finansowego. Badawczych czołowi eksperci w dziedzinie regulacji stanu sektora makroekonomicznego i finansowego P. Kindleberhera, K. Kutnera, F. Modiglianiego, J. Van Horne, W. Sharpe poświęcone ocenie skuteczności instrumentów wykorzystywanych

kryzys jako podstawa do tworzenia strategii średniookresowej do przywrócenia rynku światowym, opracowania długoterminowej prognozy dla gospodarki światowej i oceny perspektyw dalszego rozwoju globalnego sektora finansowego.

Odpowiednie badania są modele regulacji państwowych w sytuacjach kryzysowych i kierunki unifikacji i standaryzacji mechanizmów regulacji ponadnarodowej; skoordynowanych działań i reform efekt synergiczny, który został osiągnięty dzięki pogłębieniu globalizacji; modernizacja centralnego rozporządzenia opartego na megaregulator. Dyrektor zarządzający International Monetary Fund (IMF) Christine Lagarde określa potrzebę podjęcia działań operacyjnych w dziedzinie reform, dodając, że reformy mogą stymulować wzrost gospodarczy zarówno w krótkim jak i w długim okresie.

Ponadnarodowe organy regulacyjne koordynują działania w celu przezwyciężenia kryzysu w różnych państwach narodowych i krajowych regulatorów rozwijają narzędzia kryzysowego [19, 20]. O. Bilorus stwierdza, że kraje zostały przeniesione do nowej gospodarki postindustrialnej, z punktu widzenia strukturalnego kryzysu w sektorze finansowym, podczas pogłębiania i nasilenia konfliktów kursowych zainteresowane są stworzeniem nowej struktury globalnej (finansowy rząd światowy) z szerokimi funkcjami kontroli i koordynacji [21, 33].

W globalnej gospodarce regulatorów krajowych z gospodarek wschodzących, w obliczu trudności okresu przejściowego. Powoduje to wzrost nierównowagi makroekonomicznej i udział inwestorów zagranicznych w działalności krajowych rynkach obligacji stwarza pewne dodatkowe źródło zmienności na rynkach i presji na przepływy kapitałowe. Eksperci IMF uważają, że zmiany te doprowadziły do powstania „non-układowej płynności”, czyli różnic między potencjalną skalę odpływu kapitału i zdolności lokalnych instytucji i „animatorów rynku” (banków szczególnie międzynarodowe) przekierować te przepływy [22].

Limit ten może nasilać działanie wszelkich wstrząsów, które występują w innych krajach i rozpowszechniać wpływ na ceny aktywów, zwłaszcza zarządzający aktywami próbują zabezpieczyć pozycje zagrożone ze względu na bardziej płynne, ale nie wiąże się z rynkami krajów. Rozbieżność ta może spowodować, że organy regulacyjne będą musiały zapewnić płynność w określonych rynkach doświadczających volatylności do przechowywania lokalnych rynków obligacji i pieniądze oraz ograniczyć rozprzestrzenianie się wtórnych skutków dla innych krajów.

Rola metod quasi-rynkowych sprowadza się do tego, że wpływ na rynek regulatora występuje pośrednio. Państwo może wpływać na sytuację w gospodarce światowej, negocjując z silnymi graczami na rynku finansowym i agencjami ratingowymi. Zgodnie z postanowieniami Bazylei II i III rola ratingów dla banków rośnie i wpływa na definicję wymaganego kapitału. W praktyce zmiana ratingu państwowego lub ratingów emitentów może mieć wpływ na rynek finansowy. Prognozy dotyczące korekt ratingowych mogą mieć wpływ na rynek finansowy bardziej niż na ich bezpośrednią zmianę.

Krajowy rynek finansowy w wielu pozycjach skorelowany z platformą międzynarodową, więc narażony jest na zmienność nastrojów, na spekulatywnej działalności i „grze na szum”, (który występuje poza granicami Ukrainy) w punktu widzenia rynków globalnych. Krajowe podmioty gospodarcze sektora realnej gospodarki koncentrują się na krótkoterminowych projektach inwestycyjnych. To dlatego, że na giełdzie przechowywane są spekulacyjne transakcje finansowe oraz niewielkie ilości środków inwestycyjnych, a ze względu na brak przejrzystości emitentów krótkoterminowość wiąże się z niskim poziomem ładu korporacyjnego.

Rynek finansowy promuje przyciąganie i mobilizację zasobów finansowych, lokowanie kapitału, a także przekształcanie oszczędności, w tym emerytury, w inwestycje [23; 11, 49-64; 24, 19-37]. Rośnie rola zarządzania aktywami finansowymi i sprawną organizacją firm zarządzających aktywami. Aktywami muszą posiadać umiejętności „pickingu” (Mikro prognoza umożliwia wyszukiwanie aktywa za niedoszacowane, nabycie których sprzyja zysku w przyszłości) oraz „timingu” (co pozwala na określenie zmian na rynku). Do oceny umiejętności niezbędnych do korzystania atrybutywny podejście, które pozwala udostępniać wyniki losowo i nieprzypadkowego i dekompozycywny składników w zależności od wymagań danej sytuacji.

Brak środków finansowych, brak szans na refinansowanie długów wskutek odpływu kapitału może doprowadzić do pogłębienia recesji i późniejszego kryzysu [25; 26]. Rozwój rynku zasobów inwestycyjnych wymaga zwiększenia roli regulacji państwowych, zwłaszcza na rynku płynności. Aby przyciągnąć krajowe zasoby finansowe kraju i uruchomić proces "oszczędności-inwestycji", ważne jest stymulowanie aktywności inwestorów instytucjonalnych.

Rozwój sektora bankowego będzie intensyfikować uniwersalizację banków, wraz z rozwojem klientów korporacyjnych, detalicznych i bankowości inwestycyjnej i

zarządzania musi uniwersalizacji operacji bankowych oraz rozwoju polityki powszechnych [27]. W dzisiejszej gospodarce klienci banków są zainteresowani otrzymywaniem szeregu usług bankowych, więc banki opracowują zorganizowane produkty bankowe lub pakiet produktów dla klientów. Wymaga to rozwoju infrastruktury informacyjnej i technologicznej banku oraz wzrostu wymagań kadrowych.

Strategia zarządzania operacjami bankowymi i stabilnością finansową w sytuacjach kryzysowych powinna zapewnić sprawne funkcjonowanie banku jako centrum transakcji zabezpieczających przed ryzykiem kursowym i ryzykiem stopy procentowej, w przypadku gdy Bank świadczy usługi bankowe i inwestycyjne [28]. W większości krajów organy nadzoru finansowego wzmocniają wymogi dla sektora bankowego: banki są zobowiązane do zgłaszania transakcji międzybankowych; kwota pożyczek udzielonych instytucji finansowej nie może przekroczyć 50% kapitału poziomu 1; zwiększone wymogi dotyczące ujmowania niestandardowych aktywów kredytowych (non-standard credit assets), w szczególności pożyczek dla trustów; zakaz działalności na rynku REPO i na rynku międzybankowym w ramach gwarancji stron trzecich - banków.

Przedstawiciele UE (16 maja 2014 r.), z wyjątkiem Wielkiej Brytanii i Szwecji podpisały międzyrządowe porozumienie w sprawie wspólnego funduszu rehabilitacji/likwidacji zagrożonych banków (Single resolution fund, SRF), które współpracują z jedyne mechanizmu odzyskiwania/likwidacji zagrożonych banków (Single Resolution Mechanism, SRM) w ramach tworzenia ujednoczonej unii bankowej. Jedyne fundusz na uzdrowienie/likwidację zagrożonych banków finansowany jest ze składek banków; indywidualny wkład każdego banku jest obliczana proporcjonalnie do swoich zobowiązań w pasywach ogółem wszystkich instytucji finansowych danego kraju, a także ryzyka każdego banku. Fundusz ten powinien być utworzony przez osiem lat do osiągnięcia docelowego poziomu 1% ubezpieczonych depozytów instytucji finansowych, które działają w ramach jednej unii bankowej (około 55 mld. euro).

Zarządzanie transakcjami bankowymi powinien być oparty na zasadach równowagi, optymalnej, dywersyfikacji, maksymalizując wydajność, koncentrują się na zasobach wewnętrznych, koncentrują się na innowacjach, podwójnej kontroli, przejrzystości. Wobec tego, dla ochrony stopy procentowej na niskim poziomie regulator powinien odejść od tradycyjnego podejścia, które uniemożliwia (no-precommitment policy) instrukcje w przyszłości do referencyjnego podejścia, które określa warunki do osiągnięcia których polityka nie zostanie więcej przemocowa (forward guidance).

Kredyty bankowe na inwestycje inwestycyjne nie są wspierane przez niewystarczającą kapitalizację systemu bankowego, w którym instytucje kredytowe nie są w stanie zapewnić realnemu sektorowi gospodarki niezbędnych zasobów w wystarczającej ilości. W związku z tym wskazane jest korzystanie z kredytów konsorcjalnych, za pośrednictwem których banki mogą finansować projekty na dużą skalę, ponieważ instytucje kredytowe mają tendencję do rozszerzania granic wąskiego rynku finansowego i będą w stanie obniżyć poziom ryzyka. W tym kontekście głównymi kierunkami stymulowania rozwoju systemu bankowego w celu intensyfikacji akcji kredytowej są:

- podniesienie poziomu kapitalizacji banków;
- stworzenie sprzyjającego klimatu inwestycyjnego poprzez wprowadzenie wspólnych zasad kultury korporacyjnej i zarządzania, wzmocnienie ochrony własności prywatnej potencjalnych konsumentów i dostawców usług bankowych;
- poprawa jakości i konkurencyjności usług bankowych;
- wdrożenie środków ochrony praw wierzycieli i deponentów;
- optymalizacja zarządzania ryzykiem bankowym.

W celu poprawienia stabilności światowego systemu finansowego międzynarodowym kraje członkowskie omówienia globalnym rynku ubezpieczeń na zasadach oceny stabilności finansowej ubezpieczycieli oraz stopniowe wprowadzenie wyższych standardów adekwatności kapitałowej (wyplacalność) firm ubezpieczeniowych; harmonizacja i ujednoczenie ustawodawstwa krajowego w branży ubezpieczeniowej w celu określenia warunków dostępu firm ubezpieczeniowych i pośredników na rynku krajowym; określenie procedury tworzenia rezerw ubezpieczeniowych i warunków ich inwestycji.

Biorąc pod uwagę nasilenie kryzysu zaostrza problemy „oportunistyczne” zachowania związane z próbami dostawców i konsumentów usług ubezpieczeniowych w celu uzyskania korzyści ekonomicznej pod względem niedoskonałości ram prawnych i instytucjonalnych. W praktyce, przy użyciu różnych metod, mających na celu przeciwdziałanie oportunistycznym traktowaniu stosunków ubezpieczeniowych: utrzymanie rejestrów skrupułów ubezpieczycieli; zorganizować na celu ochronę interesów ubezpieczających w celu rozwiązywania sporów pre-ubezpieczeniowej; tworzenie funduszy ubezpieczeń gwarancyjnych przez analogię z systemem składek

ubezpieczeniowych; tworzenie Biura Historii Ubezpieczeń przez analogię z Biurem Historii Kredytów.

Zapobiega ubezpieczeniowe kryzysy i późniejsze realokacji ryzyka poprzez reasekurację jest obiecujący kierunek rozwoju rynku ubezpieczeniowego.

Polityka regulująca z obszarze ubezpieczeń dla możliwości aktywizacji działalności inwestycyjnej powinna mieć na celu:

- zwiększenie odpowiedzialności menedżerów i właścicieli firm ubezpieczeniowych dla ich bezpieczeństwa i stabilności;
- rozszerzenie listy wymóg i zwiększenia zawartości informacji, które są publicznie dostępne (funkcje zarządzania jakością informacji na temat własnej sytuacji finansowej, sytuacji właścicieli);
- poprawa efektywności systemu kontroli wewnętrznej;
- wprowadzenie programów ubezpieczeniowych dla grup ludności o niskich dochodach;
- wzrost poziomu ochrony praw konsumentów usług ubezpieczeniowych;
- rozszerzenie potencjału finansowego zakładów ubezpieczeń na aktywizację działalności inwestycyjnej.

Literatura ekonomiczna skupia się na imperatywach współczesnej nauki ekonomicznej, na wzorach i przekształceniach systemu światowego w kontekście technologicznych struktur innowacyjnych [21, c. 33–42; 29, 3–18; 30, 20–33]; regulacja stanu prawnego pośredników finansowych oraz instrumentów finansowych [31, 65–78]; zabezpieczenia ryzyka na rynku finansowym [32, 52–61]; zwiększenie przejrzystości, kapitalizacja, płynność, poprawa infrastruktury oraz wzmocnienie ochrony konsumentów niebankowych usług finansowych [33, 82–91].

Wśród niebankowych instytucji finansowych, jednym z jej głównych przepisów potencjału finansowego jest zajęcie prywatnych funduszy emerytalnych działających w warunkach niestabilności społeczno-gospodarczej i politycznej, co negatywnie wpływa na ich bezpieczeństwo finansowe i sprawia konieczność podejmowania dodatkowych działań w celu ich zapewnienia.

Ubezpieczenie emerytalne jest systemem redystrybucji dochodów. Wdrożenie zasad sprawiedliwości społecznej filantropii wpływa interesy ubezpieczenia emerytalnego wpływa na samopoczucie różnych grup społecznych.

Efektywność ubezpieczeń emerytalnych zależy od metod naukowych i metodologicznych w celu określenia maksymalnej i minimalnej składki, kontrolę nad lokowaniem funduszy emerytalnych, warunków emerytalnych dla eliminacji nieuzasadnionych różnic między ludźmi, którzy przechodzą na emeryturę w innym okresie wiekowym.

Poprzez umieszczenie kapitału emerytalnego aktywów emerytalnych zgodnie z kierunkami określonymi w Inwestycyjnej Deklaracji o niepaństwowych funduszach emerytalnych (NFE) i ograniczeń inwestycyjnych nałożonych przez obowiązujące przepisy prawa, nadzoruje NFE spółki zarządzającej. W tym samym czasie zakazane forma aktywów emerytalnych kosztem pożyczonych funduszy (kredytowych) zapewnienie gwarancji zabezpieczone aktywa emerytalne własności lub jakiegokolwiek kredyty (pożyczki) z tytułu aktywów emerytalnych. Aktywa emerytalne nie mogą być przedmiotem zastawu, nie można ich zamknąć ani skonfiskować, jeżeli zostały utworzone zgodnie z obowiązującym prawem.

Bank Światowy podejmuje działania w celu poprawy systemów emerytalnych, w tym zaleca się wiązać z pojedynczego zewnętrznego menedżera aktywów emerytalnych, a następnie konsolidacji i inwestowania aktywów w międzynarodowy portfel. Uważamy, że inwestowanie w aktywa emerytalne za granicą jest dyskusyjne, ponieważ krajowy sektor nieruchomości potrzebuje inwestycji krajowych.

Zwiększenie efektywności systemu emerytalnego wymaga rozszerzenia możliwości inwestycyjnych niepublicznych funduszy emerytalnych oraz zmiany niektórych aspektów regulacji ich działalności. Dla poprawy państwowej regulacji działalności inwestycyjnej niepaństwowych funduszy emerytalnych jest celowe podjęcie takiej działalności jak: optymalizacja ograniczeń dla ukraińskich NFE do inwestowania w zagraniczne aktywa i rozwinąć listę instrumentów finansowych do inwestowania oszczędności emerytalnych poszczególnych osób; emitowania emisji rządowych papierów wartościowych charakteryzujących się rentownością powyżej prognozowanej inflacji i przeznaczonymi na finansowanie priorytetowych projektów infrastrukturalnych; organizowanie działania w celu oceny i zminimalizowania ryzyka wynikającego z inwestowania aktywów emerytalnych w instrumenty finansowe, do wprowadzenia testów warunkowych, skrajnych w NFE, poprawienie ocen i zarządzania ryzykiem przy inwestowaniu oszczędności emerytalne w aktywa finansowe.

Metody regulacji państwa są stosowane zarówno w przypadku jednego rozwiązania, jak i w ramach kompleksowego programu anty kryzysowego. Regulacje państwowe sektora finansowego wymagają wsparcia nowych instytucji, instrumentów finansowych i usług; wprowadzenie nowoczesnych technologii i standardów zarządzania; zwiększenie konkurencyjności krajowych instytucji finansowych poprzez podniesienie poziomu ich kapitalizacji, dywersyfikacji i jakości aktywów; reorientacja popytu krajowych podmiotów gospodarczych na krajowe źródła zasobów finansowych.

Konkurencja w zakresie przyciągania inwestycji zachęca państwa do przeglądu polityk regulacyjnych w celu pobudzenia popytu krajowego i inwestorów krajowych. Metody regulacji państwa są stosowane zarówno w przypadku jednego rozwiązania, jak i w ramach kompleksowego programu anty kryzysowego. Główne środki finansowe i kredytowe, które będą promować wdrażanie reform w systemach gospodarczych, są następujące:

- opracowanie jednolitego podejścia do regulacji działalności instytucji finansowych i operacji finansowych, w oparciu o istotę ekonomiczną, a nie status prawny;

- wykorzystanie stopy procentowej jako ważnego instrumentu anty kryzysowego, który umożliwi państwu bezpośredni wpływ na wartość własnych pożyczonych środków poprzez zmianę głównych stóp procentowych, dostosowanie portfela kredytowego w trybie pilnym. W krótkim okresie, w przypadku większości instrumentów, niezmiennie stopy procentowe obowiązują przez okres 2 lat;

- ocena efektywności systemu instrumentów fiskalnych za pomocą budżetu i mnożnika podatkowego;

- wdrożenie systemu monitorowania ryzyka, przejrzystego dla uczestników rynku i inwestorów.

Nierównowaga gospodarcza może spowodować nową falę napięć geopolitycznych. Procesy transformacji w stosunkach kapitałowych i papierów wartościowych charakteryzują przejście od "społeczeństwa przemysłowego" do "gospodarki opartej na wiedzy". Ważne jest, aby określić pozycję teoretyczną trzeba wyjaśnić podejście do problemów finansowych cyklicznych rynków kapitałowych i papierów wartościowych. Teoria ekonomiczna, zgodnie z teorią „porządek z chaosu” określa, że procesy gospodarcze nie może być tylko jako liniowy i mają bardzo chaotyczne. Pod względem niestabilności systemów społeczno-ekonomicznych badań

należy użyć terminu „stabilny w czasie.” M. Kondratiev w definicji „innowacji” uznał, że przepływ innowacji przetwarza czas astronomiczny jest skompresowany i nie jest intensyfikacja procesów gospodarczych. Dotyczy to również innowacji w zakresie kapitału finansowego i rynków papierów wartościowych.

Doradca finansowy i kierownik Zakładu systemów monetarnych i rynków kapitałowych IMF Jose Vinyals uważa, że najlepszym sposobem rozwiązania globalnych dysproporcji między przyjęciem ryzyka gospodarczego i finansowego jest przyjąć takie środki polityczne są przenoszone skorzystałoby polityki pieniężnej na gospodarkę realną, wyeliminowane finansowy ekscesy poprzez środki polityki mikro- i makroostrożnościowej [34].

Jedną z głównych przyczyn obecnego kryzysu finansowego i gospodarczego doprowadziły pochodne realnego kapitału, co prowadzi do powstawania zewnętrznego długu publicznego w wielu krajach. Według Konferencji ONZ do spraw Handlu i Rozwoju, udział inwestorów instytucjonalnych na rynkach towarowych instrumentów pochodnych wzrósł z 25% w 1990 do 85% w 2012 r. Doprowadziło to do zwiększenia zmienności cen surowców, co w krótkiej perspektywie wpłynęło na zależność ceny od oczekiwań rynków finansowych, które są transakcjami pochodnymi na ceny towarów.

Połączone i koordynowane transakcje finansowych w kapitale obrotowym transformacji i rozwoju nowych metod poprzez swoje rynki zaangażowanie w realnej gospodarce. Z uwagi na zmiany strukturalne, takie metody powinny obejmować metody przestrzenne i geometryczne (forma składania), sposobów stosowania Cobba Douglasa (dla procesu oceny zmian strukturalnych).

Stanowczo twierdzimy, że długoterminowe oczekiwania rynku ma mniejszy wpływ na długoterminowej tendencji i dynamiki cen surowców i bardziej zależne od kluczowych wskaźników makroekonomicznych. Kraje europejskie (Austria, Belgia, Niemcy, Grecja, Hiszpania, Włochy, Portugalia, Słowacja, Francja i Estonia) (6 maja 2014) zgodzili się stopniowego wprowadzenia podatku od transakcji finansowych w akcje i niektórych pochodnych nie później niż 1 stycznia 2016 r.

Wspieranie zaufania do kapitału finansowego i rynków papierów wartościowych wymaga opracowania i wdrożenia skutecznej polityki pieniężnej. S. Bukovinsky uważa, że w wiodących gospodarkach polityka pieniężna coraz bardziej odchodzi od tradycji i konsensusu [35, 24-27]. Ważne jest śledzenie głębokich i złożonych powiązań sfery

monetarnej z gospodarką kraju, modelu regulacji państwa, systemu instytucji, którego zrozumienie otwiera nowe możliwości zwiększenia efektywności polityki pieniężnej.

Wykorzystanie podejścia instytucjonalnego w badaniu tworzenia i rozwoju rynku papierów wartościowych powinno być prowadzone w koordynacji relacji między jego uczestnikami:

- wstępne uwarunkowania behawioralne spowodowane szczególnymi cechami działalności gospodarczej;
- zmiany parametrów określających wpływ otoczenia instytucjonalnego na realizację zawartych umów;
- wpływ środowiska instytucjonalnego na działalność gospodarczą podmiotów gospodarczych;
- wpływ na otoczenie instytucjonalne podmiotów gospodarczych.

W systemie gospodarczym jednocześnie różne genotypy inwestorów instytucjonalnych pokrywają się z odmiennym potencjałem kompetencji i cech kwalifikacji pracowników. Państwowa Komisja Papierów Wartościowych i Giełdy Ukrainy opracował projekt ustawy „o zmianie niektórych aktów prawnych Ukrainy w zakresie definicji inwestorów kwalifikowanych w papiery wartościowe” i zapewnia o zmianie ustawy Ukrainy „O papierów wartościowych i giełdy” odpowiedni artykuł (art 21). Uprawnieni inwestorzy to: profesjonalni uczestnicy rynku akcji i inne instytucje finansowe; międzynarodowe organizacje finansowe utworzone przez kilka państw członkowskich międzynarodowej organizacji finansowej, które zapewniają środki finansowe innym państwom członkowskim na warunkach określonych w ich dokumentach założycielskich; Rządy i banki centralne państw obcych; rząd krajowy i bank centralny; osoby prawne i osoby fizyczne wpisane do rejestrów inwestorów kwalifikowanych. Regulator rynku giełdowego ma prawo do włączenia do rejestru kwalifikowanych inwestorów podmiotów prawnych i osób fizycznych, jeśli są one zgodne z pewnymi cechami.

Wb krajach rozwiniętych parzystości rozważeniu interesów inwestorów instytucjonalnych, w tym posiadaczy znacznych pakietów akcji i mniejszości rozwiązany przez zastosowanie praw do obowiązkowego umorzenia akcji - squeeze-out. Procedura ta promuje ochronę akcjonariuszy mniejszościowych, ponieważ rekompensata oferuje zakup ich akcji po uczciwej cenie. W praktyce nabycie przez akcjonariusza dużego pakietu akcji prowadzi do wykluczenia drobnych akcjonariuszy z działalności spółki i podejmowania

decyzji. Gdy koncentruje się w rękach jednego udziałowca w dużym pakiecie akcji, płynność pakietu mniejszości może się zmniejszyć.

Literatura ekonomiczna zwraca uwagę na kwestie ochrony „mainstreaming” i rozmieszczenie „fikcyjnych” papierów wartościowych w trosce o „swoich” i „obcych emitentów emitentów” [36, 44-45]. Zgodnie z Ustawą Ukrainy „O papierów wartościowych i Giełdy” (str. 3, art. 29) rejestracji Krajowa Komisja Papierów Wartościowych i Giełd problem i prospekt emisyjny papierów wartościowych nie może być traktowana jako gwarancja ich wartości. W związku z tym Krajowa Komisja Papierów Wartościowych i Giełd odpowiada wyłącznie za kompletność informacji zawartych w zarejestrowanych dokumentach i za zgodność z wymogami przepisów. Podzielam pogląd ekonomistów, którzy wierzą, że regulator państwo powinno kontrolować emisję papierów popereredzhennya możliwości dla nielegalnych działań emitentów w celu ustalenia wartości akcji, a następnie naruszeń podatkowych.

Wprowadzenie definicji "inwestora kwalifikowanego" na poziomie legislacyjnym oraz opracowanie mechanizmu umieszczania papierów wartościowych wśród inwestorów kwalifikowanych na krajowym rynku akcji przyczyni się do ograniczenia dostępu do ryzykownych transakcji finansowych przez niewykwalifikowanych inwestorów [37, 44-45; 38; 39; 40, 42-45]. W szczególności wzmocnienie ochrony niewykwalifikowanych inwestorów (osób fizycznych) przed stosowaniem ryzykownych instrumentów i dostosowanie ustawodawstwa krajowego do międzynarodowych norm i norm.

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1.3. The nature of financial imbalances in the conditions of disproportionate development of the economy

The modern economy of Ukraine is being developed in a globalized world, and like any other economy of another country in the world, it is obliged to maintain an effective level of functioning in destabilizing conditions and adapt to the rapid change of circumstances in the world market. This is the reverse side of economic integration into the world economy. However, the internal weakness of the economy, which manifests itself in the deepening of imbalances, the development of financial imbalances, the lack of political and economic instability, limits its ability to create a competitive and investment-attractive image, not to mention the possibility of transferring the challenges of the world economy with a sufficient level of stability. This necessitates the consideration of the nature of financial imbalances precisely in the conditions of the disproportionate development of the economy.

The issue of financial imbalances is a subject of study of foreign and domestic scholars. It should be noted that the very concept of "financial imbalance" is relatively new in modern scientific literature. More often than not, "financial imbalance" is referred to as a phenomenon caused by globalization, and is associated with the emergence of financial and economic crises.

The circle of foreign scholars who studied this subject is extremely broad, including prominent scholars, Nobel laureates, state figures, and experienced practitioners, among them P. Krugman, C. Borio, A. Grinsmen, P. Krugman, J. Sax, J. Stiglitz, G. K. Myrdal and many others.

Thus, being the Nobel Prize Laureate in Economics, P. Krugman, explored the peculiarities of financial imbalances through the prism of modern financial and economic crises [1].

The well-known macroeconomists of today, the head of the Money and Economic Department of the Bank for International Settlements, K. Borio, in his works on financial stability focused on the role of the central bank, its monetary policy and strategies to prevent the development of financial imbalances in the economy. The scientist has developed the appropriate adjustments to the monetary policy of the central bank. In general, the study of financial imbalances plays a significant role in his work, the first of which was published in the 1990's [S. 15, 2]. In fact, the concept of "financial

imbalances" by C. Borio defines "over strain" of the balance of economic agents ("excessive" increase of the leverage / excessive borrowing) during the booms as a result of the interaction of changes (growth) in asset prices and external financing, which may lead to reducing the sustainability of economic growth and deepening the ensuing downturn in the economy [S. 135, 3].

The former Federal Reserve Chairman Alan Greenspan raised the issue of the impact of fiscal and financial imbalances on economic development, and he is well-known for being the first who has repeatedly made gloomy forecasts for the American and world economies, with some of these projections deserving attention and to this day [4].

The issue of global and financial imbalances has always been the focus of the Group of Twelve Finance Ministers and Heads of Central Banks (G20 or G-20). Thus, in the note called "The Economic Stability: Financial Perspective" prepared by the Bank of International Settlements before the G20 summit in 2016, it is emphasized that financial imbalances are one of the important aspects of sustainability, which is often underestimated. Here, the financial imbalances are clearly distinguished from the notion of "shock" in the economy: so, if "shock" is a one-time situation in the economy, the peculiarity of financial imbalances lies in the possibility of rebuilding over and over again, as a result of the implementation of personal risks and policy measures in the financial assets and liabilities [5].

Among the domestic scientists who studied the problems of financial imbalances there are the following people: S. S. Shumskaya, O. Lunjakova, L. V. Shynkaruk, N. Y. Kravchuk, M. V. Korneev and many others.

Thus, S. S. Shumskaya points out that the change of "the relationship between the real and the financial sector leads to the formation of financial imbalances" [S. 397, 6].

The concept of "financial imbalance" with imbalances in the financial sector is identified by O. Lunyakov. Like S. S. Shumskaya, the scientist emphasizes that financial imbalances are closely related to the real economy, and concludes that, in fact, the accumulation of financial imbalances and the impact of exogenous shocks can translate the financial sector, and through it and the entire economy, from a stable state (dynamic equilibrium) to financial instability (significant deviation from equilibrium) due to increased financial fragility (exposures of the financial sector to risks) [S. 135-136, 3].

N. Y. Kravchuk investigates financial imbalances in the context of globalization processes. So, as a result of his research, N. Y. Kravchuk formulated two empirical approaches to the disclosure of the essence of the concept of global financial imbalances. The first approach focuses on international asymmetries in demand and supply of goods, while the scientist notes that "the majority of supporters of this point of view, global imbalances are considered primarily as payment imbalances and as a source of violations of stability and equilibrium in a globally centralized economy" [S. 153, 7]. The second approach is based on international asymmetries in demand and asset supply, that is, the emphasis shifts towards capital account [S. 153, 7].

Actually, the definition of the concept of global financial imbalances N. Y. Kravchuk provides, basing on three dominants, namely - "the essence", "the objectively existing reality", "the content". So, in essence, the global financial imbalances are an economic category that "may reflect the violation of the objective economic laws and the quantitative and cost proportions in the world economy, arising in the course of the movement of value between the main subjects of international exchange-distribution and redistributive relations" [S. 158, 7]. As an objectively existing reality, global financial imbalances are "a phenomenon that arises in the event of an unequal international exchange of goods and services, violation of the proportions of the distribution of world added value and the redistribution of world rental income, savings and investments" [S. 158, 7]. The global financial imbalances in the content of a scientist are defined as "the violation of the quantitative and value proportions in the field of international trade and international capital movements, characterized by imbalance of currency and financial flows by volume and fullness, their multi-directional orientation and asynchrony in space and time" [S. 158, 7].

L.V. Shynkaruk offers the classification of imbalances in the economy "in depth". Thus, the scholar distinguishes between surface imbalances that arise in the structure of demand and in the distribution of income, and the deep imbalances that are reflected in the model of economic growth and in the production structure [S. 9, 8].

Closely related to the problems of the nature of financial imbalances, may be called the study of M. V. Korneev. Thus, the scientist introduced the notion of imbalances in the movement of financial resources, which, in essence, precede the development of financial imbalances in the economy. M. V. Korneev highlights the problem of the prevalence of the financial sector of the economy over real in the face of imbalances in the flow of

financial resources. Thus, the multidimensionality, depth and relevance of financial imbalances is evident, and this is confirmed by the number of scientific papers, studies, analytical notes from both foreign and domestic scholars in the field of finance and economics. Financial imbalances touch on issues of economic development, financial sustainability, economic stability, and are associated with the emergence of financial and economic crises. This partly explains why today's scientific literature does not have a single approach to defining the notion of financial imbalance. Let's try to determine the meaning of the concept of "financial imbalance" and to investigate its nature in conditions of disproportionate economic development.

Table 1

The definition of the concept of "disproportion" in domestic and foreign encyclopedic literature

Author/Source	The definition
Oxford Dictionary [13]	"A state in which the proportion is absent"
Macmillan's Dictionary [14]	"A situation in which things are not equal to each other, or are larger or smaller than they should be relatively to each other"
Collin's Dictionary [15]	"A state in which two things are not equal"
Mariam-Webster Dictionary [16]	"Lack of proportions, symmetry or proper attitude"
Larose Dictionary [17]	"Loss of proportionality, convenience between two or more things or beings; inequality"
Economic Dictionary[18]	"Violation of consistency, conformity of the interconnected economic processes and indicators characterizing the functioning and development of certain industries, the progress of the stages of the reproductive cycle"
Financial Dictionary [19]	"Disproportions - in the economy - may be the imbalance in the development of individual industries, interconnected phases of production, which generates a failure of the normal course of the reproduction process"
Vocabulary [20]	"Incompatibility of parts, absence of proportionality in one whole object, separate units of the economy"
The Dictionary of External Words [21]	"Incompatibility of parts of something, lack of proportionality"
Public electronic dictionary of Ukrainian [22]	"Discrepancy between the constituent parts of the whole, the lack of proportionality; irrelevance"

Source: by the author.

For this purpose, first of all, it is necessary to find out what is implied in the content of such concepts as "disproportion" and "imbalance". Thus, the etymology of the word "disproportion" indicates its foreign origin: from the Latin. "Dis" - "not", "proportional" -

"proportionality". From the English word "disproportion" means "inappropriate", "disproportionate" [S. 266, 10]. The word "imbalance" is also borrowed and comes from the French "disbalance" (Latin "dis" - "not", but "bilanx" - "from two bowls" or letters - "scales"), and translated from English verbatim [S. 215, 11]. The word "imbalance", which is more often found in foreign scientific literature, is close to its content, and in the translation from the English language means: 1) "lack of equilibrium, instability; 2) inconsistency [S. 259, 10]. An analysis of the definitions of the concept of "imbalance" in the encyclopaedic literature suggests that, in general, disproportions mean a state, a situation where distortions of proportions between two (or more) interdependent relationships exist (see Table 1).

The question arises: what are the concepts of "proportion" and "proportionality»? The word "proportion" (from the Latin "proportio") means "correlation, proportionality". From English, the "proportion" ("proportion") is translated as: 1) the proportion, the quantitative ratio; size; measure; 2) the proportion (in mathematics); 3) part [S. 659, 10]. An analysis of the definitions of the concept of "proportionality" in the encyclopedic literature shows that it reflects the quantitative ratios of two separate elements of proportion (see Table 2).

Table 2

The definition of the concept of "proportion" in domestic and foreign encyclopedic literature

Author/Source	The definition
Oxford Dictionary[13]	"The ratio of one thing to another in terms of quantity, size or amount; correlation"
Cambridge Dictionary[23]	"If the two quantities are proportional, the changes in them are the same, in such a way that the primary connections between them remain unchanged"
Business Dictionary[24]	"Parts or particles that correspond to each other or have corresponding connections and are divided in accordance with a certain formula or rule"
Collin's Dictionary[15]	1. "the ratio between different things or their individual parts from the standpoint of comparing their size, quantity, degree; relative value or foot; correlation"
Macmillan's Dictionary[14]	2. "the correct or desired correlation between parts of the whole; balance or symmetry "
Academic Explanatory Dictionary[26]	"Observance of proportions, rational structural relations in the economy, harmonious development of industries, spheres, regions"

Source: by the author.

Next, let us examine the meaningful load of the concept of "imbalance".

As for the peculiarities of considering the concept of "imbalance", T. V. Shchetylova expresses the opinion that it can be viewed both in terms of statics (state of the object) and in terms of its functioning and development (as a process). Thus, the scientist forms a mixed definition of the notion of imbalance, namely: "an imbalance is a nonequilibrium state of an object or disturbance of equilibrium and certain correlations of parameters that characterize an object as integrity, and processes of changes in the functioning and development of an object" [C .107, 12].

An analysis of the definitions of the concept of "imbalance" in encyclopaedic literature suggests that it is most often associated with loss and an imbalance between individual elements (Table 3).

Table 3

The definition of the concept of "imbalance" in domestic and foreign encyclopedic literature

Author/Source	The definition
Oxford Dictionary[13]	"Lack of proportion or relation between the relevant things"
Cambridge Dictionary[23]	"A situation in which two things that should be equal or which are usually equal are not equal"
Macmillan's Dictionary[14]	"A situation in which the balance between two things is missing or false"
Collin's Dictionary[15]	"In a situation in which there is an imbalance, things are different in size or their size is disproportionate to each other"
Mariam-Webster Dictionary [16]	"Lack of equilibrium", "state of equilibrium or proportion"
Ukrainian Explanatory Dictionary[26]	"Lack of necessary and correct correlation of something"
Modern Economic Dictionary[25]	"Violation of economic equilibrium, balance of processes, flows in the company, region, state"
Textbook on Economic Theory[27]	"Imbalance of basic economic indicators"
The Great Economic Dictionary[28]	"Imbalance, inconsistency of income and expenses, assets and liabilities, debits and loans"
The Dictionary of External Words [11]	"Disturbance of balance, correct relation of components of any process, activity, etc."
The Dictionary of Business-termins[29]	"Imbalance between income and expenses, assets and liabilities, debit and credit"
Synonym Dictionary[30]	"Disequilibrium", "inequality"
«BusinessTimes» Dictionary[31]	"In the economy an imbalance is a violation of the economic balance, the equilibrium of processes, flows in the region or the state"

Source: *by the author.*

At the same time, the question arises, what is the concept of "balance"?

It should be noted that this concept is widespread in science and practice.

A rather deep interpretation of the notion of "balance" is given in the *Econometric Dictionary* of the outstanding Russian economist M. I. Fokin. Thus, this publication states that the word "balance" borrowed from the French language (French "balance" literally means "scales"), and its sources come from the Latin "ba-bis" - "twice" and "lanx" - originally a "scales", but such a large fish that could be used as a bowl. Thus, the etymological excursion leads to the conclusion that the "balance" is two bowls [32].

It should be noted that the concept of "balance" is one of the fundamental in accounting science and practice. Thus, in this area, the "balance sheet" stands: "an element of the accounting method and an element of reporting" [S. 32, 33]; "A source of information about what types of resources the company has and at the expense of which sources they are formed" [S. 154, 34]; "A universal form of reporting, which shows the achievements of the enterprise over a period of time" [S. 21, 35]; "An information base for tax authorities, credit institutions and bodies of state property management", "information provision for financial planning of an enterprise, control of cash flows in accordance with the profit received" [S. 30, 36] and so on.

The concepts of balance are widely used in banking. In practice, the banking concept of "account balance" is more commonly used, which means "the amount of funds on an account that is available for withdrawal or use" [24]. In a similar context to the banking concept of "account balance," the term "balance sheet" also occurs in investment, and is interpreted as "the amount of cash on outstanding bonds" [37].

Thus, the analysis of the concept of "balance" shows that, as well as the concept of "proportionality", it describes certain deviations from the equilibrium state of two or more objects of one whole. However, if the proportionality quantifies exclusively the ratio of two or more proportional objects, then the balance can characterize the quantitative indicator of both the simple relation of equality and their relation (see Table 4).

In order to disclose the essential differences between the concepts of "proportion" and "balance" more fully, we turn to simple mathematics. For example, suppose that the relation $\frac{4}{2}$ and $\frac{3}{1}$ are proportional. Then, the coefficient of their proportion is $\frac{2}{3} = 0,67$. This means that if there are any quantitative changes in one of the relationships, the corresponding change should occur in another: so, in the case if the ratio $\frac{4}{2}$ doubles— $2 \times \frac{4}{2}$,

the ratio $\frac{3}{1}$ also has to double— $2 \times \frac{3}{1}$. So, the first proportion of these ratios is saved—
 $(2 \times \frac{4}{2}) \div (2 \times \frac{3}{1}) = \frac{4}{6} = 0,67$. On the other hand, the two relationships can be not only proportional but also equal to one another, for example— $\frac{4}{2} = \frac{6}{3}$, then, the coefficient of their proportion is— $\frac{2}{2} = 1$. As in the first case, the condition for maintaining their proportionality is the symmetry of changes in one ratio, respectively, of another. So, if the ratio $\frac{4}{2}$ doubles— $2 \times \frac{4}{2}$, the ratio $\frac{6}{3}$ must also be doubled— $2 \times \frac{6}{3}$. So, the first proportion of these ratios is saved, as in the first case— $(2 \times \frac{4}{2}) \div (2 \times \frac{6}{3}) = \frac{4}{4} = 1$.

Table 4

The definition of the concept of "balance" in domestic and foreign encyclopedic literature

Author/Source	The definition
Oxford Dictionary [13]	"A situation in which different elements are equal or correct in their proportions"
Cambridge Dictionary [23]	"A state in which things have the same weight or force"
Business Dictionary [24]	1. in the banking business: "the amount of funds on the account that is available for withdrawal or use" 2. in the accounting case: "the difference between the debit and credit sides of the account"
Collin's Dictionary [15]	"State of equilibrium or equality; equality in quantity, weight, price or importance, both between two things, and between their parts "
Macmillan's Dictionary [14]	"A situation in which different aspects or features are considered equal or in good communication with one another "
Modern Economic Dictionary [25]	1. "quantitative ratio, consisting of two parts, which should be equal to each other, since they reflect the receipts and expenses of the same amount of money, goods" 2. "document in which the balance sheet of the firm is displayed".
Academic Explanatory Dictionary [26]	1. "The relationship between the interrelated parts, the sides of something, between what is received and what is spent". 2. in the accounting case: "a comparative summary of profits and expenditures at the conclusion of the calculations, as well as a statement in which this summary is recorded"

Source: by the author.

From here we can conclude: in order to the ratios to be proportional, they do not necessarily have to be equal. At the same time, the condition for maintaining their proportionality is the symmetry of the reflection of any changes in one relation to another.

The balance can be defined as the equality of two or more regular relationships, and their relationship.

In particular, in relations $6-2=10-6$ or $2+3=1+4$ we do not have the object of proportion, but its elements $6-2$ i $10-6$ and $2+3$ i $1+4$ respectively, are in a state of balance (equal to each other). At the same time, in regard to $(5+2)-\frac{4}{2}=(1+6)-\frac{6}{3}$ there are some relationships $-\frac{4}{2}$ and $\frac{6}{3}$, At the same time, one set of elements of this relation $-\frac{4}{2}$ is in a state of balance (equal to each other) with another set of its elements $(1+6)-\frac{6}{3}$.

Thus, however, proportionality does not mean equality of relations, but it also does not exclude it.

The balance also shows the equality of the two relations (if equality presupposes the preservation of their proportionality), and the equality of ordinary relations. So, in the case when the changes in the proportional relations are asymmetric, the proportion is disturbed, and a disproportion is generated.

Then, an imbalance is created in the case of violation of equality as relations and corelations (in the case if there is not only a proportional relationship between them, but they are equal to each other).

In any case, the feature of both proportionality and balance is the condition of maintaining the equilibrium state of two or more interconnected objects of proportion or equality.

In view of this, we consider it expedient to find out what the concept of "equilibrium" is putting into the content.

Thus, in the encyclopaedic literature it is noted that the word "equilibrium" is probably a cassette through the intermediary of the German word "gleichgewicht", which means the same as the Latin "aequilibrium": "aequus" - "equal" and "libra" - "weights, level" [S. 38].

From English, "equilibrium" - "equilibrium" means: 1) equilibrium; 2) Balance [S. 306, 10].

Consequently, we can conclude that the prerequisite and, at the same time, the sign of equilibrium is the stability of the relationship of relations, relations that are in balance or in a proportional state.

And from the point of view of dynamics, it also implies the ability to symmetrically reflect the changes in proportional ratios.

An analysis of the definitions of the concept of "equilibrium" in domestic and foreign encyclopaedic scientific literature shows that, for the most part, the state of equilibrium is equated with a stable state of balance and balance (see Table 5).

Table 5

The definition of the concept of "equilibrium" in domestic and foreign encyclopedic literature

Author/Source	The definition
Oxford Dictionary [13]	"A state in which opposing forces or influences are balanced"
Business Dictionary[24]	"A state characterized by stable conditions in which all significant factors remain more or less stable during a certain period and in which tendencies for change are weakly expressed or absent"
Collin's Dictionary[15]	"It is a balance between several individual influences or aspects of the situation"
Macmillan's Dictionary[14]	"A situation where there is a balance between different forces or parties"
Modern Economic Dictionary[25]	"Economic equilibrium is the state of the economic system, a market characterized by the presence of a balance, the balance of two different factors, for example, the balance of supply and demand, production and consumption, income and expenditure"
Academic Explanatory Dictionary[26]	1. "stable relationship between something, balancing one another"2. "stable position of someone - something in space"

Source: by the author.

However, the question arises, what is the starting point of a disturbance of equilibrium: disproportion or imbalance? In search of an answer, let us turn to the history and the present of economic thought. Thus, the scientific interest in the relations of relation, correlation, interdependence in the economy, as well as with the problems of the violation of socio-economic equilibrium in society arose even during the era of slaveholding and feudalism (see Table 6).

New progressive thoughts were originated and evolved with the emergence of a classical school of political economy (late XVII - early XVIII century.).

Table 6

Acquisition of the pre-classical stage of development of scientific thought on questions of proportionality, disproportionality and equilibrium of the economy.

Period	Author/Source	Main outcomes and conclusions
Economic Thought of the Ancient World	Collection of treatises "Guan-Tzy" (IV century BC, Ancient China)	The reciprocal relationship between certain economic categories, in particular, the price of money and the price of goods, was revealed. The principle of "balancing the economy" was put forward.
Economic thought of the Middle Ages	State official Lee Gou, author of "The plan for providing the state, the plan for strengthening the army, a plan for the reassurance of the people" (XI century BC)	It was concluded that the achievement of economic equilibrium is possible only by "the ruler's hand" by establishing state control over the market and prices
Economic thought of Arab thinkers	IbnKhaldun (1332-1406)	He emphasized the problem of awareness of the inappropriateness of property and social inequality in society
Canonism	Thomas Aquinas (1226-1274), author of the work "The Sum of Theology" and others.	He argued that the achievement of equilibrium in society was preceded by a "fair price" that could provide an equivalent and proportional exchange in society
Socialutopianism	Thomas Moore (1478-1533), author of the book "The Golden Book, as useful as funny, about the best arrangement of the state and the new island of Utopia" (1516)	The main cause of social contradictions is the inequality created by the institution of private property, which is why in a perfect society there should not be private property; the population should enjoy the benefits of the principles of equality and distribution of products for "just needs"
Mercantilism	TommasoCampanella (1569-1639), author of "The City of the Sun" (1623)	Mercantilists developed the theory of active monetary balance of the country (early mercantilism), as well as the theory of active trade balance of the country (late mercantilism). The undeniable merit of the theory of mercantilist is that they were the first to describe what in the modern economy is considered a balance of payments of the country.

Source: by the author based on [P.16, P.26, P.30, P.34, 39; P. 20, P. 32, P. 37, 40; P. 11, 41; P. 54, 42; 43].

We systematize some of the first scientific achievements of "classics" in terms of proportionality, disproportionality and equilibrium in the economy in the table 7.

Table 7

Acquisition of the classical stage of the development of scientific thought on questions of proportionality, disproportionality and equilibrium of the economy.

Author/ Source	Main outcomes and conclusions
F. Cene (1694-1774)	Investigated the main national economic proportions of economic development. He came up with the conclusion that the process of reproduction and realization is uninterrupted only in the case when certain economic proportions are observed.
D. Ricardo (1772-1823)	Disclosed the internal, causal and consequential dependencies of economic phenomena. In his theory of distribution income, he investigated the process and features of the distribution of wealth between classes (landowners, capitalists, hired workers). He manifested the influence of the method of distribution of wealth on income (rent, profit and wages) on the growth of production.
T. Maltus (1766-1834)	He argued that society is in equilibrium if it produces enough food for consumption by the corresponding population. He advanced the theory of "third parties" according to which the problem of realization and general over-production crises under capitalism conditions can be solved by non-productive consumption of so-called "third parties" (civil servants, landowners, priests and military).
S. Sismondi (1773-1842)	Investigated the problems of reproduction and crises. He came up with the conclusion that the purpose of capitalist production is consumption, which prevails over production and determines it, and in the event of discrepancies in the interests of society and individual producers, the state must regulate them and effectively eliminate them.
G. D. Cary (1793-1879)	He developed a law of harmony of interests in which he criticized the doctrine of D. Ricardo about income, substantiating the lack of grounds for social contradictions between the parties of production.
J.-B. Sey (1767-1832)	He developed the theory of markets, on the basis of which substantiated the possibility of crisis-free development of a market economy. He came up with the conclusion that overproduction in a society, where supply and demand are always balanced, becomes impossible, but possible partial crises are caused by violation of the proportions between supply and demand in individual commodity markets.
F. Bastia (1801-1850)	He has put forward the concept of distribution of the aggregate product in proportion to the number of services provided, the essence of which is that all participants in the exchange of services (service for the service), legally receive their respective share of remuneration.
J. Mill (1806-1873)	Analyzed the causes of crisis phenomena and substantiated the possibility of a crisis-free development of a market economy. He believed that the cause of the trade crisis is a general overproduction and it arises due to the surplus of speculative purchases.

Source: by the author based on [P.46, P.55, P. 65, 70, 75, 79, 39; P. 55-56, 40; 41; 42; 43].

As V. M. Tarasevich and J. Y. Petrunya rightly point out - "the classical political economy differs from previous economic doctrines by the fact that its representatives laid the foundations for all subsequent economic studies, switched from descriptiveness and empiricism to the analysis of the internal laws of the economy of the society, the search for the laws of its movement" [p. 46, 40]. A new turn in understanding the sources of disproportions in the economy, as well as the causes of the deployment of economic crises, was revealed in the theory of Marxism, which dates back to the 40's of the XIX century. Thus, Marx (1818-1883) was the first to describe in his theory of social reproduction the interrelationship between industries that produce means of production and industries that produce consumer goods. As V. V. Kirilenko accurately remarks: "The problem of reproduction was interesting for K. Marx in order not to investigate the conditions of balanced support for macroeconomic equilibrium, but to prove the existence of intra-system factors of its permanent violation, which will constantly cause over-production crises" [P.94, 39]. The scientific achievements in this area of the representatives of marginalism, whose teachings had formed the transitional political economy from classical to neoclassical in the 70's and 80's of the nineteenth century, deserve attention. Thus, the representatives of the marginal trend formulated the idea of the interdependence of the factors of production (J. Tyuten (1783-1850)), formulated the concept of economic equilibrium (A.O.Curno (1801-1877)), as well as the theory of rational consumption, on the basis of which is formulated two general laws of equilibrium in the economy (according to the first law, the amount of satisfaction from the consumption of each additional unit of the good, and hence its usefulness, gradually decreases and when saturation reaches zero, according to the second law, the optimal structure of consumption (maximum satisfaction with limited stock of wealth) is achieved under conditions of equality of marginal utilities of goods consumed, that is when the intensity of the pleasure of consumption is the same) (G. Gossen (1810-1858)).

Problems of proportionality, disproportionality and equilibrium in the economy at the micro level began to be considered by scientists of the neoclassical direction of the economy, which dates back to the 90's of the nineteenth century. Thus, A. Marshall (1842-1924) developed a theory of equilibrium, in which the central place is taken by the question of equilibrium prices, based on the functional dependence between price, demand and supply as equal market forces. J. B. Clark (1847-1939) investigated the changes in economic processes and phenomena that ensured dynamic development,

created a destabilizing economy, and concluded that economic equilibrium in the state of dynamics is impossible - it is bound to be violated. M. I. Tugan-Baranovsky (1865-1919), in his writings, also studied the peculiarities of the formation and consequences of various disproportions in the economy, in particular, the disproportions between the movement of investments and savings, and concluded that they are the causes of cyclical fluctuations in the economy [44]. In this case, M. I. Tugan-Baranovsky saw the main reason for the cyclical economic downturns in the disproportionate placement of free cash capital between different spheres of their application [C.6, 45].

As one of the most valuable studies on the issues of proportionality, disproportionality and economic equilibrium, there should be noted the model of general economic equilibrium of the author, the representative of the Lozzan Mathematical School of Economics, L. Walras (1834-1910). Thus, the general market equilibrium is defined by L. Walras as a state in which: firstly, the actual demand and supply of productive services are equal and there is a constant steady price in the market of these services; secondly, the actual demand and supply of products are equal and there is a constant steady price in the market of products; thirdly, the sales price of products is equal to the costs reflected in productive services. The first two conditions relate to the equilibrium of exchange, the third is the equilibrium of production [C.159, 40]. The scientific achievements of L. Walras became the basis for further research of certain aspects and specific questions on the achievement of equilibrium states in the economy in modern and new trends of economic thought.

The post-classical stage of the development of economic thought is characterized by the formation of qualitatively new theories related to the problem of equilibrium states and cyclicity of the economy, reflected in the theories and concepts of Keynesianism, as well as its derivatives, theories of modern monetarism, institutionalism, the synthesis of institutionalism and Swedish school, etc.

Thus, the founder of the Keynesian direction of political economy, J. M. Keynes (1883-1946) criticized the principles laid down in the basis of the "law of markets" J.-B. Say, according to which automatic achievement of the state of the market equilibrium is possible, and argued the necessity of state regulation, including on the achievement of equilibrium in the economy. At the same time, although J. M. Keynes maintained state regulation at the macro level, at the micro level, he considered it necessary to preserve the market mechanisms.

Representatives of the Neo-Keynesian direction of the economy began to develop theories of economic growth (R. F. Harrod (1900-1978), O. D. Domar (1914-1997)) and the first theories of cycles in economics (E. H. Heisen (1887-1975), J. R. Hicks (1904-1989)). So, R. Harrod developed a model that proceeds from the equality of investments and savings, and the presence of an accelerator effect, whose effect is manifested in increasing the volume of investment as a result of income growth. The scientist singled out the concept of the actual pace of economic growth and the guaranteed (predicted) pace, with the latter being the line of dynamic equilibrium. According to R. Harrod, with the balance of the actual and guaranteed level of economic growth of a market economy, the latter will be characterized by stable continuous growth [39]. The formula for economic growth created by O. D. Domar in general reflects the same regularities as the equation of R. F. Harrod, but in another mathematical interpretation [C.306, 46]. Thus, O.D. Doman developed a model that is based on the principle of a multiplier and defines the rate of investment growth that provides the necessary growth of national income. [C.170, 39]. The scientist proceeded from the need to maintain a balance between aggregating demand and aggregating supply, which, in turn, are determined by the dynamics of investments that generate new capacities and new incomes [C.171, 39]. E. H. Heisen (1887-1975) was one of the first to develop the theory of cycles, according to which cyclical fluctuations in the economy arise as a result of uneven investment in economic activity.

The further development of the cyclical theories was continued by the supporters of the Keynesian-neoclassical synthesis (P. E. Samuelson (1915-2009), L. R. Klein (1920-2013)), which, being based on the ideas of J. M. Keynes, developed a basic and extended model of economic equilibrium (in particular, P. E. Samuelson), the Hix-Hansen model or the closed IS-LM model. Moreover, the latter is a kind of concept of the general market equilibrium, which was actively developed by the neoclassical theory from the time of L. Walras. Later, this model was corrected and an open model appeared - it was the IS-LM-BP (D. Flemming (1911-1976), R. A. Mandell). In fact, one of the latest theoretical achievements of the Keynesian-neoclassical synthesis is the "Phillips curve" (A.V. Philips (1914-1974)), which reveals the inverse relationship between the rate of change in nominal wage rates and unemployment rate, and its modified version (P J. Lipsy), which characterizes the inverse relationship between the rate of inflation and the level of unemployment. The use of the Phillips curve as an analytical tool for

macroeconomic policy enabled the calculation of equilibrium conditions between high employment rates and price stability.

Problems of economic growth, optimal rates of accumulation of capital, infidelity in the distribution of income are devoted to the works of representatives of the English post-Keynesianism (N. Kaldor (1908-1986), P. Sraffa (1898-1903), D. Robinson (1903-1983)), which concluded that it is precisely the deepening of the inequality in the distribution of national income (associated with the phenomena of monopoly) and is a major factor in the violation of economic equilibrium.

Monetary Keynesians, in particular, Kh. F. Minski (1919-1996) put forward the widely-known "hypothesis of financial instability", according to which a market economy generates a financial structure that is constantly in crisis. The scientist concluded that the lack of financial stability is precisely one of the main causes of economic crises. Significant contribution to the formation of the doctrine of economic equilibrium was also carried out by A. Leyonhuffood, who saw the analysis of imbalance as a generally recognized element of modern macroeconomic theory.

Representatives of the newest direction of Keynesianism (G. Menkiu, D. Romer, J. Stiglitz, A. Lindback, S. Fisher, O. Blanschar, etc.) for the first time drew attention to the problem of "asymmetry of information" - the uneven distribution of information (among participants in market agreements), which is a source of a number of economic problems, and one of the factors of equilibrium disturbance.

Among the achievements of monetarists, in particular, M. Friedman (1912-2006) and A. Schwartz (1915-2012) - the hypothesis that the change in the growth rates of money supply causes corresponding cyclical ups and downs in production and employment. Institutionalists, in particular W. Mitchell (1874-1948), were the first to attempt to formulate the concept of a crisis-free cycle through various options for state intervention in the economy, namely, state influence on the monetary, financial and credit sphere in conjunction with socio-cultural problems, taking into account psychological analysis. G. K. Myrdal (1898-1987) is the creator of the direction of the synthesis of institutionalism and Swedish school; he studied the problems associated with the development of the modern world, as well as the inequalities between developed industrialized countries and underdeveloped ones, and was one of the first to discover the danger of a disturbance of global markets.

It should be noted that, at the present stage, there are many modern theories in which problems of disproportionate development, disturbances of the state of equilibrium and the creation of imbalances in the economy are being studied. At the same time, according to T. G. Savchenko, "despite the emergence of new theoretical concepts that are the answer to changes in the conditions of economic development, none of the theories, as practice shows, may be universal" [47].

Thus, by studying the genesis of the opinions of scientists, scholars and researchers of different epochs on issues of relation, equality, proportionality and disproportionality in the economy, as well as on the issues of economic (market) equilibrium, let us stop by the fact that the answer to the question which was asked "What is exactly the point of departure for equilibrium - disproportion or imbalance?" is contained in the theory of general economic equilibrium and options for its further development. Therefore, we fully agree with the statement of L. V. Shynkaruk, which states that "on the theory of general equilibrium, the proportionality acts as a condition for the achievement of complete and partial equilibrium and nonequilibrium states; the causes of the latter two are disproportions that give rise to imbalances" [S. 9, 8].

From this, we can conclude that various imbalances in the economy are a sign of violation (loss) of its equilibrium as a result of violation (loss) proportional ties between the main economic proportions.

Actually, in the very definition of the concept of "financial imbalance", one should focus attention on its financial content. Yes, because the national economic proportions in the economy are formed in the process of economic relations, and the latter, in turn, are realized through financial structures, then any of their (with the national economic proportions) distortion, asymmetric change, violation - is the source of the development of financial imbalances. In view of the fact that the financial system is a "bloodstream" system of the economy, it is also the direct leader of financial imbalances in the economy (as, in fact, and notes O. Lunyakov). That is why financial imbalances are characterized by fairly rapid proliferation, reproduction, deepening, and with that in mind, they are capable of affecting the whole economic system. It should be noted that the imbalance of financial resources is an essential component of the financial imbalance in the economy, which we perceive as a violation of the circulation of financial flows between dependent entities (elements of the system) that are proportional or in terms of equality. Actually, in violation of the circulation of financial flows, we understand the inconsistency of the flow

of financial outflows and tributaries of the correct trajectory or disturbance of the rhythmicity of this movement. Given the multidimensional notion of financial imbalance, we consider it expedient to determine its essence at the micro level, macro level and global level (Fig. 1).

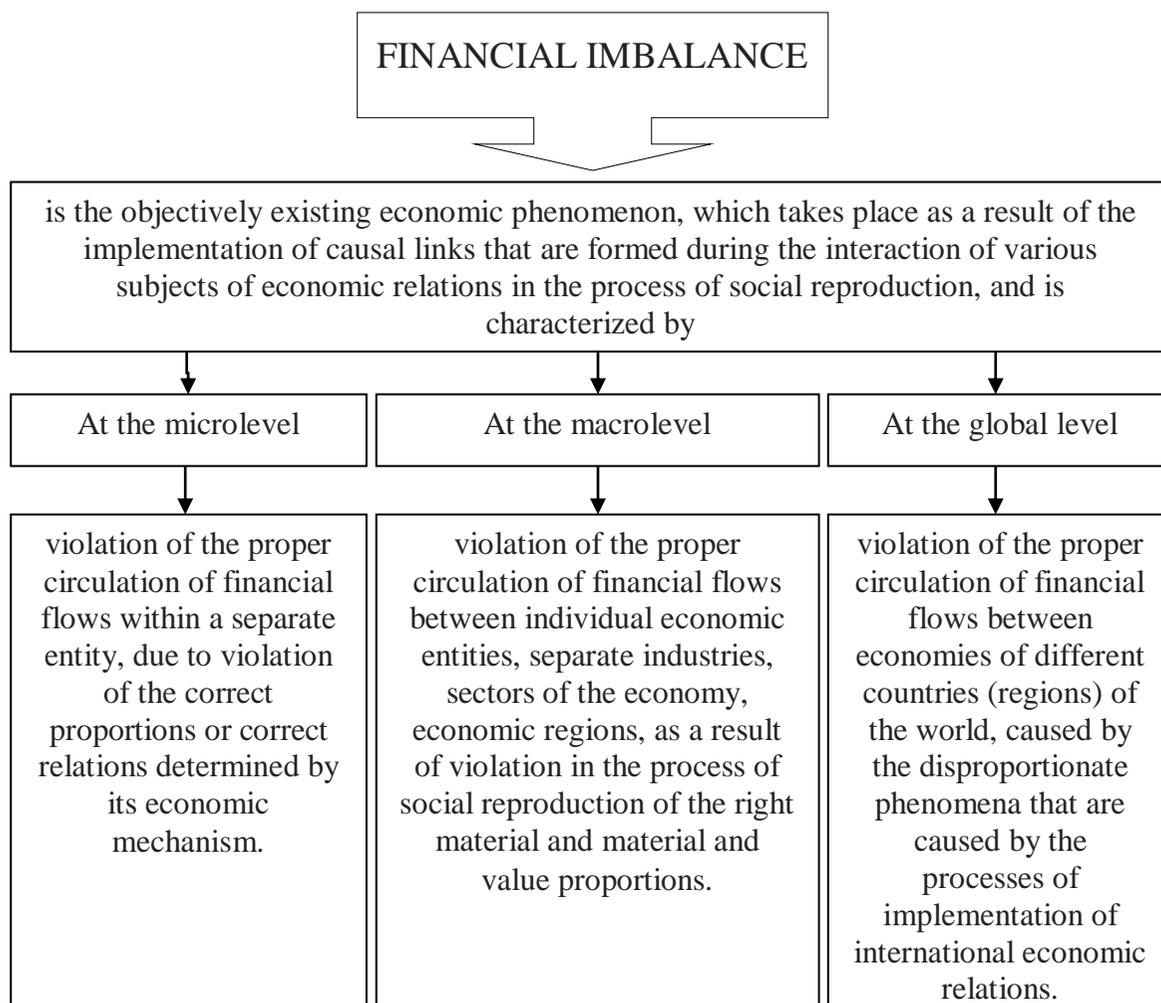


Fig. 1. The definition of the concept of "financial imbalance" at the micro-, macro- and global levels

Source: by the author

The idea of the presented schematical model of the nature of the formation of financial imbalances in the conditions of disproportional economic development consists in depicting a "chain principle" precisely of the destructive changes in the causal relationships that are formed between the participants of the economic system in the process of social reproduction. These destructive changes begin with the level of intrinsic proportions (bottom) and rise to the macro level of the economy.

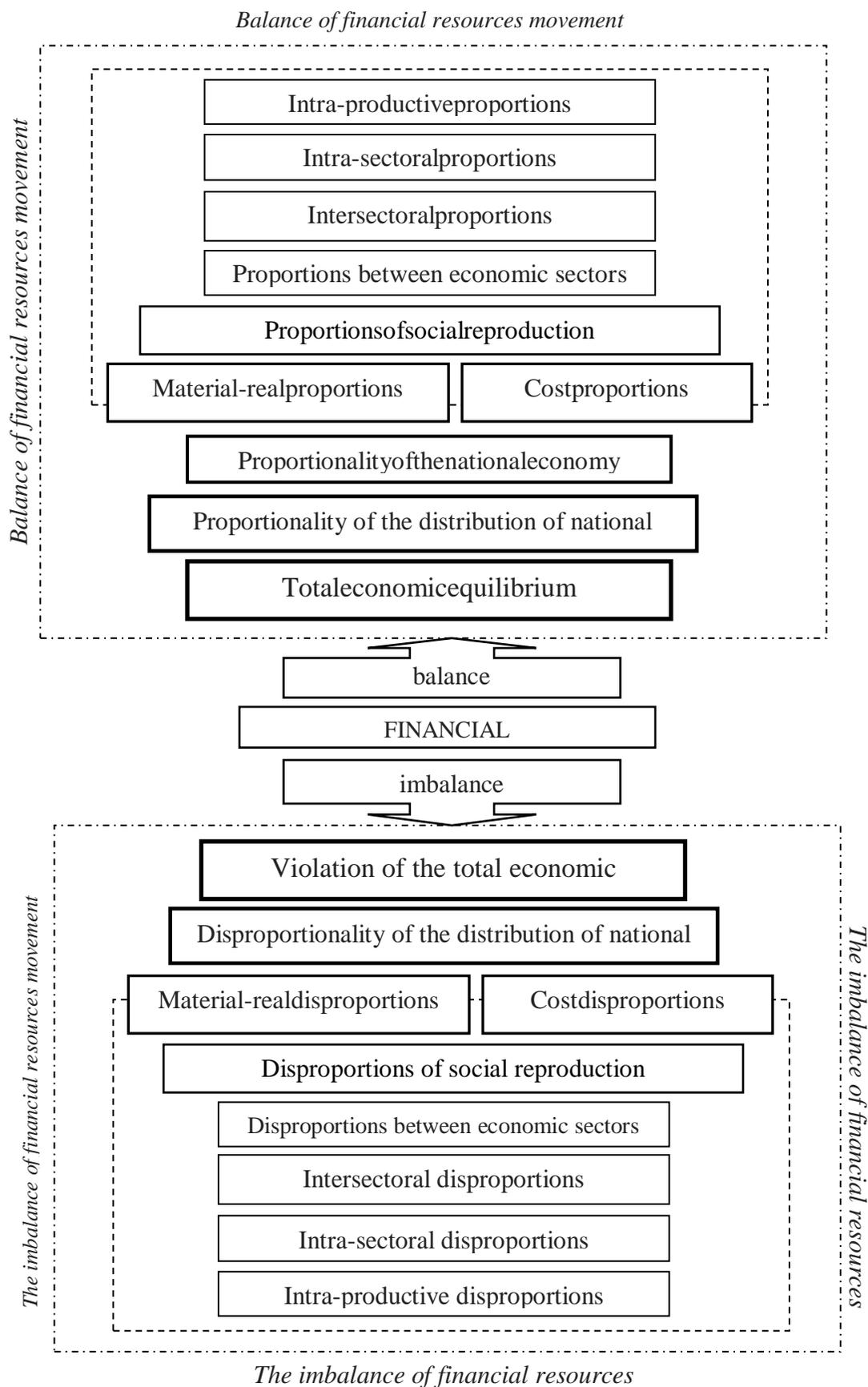


Fig.2. The schematic model of the nature of financial imbalances
Source: by the author

At the same time, these changes are accompanied with imbalances in the movement of financial resources, which acquires an uncontrollable character, and becomes a stable state - a state of financial imbalance.

At the same time, in fact, the nature of the spread of financial imbalances would be wrongly identified with the nature of its formation on the trajectory of "disproportion imbalance of financial resources financial imbalance", because the whole danger of financial imbalances lies in the fact that they are moving in the opposite direction and their presence in the economy itself is capable of generating new and new imbalances.

So, based on the fact that support for a partial economic equilibrium requires, first and foremost, the financial stability of each individual participant in economic relations. An important role in this direction is played by the management of the movement of financial resources, especially in the case of violation of the main economic proportions of the enterprise. Indeed, a violation of the proper circulation or the rhythm of financial inflows and outflows may cause an investment famine in an enterprise, which in turn blocks the channel of financing its investment activities by its own resources, and ultimately hinders the development and reduces the competitiveness.

Yes, this is reflected in the development of a separate enterprise, and then the entire industry, affects the related industries of one sector of the economy, and, after all, the real sector of the economy has a lower rate of development than financial, as the development of the latter occurs under the influence of other determinants, in particular under the influence of such a phenomenon as the financialization of the economy.

Thus, we can conclude that the nature of financial imbalances in a disproportionate economy is an extremely diverse, deep and multifaceted issue. This requires further development and research in this direction.

In particular, the search and development of effective mechanisms for managing the movement of financial resources to prevent the development and rooting of financial imbalances in the economy.

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1.4. Informationalization – progressive changes

In today's environment, information provision, which consists in collecting and processing the information necessary for implementing changes in trade enterprises, plays an important role. Influence of information technologies is enormous, since the use of computer networks, the Internet and Internet technologies, software products through automation of all business processes, etc., is not just a matter of leadership and the creation of competitive advantages, but also the survival of the market in the near future.

The concept of information in modern science is used not only in the subjective sense as a measure of knowledge, but also in the objective as a measure of the organization of the system as opposed to the concept of entropy as a measure of disorganization. Modern computer revolution not only increases the amount of information, but also changes the principle of information exchange. Information becomes a value that defines all other vital measurements [1]. The main objects of management in the information society are not material objects, but symbols, ideas, images, intelligence, knowledge.

Informatization of society is aimed at creating the optimal conditions for meeting the information needs and realization of the rights of citizens, state authorities, public organizations on the basis of the formation and use of information resources. Informatization is not identical to the computerization of society, but they are closely linked with each other. Within the limits of computerization of society, a technical basis for the processing and accumulation of information is being developed and implemented. Informatization of society is connected with providing reliable subjects, comprehensive and timely knowledge in all types of human activity [2]. Thus, informatization is a broader concept.

Modern society is not only information-computerized, but also communicative: not only the speed of communication and messages increases, but also the number of communications per one person increases. It requires a different degree of openness (dominated by surface contacts) and competence (including language skills) than was characteristic of a person of a traditional society who had a life course with a certain range of persons and functions [1].

Informational and communicative global development of society requires new models of social organization and the preconditions for these changes are already

noticeable. First, the core of the information society is the increase in the value of knowledge and science, and science itself becomes the carrier of information technology, and technologies affect science. Secondly, the economic structure of society is changing. This is manifested not only in the growth of services, which is more than 60% of the size of the modern economy, but also that information, consulting and education services occupy an ever-increasing share in the services sector in developed countries. Third, if in the industrial society carriers of information were mainly social institutions, then in modern society subjects of information exchange are individuals. Fourth, the possession of information and special competence become the most valuable quality of labor resources. The influence of experts - carriers of unique information [3] is increasing.

Given the development of the tertiary and quaternary sectors of the Ukrainian economy, in today's conditions, the problem of using a management paradigm based on competitive advantages becomes more relevant. In order to survive and become successful, the company is not enough to simply sell and formulate the offer; it needs to do it better with competitors, at a lower cost, using the latest world achievements in science, technology and sales organization. The practice of world business shows that in order to achieve competitive advantages the enterprise needs to study, know and use the experience of its competitors, which have already achieved success in different fields of activity. In a harsh competition, marketing tools for doing business are becoming more in demand in business, among which the most important is not the method of gathering information, but the conduct of competitive struggle [4].

The main attention is paid to the information-search component of competitive intelligence in business, since in the considered method of search on the Internet it is basically only a preliminary experience and practice of work that allows to assert that: most of the information is of the nature of implicit research and needs analytical processing; 10-15% of the necessary information available on the Internet is already in the finished form (only verification is required), while the remaining 85-90% are obtained as a result of a comparison (analysis and synthesis) of scattered and scattered by various sources of facts, in which it is possible to make at least fragmentary a picture of the present.

Recent significant innovations can provide an extremely and radically new approach to promoting trade in terms of digital marketing.

Any unifying education from the point of view of marketing activity has the purpose of fulfilling certain tasks. In our opinion, it can be distinguished the main: firstly, the formation of the brand and the region in particular; secondly, creating new opportunities for members of the association; third, the strengthening of the social role in its work; fourthly, ensuring awareness and support from regional and national authorities. Therefore, the purpose of this research is to study the role played by digital technologies in providing information on the development of a trading company. Marketing is constantly changing, moving from one condition to another [5]. Today, there exist digital marketing, and due to this, it should be developed in the right direction by studying digital technologies.

Digital marketing is the use of all possible forms of digital channels to promote the company and its product. The forms of such channels can be varied (Fig. 1).

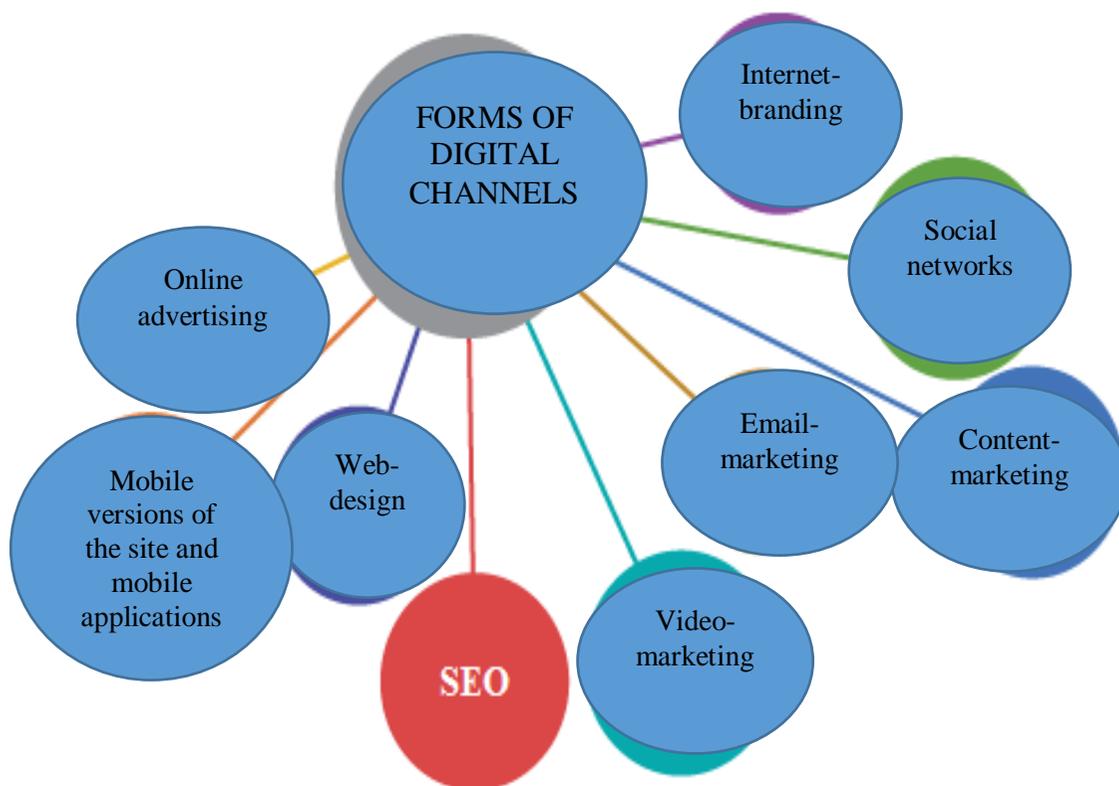


Fig. 1. Forms of digital channels

Digital marketing is closely interwoven with Internet marketing, but it has already developed a number of techniques to reach the target audience, even in offline environments (using applications in phones, street advertising displays, etc.). However, in this research, digital marketing will be considered precisely in the context of the application of Internet technologies. This kind of marketing helps to achieve the

maximum commercial result in the optimal way, that is, it allows you to save money, to avoid unnecessary inefficient spending.

To solve the listed tasks, digital marketing uses unlimited possibilities of the Internet, mobile and digital technologies. The advantages of digital marketing include interactivity – active engagement of the consumer in the interaction with the brand, the absence of territorial restrictions in marketing ideas, easy access to the resource, deep penetration of the Internet and mobile communication provides an active involvement of the target audience, as well as the possibility of operational assessment of the events campaigns and real-time event management.

It should be noticed that among the diversity of such digital channels, its forms and in the conditions of global competition, the first priority for the development of the association of enterprises of trade is the creation of a quality website and the technology of SEO (promotion of a website in search engine). An important tool for achieving most of the tasks of association is to act as a website. It is created with the aim of popularizing and reuniting organizational and managerial components and public resources, infrastructure components, service industries, as well as with the media, the public and other stakeholders. The website should be used to provide the most complete information about the trading companies, their structure, products and services offered by the members of this formation, proposals and projects to improve its activities, etc. Such a website can be a source of information both in a commercial and non-commercial direction, the so-called cluster of trade enterprises, as well as a means of attracting a permanent target audience. It is for the latter very important role is search engine optimization (SEO).

Thus, a website in a computer network is an aggregate of documents of a private person or organization [6]. All web sites together are the World Wide Web. Simply, a website is a free, round-the-clock channel providing relevant information to site visitors, clients, partners, etc. in an unlimited amount and format.

The stage of site planning is most important in the development of any site. First of all, it is needed to clearly identify the tasks of the site. What it should do: talk about someone or something, attract users, help solve some specific problems, teach or entertain. Depending on the tasks, the structure of the site may be quite different.

Website development is done in stages. The main stages include:

- 1) determining the initial data for the site;

- 2) separation of requirements to appearance and functionality;
- 3) formation of the site structure and menu sections;
- 4) development of the design concept;
- 5) HTML layout and creation of internal pages;
- 6) programming.

The last two points determine the type of website design, depending on the technology: static or dynamic. Static sites that are typically created by HTML hypertext markup language and CSS (a language that contains a set of properties to determine the appearance of the same HTML document), have the same content for all visitors, and do not provide for frequent data changes. and their design, do not require special software for storing data. Dynamic sites are created using different programming languages and databases. The main difference between a dynamic site is that it allows you to change the structure and the content without the help of the developer. The complete design of the site includes the use of CMS (Content Management System), which ensures the dynamism of the site. The content requirements of the site are fairly simple: it should be unique and understandable, focused on the site's audience and optimized for search engines. In developing a quality and effective website, its SEO optimization as a set of activities conducted in parallel is an important precondition.

Among the many options for defining this concept, it can be highlighted the following: SEO-optimization of the site, or "search engine optimization of the site", "site promotion" and "website promotion" – a set of activities (adjusting the HTML code, content, structure, control of external factors) in the process of creating the site and its further support to meet the requirements of the algorithm of search engines in order to raise the position of the site in the search results in these systems according to certain requests of users [7].

The actual search engine is the most complete attempt to organize and classify the most diverse information on the Internet. For the user, the search engine looks like an interactive site to which it addresses its request. The site responds almost instantly, in the form of a generated page of the site, which contains as a response sequentially located links and other elements. But what is visible to the user is the "face" of the search engine, which is only an intellectual superstructure of the large complex. Naturally, it has a material base, expressed in the system of real machines, powerful machines, equipped with specially prescribed unique software.

Search engines use to index the sites of so-called "search robots". The robot is a small program that "walks" on links to the site and indexes (collects and memorizes) information that occurs on the path. The principle of the work of search engines is approximately the following: the search engine provides the exact address of the page that you want to register. The search engine checks if there is a page on this address, and if so, the page is entered in the "visit schedule". Between the time when the page was registered in the search engine and the time when the page visited the search engine, it could take from a few minutes to several weeks.

Typically, the robot's workflow begins with a robots.txt file (a special text document in the root of a site that contains special instructions for search engines, such as the prohibition of indexing a site or its individual pages) [8]. The robot then reads the open pages for which it was sent from robots.txt for indexing, then either to delete it or to continue indexing the site. After a while, the robot can visit this page again. That is, the process of indexing a site is continuous.

The optimization and promotion of the site on the Internet takes several stages, which are binding and are aimed at optimizing the site as effectively as possible. The analysis of a large number of Internet sources of information and the experience of leading companies in the field of digital marketing for all areas of activity in general allows you to highlight the following stages of SEO optimization: a comprehensive study involves actions that allow you to set the right goals, priorities, strategy and time optimization costs for a specific site [9]. The categories of the relevant market, target audience and competitors' sites are studied, keywords are searched and selected for which the site should be optimized. The ideal option is to start the process of optimization at the stage of site layout and content filling.

Keywords are words and phrases by which the user searches for the necessary information on the Internet. Choosing the right keywords (the semantic core) is the first major moment of search optimization, which requires not only understanding the target audience, but also understanding the specificity of their search information in the global network.

Internal SEO-optimization is a whole set of activities focused on working on the site itself: site configuration, search engines, page structuring, content modification, file renaming, usability.

External SEO optimization aims to obtain targeted external links to the resource: directories, permanent links, stock exchanges, banner ads, social networks, and more.

Supporting SEO optimization is the further support of the site, since search engines often change their search criteria, which indicates the infinity of the process of optimizing the site with different periods of intensity (Fig. 2).

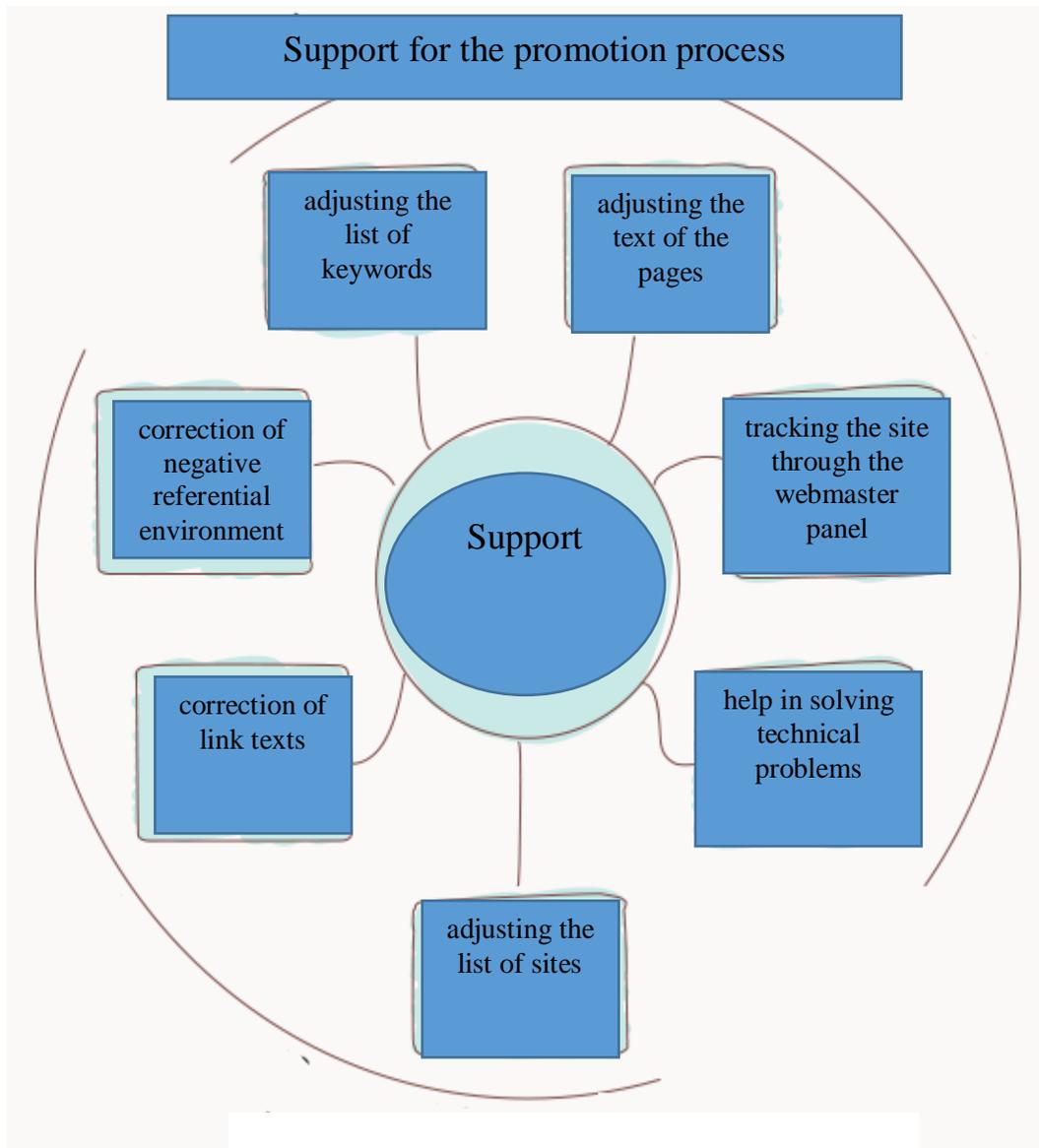


Fig. 2. Supportive SEO-Optimization

Each of these steps is an important link in maximizing the site's performance. However, an essential part of the optimization process is an analysis of the implemented actions for identifying errors and targeting the needs of the target audience of the site.

It will be observed about web analytics as tracking, collecting and measuring quantitative and qualitative data about site attendance with further analysis. The main task

of web analytics is the optimization of the site from the marketing point of view, that is, determining the degree of compliance of the site with the goals set, quantitative and qualitative evaluation of traffic, identifying problem sites and potential for increasing site conversion, etc.

Target traffic is a user interested in the goods, services, information provided on the site, as well as certain targeted actions on it (registration, ordering, studying or using content, etc.). Hence the notion of conversion as a process for the visitor's performance of those actions for which the site itself or a certain part of it is actually designated.

The conversion value is the ratio of visitors who made such a target activity to the total number of visitors [10].

The rapid development of information technology creates such conditions that today a well-designed and correctly optimized web site is not only a competitive advantage, but a prerequisite. There are no exceptions in trade.

Since the object of this research is the cluster form of trade enterprises, the application of Internet technologies will directly relate to the management component of the cluster as a commercial organization. The main goal is to provide the target audience with information on the Internet about the totality of all trade enterprises, the so-called cluster of trade, its participants and their activities by creating a website and its search engine optimization.

One of the most progressive prospects for the development of a complex of trading enterprises can be the organization of cooperation with the American company JSC System Software Associates, Inc. (SSA), as it is one of the world's leading software vendors for industrial enterprises [11].

This is the largest software vendor for the AS/400 line of mini-computers manufactured by IBM. The flexibility of SSA software products allows them to be customized to meet specific customers and business requirements in any industry. The company maintains its global presence through offices and business branches in 67 countries, while customer support is provided by a network of more than 5000 professionals.

The core of the SSA product line is Business Planning and Control System (BPCC), a group of integrated software products for industry, which includes programs for production, distribution and financial operations.

In case of such an international agreement, it could be a solid foundation for further growth in the sphere of trade, bringing it to the world level and attracting the whole sphere of service.

SSA increases its sales and strength support with a system of independent business partners. It has a widely distributed customer base, with 34% of its clients in Europe, 22% in the Asia-Pacific region, and 10% in Latin America.

The Associates Corporation Software is a leader in providing SOA consulting (an approach to software development based on weakly interconnected components that interact with standardized interfaces) of organizations.

The Associates Corporation software is born from the new needs of customers and evolution in business orientation. It provides the necessary look for the assessment, planning and deployment of new technologies and solutions for such technologies.

The Associates Corporation software consists of expert leaders in the field of IT sector management and consulting. These professionals have extensive experience in leading companies such as Oracle, Cap Gemini, Ernst & Young, Fujitsu, Software AG, Atos Origin, EDS, Informix and Bea. In addition, Associates Corporation software has deep knowledge in international markets and specializes in emerging markets (Eastern Europe, LATAM in the Middle East). SSA Professionals are active in various regulatory technology organizations such as OASIS, XML.org, XBRL.org at W3C.

The main services provided by SSA are the following:

1. Assistance to achieve business-driven architecture.

Customers are looking for business benefits through information technology. Software Associates (Fig. 3) provides consulting services to help organizations transform their competitive advantage. A business- and IT- alignment rate is being made through intellectual leadership and management of processes (BPM) and General Services (SOA), as tools to achieve alignment. The services of this enterprise allow to align, scale through corporations through the use of common processes, information and service models, as well as technological platforms. In addition, Associates software provides the best in its class software development services. The development teams have a deep operational experience in enterprise class architectures and are able to perform autonomous work of the project or to supplement internal commands. Regardless of who is on what stage of evolution, they have a plan to ensure success and reduce risks associated with development, integration and deployment of proper corporate decisions.

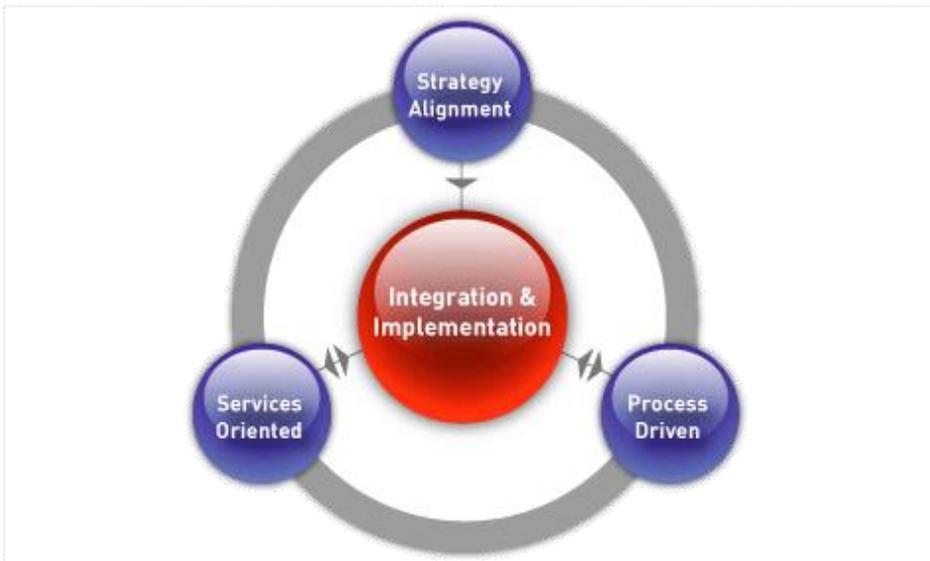


Fig. 3. Associates Software Business Model

2. Associates Software ecosystems (Fig. 4) are built around four layers, in the know-how industry, in the alignment strategy, on the competencies and services of the Model and the Center's experience

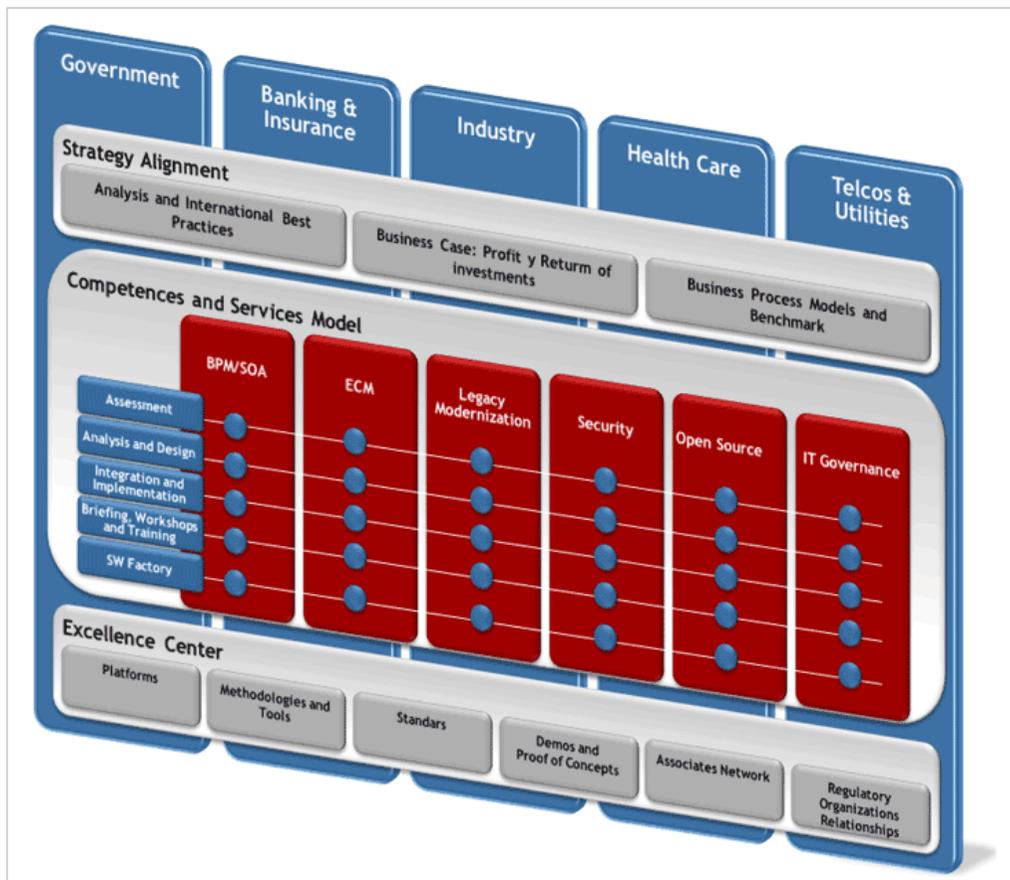


Fig. 4. Association Software Ecosystem [14]

3. The alignment strategy (Fig. 5) is the alignment of resources to extract the greatest value of a business. Vision and practical deployment are often obtained using old / new technologies, along with relevant best practices. SSA partners can help develop a strategy that embraces technological advances and an understanding of changing markets. They combine skills with companies' leadership, to create and support innovation.

Strategically, alignment is a joint assessment, highlighting a roadmap, recommendations and further steps that surrounding business companies.

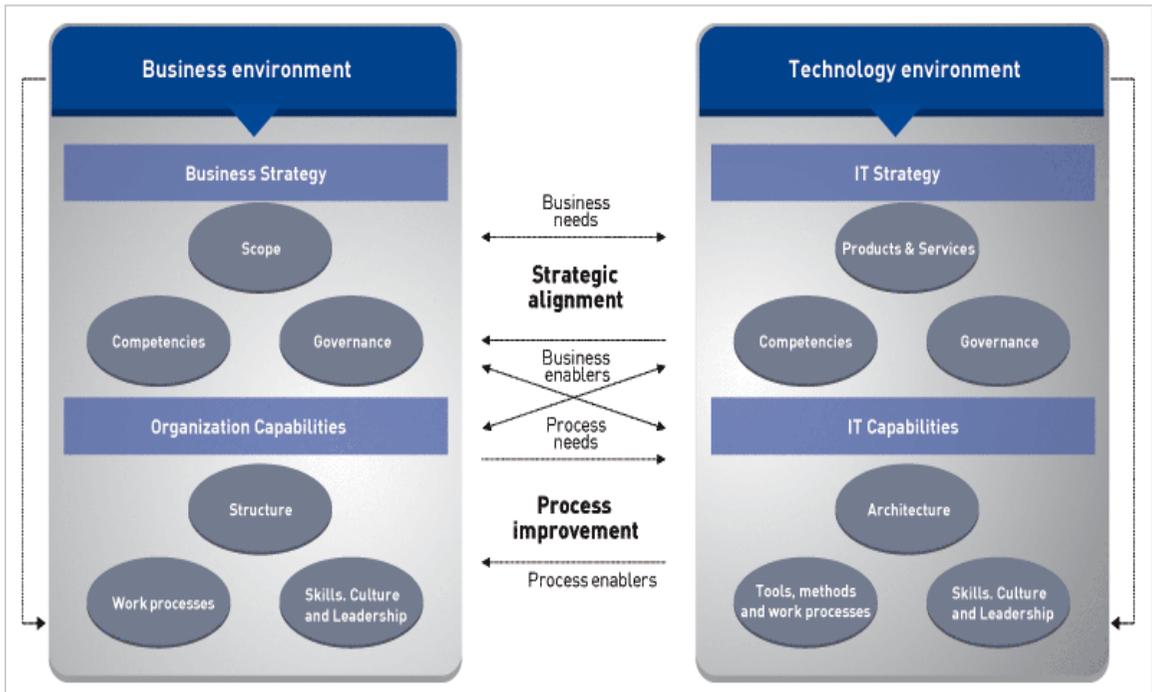


Fig. 5. Model alignment strategy

The rapid definition of the current environment (people, processes and technology) occurs as a result of identifying key projects, key competencies that ensure a successful SOA strategy. Modern business environments require excessive amounts of data to be created internally and externally to be destroyed and used by decision makers. As a result, the strategy will streamline this information and provide a practical plan for increasing productivity and greater product service.

4. Continuous improvement accelerates the collection of relevant metrics, data and process elements, which, in the analysis and examples, retain the main goals and stimulate progress. Associates software provides a strategy, structure and framework for the required feedback. As a result, in a constant evolution are methods and best practices associated with organizations that are created for further development (Fig. 6.).

Associates Corporation software is supported by three important principles for the development of its activities: customer, innovation process and professionals. These elements build the architecture that allows the company to stay in the state of the art of technology, offering services and solutions that have a lot of impact on their customers.

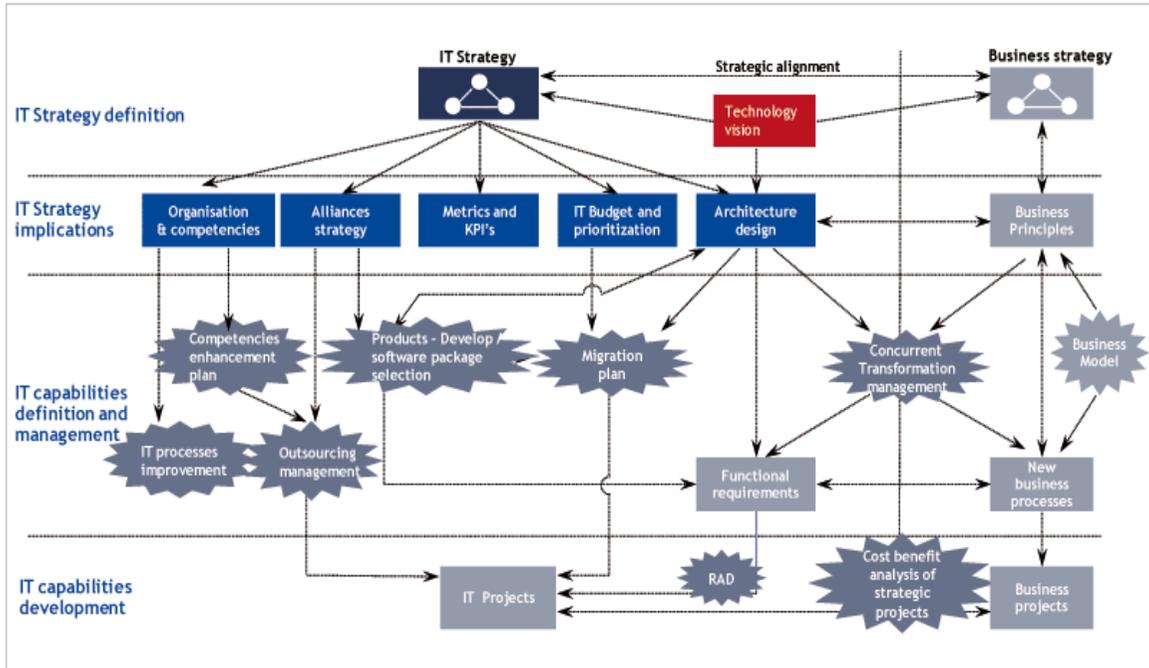


Fig. 6. Ensuring a continuous improvement strategy

Based on market knowledge and the current needs of customers, the company count on a portfolio of products, focused, adequate and complete responses to the technological challenges of its customers.

SSA's own nature, based on the standards where they come together, indicates that they are paying particular attention to adopting standards from customers. Adoption of standards has become a key element:

- Productivity around the development of information systems.
- Ensuring compatibility of information systems.
- Electronic transactions reliability and traceability.
- Strict adherence to international standards in the area of transparency and good governance.

Obviously, by agreeing to cooperate with SSA Global Technologies, new opportunities can be opened up, and the active use of their approach to creating an effective architecture and doing business will have a significant impact on the development of a complex of trading enterprises.

Every day, the Internet space covers an increasing number of people who become regular users of the World Wide Web; therefore, virtually a prerequisite for the functioning of any enterprise or organization is to introduce themselves on the Internet. The main purpose of creating a web-service of a complex of trading enterprises is the dissemination of information about the participants of the complex, their activities, prospects of development.

Consequently, this web resource will be informative in nature, where acquaintance can be made with the activities of the complex in detail and follow the links to its participants. This is its main task.

Website development is a four-step creative process involving designers, web developers, layout specialists and content management.

The first step in developing the structure of the site of the complex of trading enterprises will be its visual layout (prototype) (Fig. 7).

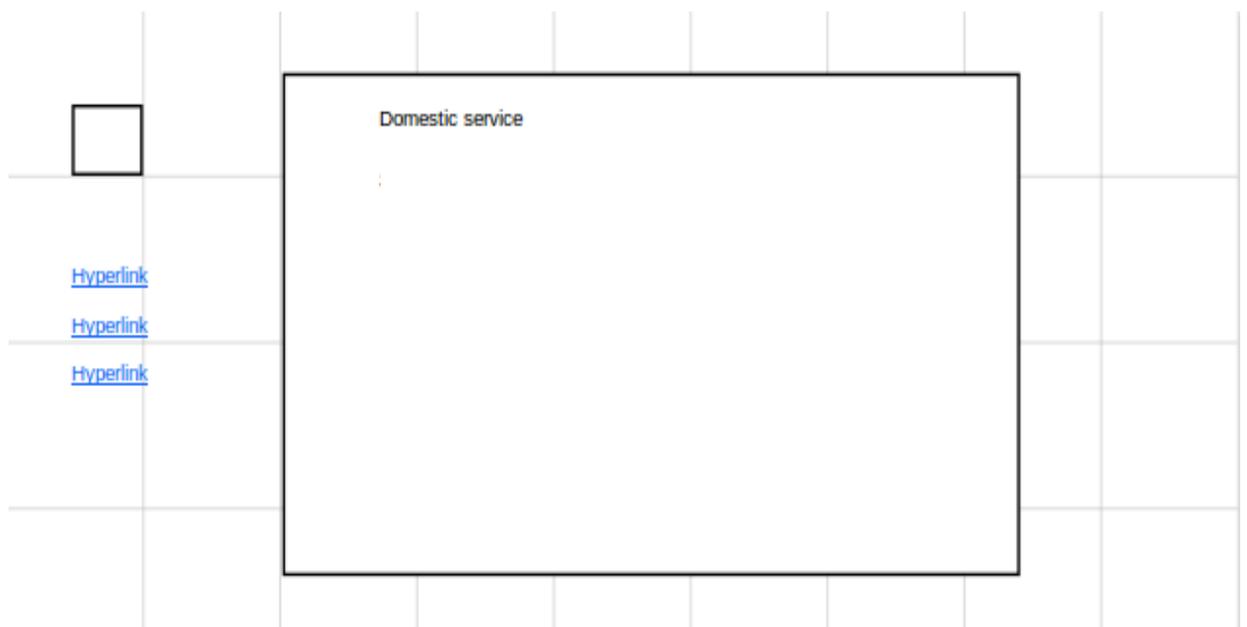


Fig. 7. Prototype of the main site page of the trade enterprises complex [13]

The map of the site is schematically displayed as source code [12]. The prototype of the site can be created by anyone, because there are special "online services" for this. With its help, a person who is interested in obtaining a conceived site can create a template-sketch (mock-up) (Fig. 8), which in English means a layout [13].

The layout is used by designers mainly to show the customer the design of any product. It can be anything: design a business card, a cover of a CD, a photo album and so

on. But for a better result, there are special people who are engaged in the design of such sketches, including designers.

The second step is to create a prototype site, that is, a schematic representation of the pages of the site with its components: content (content of the web page, accessible to the user), navigation elements (tools for moving to other web pages), design elements (structuring content and its formatting, page layout) [14].

At the stage of visualization, the development of visual concepts of the pages takes into account the main objectives of the site. Simply, an attractive outside web site interface must maintain its functionality.

Since this resource is informative, the simplicity and conciseness of page design is a critical condition for a web designer. Accordingly, templates have been developed for all pages of the site, where only the main page, in comparison with the internal pages, has a slightly different structure.



Fig. 8. Mock-up / sketch pattern [13]

At the stage of creating the framework of the site (that is, layout – interpretation of its design in HTML), the creation of a dynamic site based on WordPress content management system was chosen as the most rational and uncompromising approach [14].

After all, the site of the complex of trading enterprises is a resource, the content of which will often change (for example, the items in the section "Goods", etc. will probably appear new).

WordPress is a free, universal content management system (CMS) to create and maintain sites and other applications (Fig. 9). In this case, to support the site, it isn't needed to turn to the programmer's services.

In parallel, there is content filling with the initial optimization of it for search queries. It is meant that it is at this stage that the semantic core of the site is formed, that is, a list of keywords for the promotion of individual pages of the website.

Particular attention should be paid to the uniqueness of the information content. It is important to note the constant testing of the quality of the site created (display in different browsers, on different platforms and screens of different expansion devices) in accordance with the tasks, eliminating inaccuracies.

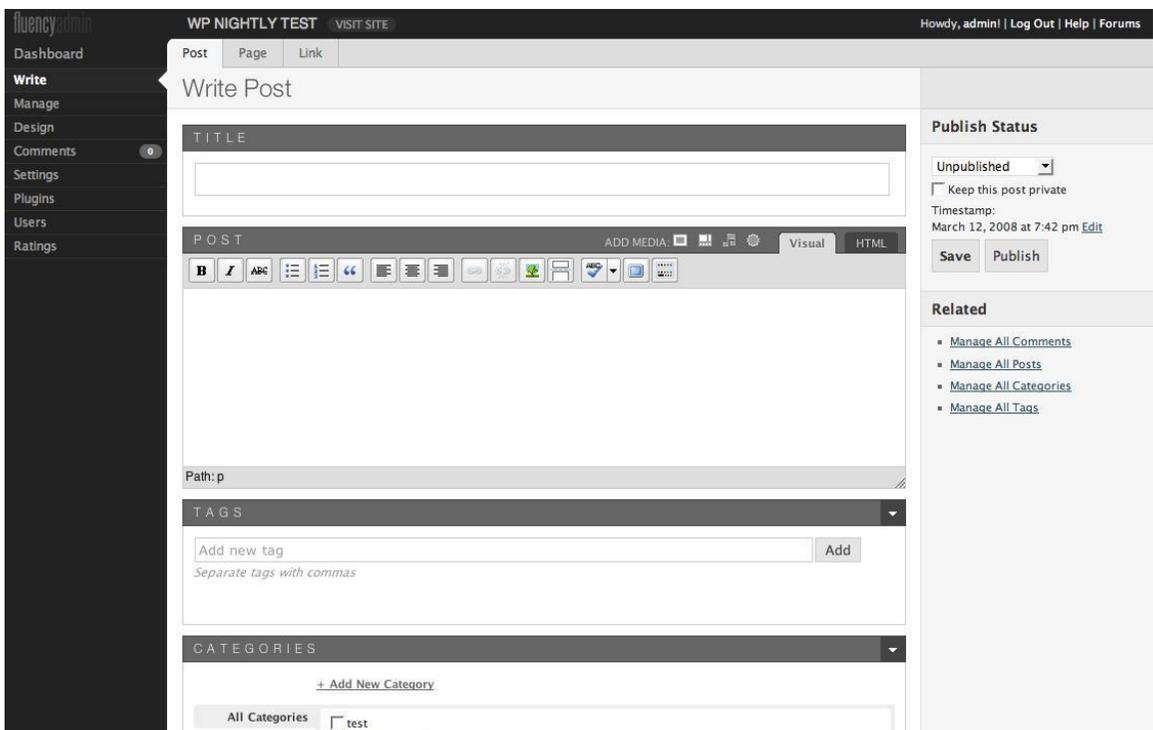


Fig. 9. WordPress administrative page [14]

The last most responsible step in creating a site for a complex of trading companies is its launch. It begins with the transfer of the data packet to the responsible person (in this case, the authorized manager of the association of the content manager) and further

transfer from the local server to the hosting server and the assignment (purchase) of the domain name.

The rapid development of information technology creates such conditions that today a well-designed and correctly optimized web site is not only a competitive advantage, but a prerequisite. The application of Internet technologies directly concerns the managerial component of the complex and the complex process of change. The main goal is to provide the target audience with information on the Internet about the association itself, its participants and their activities by creating a website and its search engine optimization.

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1.5. Forms of intellectual leadership manifestation

The transformation of general economic conditions under the influence of globalization and formation of the knowledge economy is accompanied by an intensification of competition at all levels, a rapid change of competitive positions, significant stratification of the competitive environment, changing rules and methods of conducting competition. In a context of increasing interdependence and interpenetration of national economies, these new trends require from different players in the global economy to pay particular attention to new phenomena, review the place and role of many economic and managerial processes.

In modern highly competitive conditions, an important task for the countries of the world is the achievement not only of economic development, but also of leadership positions, which by themselves are already instruments of competition. The manifestation of leadership becomes important both among individuals (in politics, business and other spheres), and at the level of companies and national economies. In the modern context, the understanding of leadership is significantly changing - now it is perceived much wider than the psychological phenomenon. It becomes an element of the group management process and, as practice shows, it increasingly becomes a part of the economic analysis at different levels of social organization. Leadership is becoming a competitive advantage and not only the purpose of competition, but also its tool, which is capable to bring even higher gains.

Modern understanding of leadership is expanding considerably, going beyond the limits of psychology and management. The nature of leadership changes, and hence its role in the modern environment changes as well. The ambiguity of "leadership" concept and its manifestations in the modern economic environment predetermine the need to study these issues in the new conditions of its implementation. The "leadership" concept comes from English verb "lead", which means "lead", "hold", "manage", "be the first". In economic science, leadership issues began considered in the context of study of the role of the personal factor in the development of society.

Challenges of modern globalization, which are connected with the extraordinary aggravation and complication of competition, the formation of a society of knowledge, the spread of ICT make their adjustments in leadership. Moreover, one of the key features of leadership is the implementation of opportunities for change in the context of the

formation of knowledge economy. For example, H. Owen, W. Hodgson and N. Gaszard point out that the essence of leadership is in the attempts of human to challenge the environment and change it [18]. In his turn, P. Senge describes leadership as a tool for capacity development and community building [19].

The complexity of "leadership" concept gets an expression in the number of forms of its manifestation: personal, state, entrepreneurial, international, situational, political, technological, etc. Systematization of leadership forms manifestation according to various criteria is widely represented in the scientific literature [14]. The stress of the phenomenon of intellectual leadership, its essence, factors and forms of manifestation at different levels is of particular interest.

Today, speaking about the intellectual leadership of companies and countries is possible due to the following reasons. In the conditions of the formation of a post-industrial society, an axiom is already considered recognition of the fact that the breakthrough development of countries and individual players (corporations, universities, etc.) is ensured not so much by the availability of resources, but by the technologies of their use (including those to produce qualitatively new products and services). Becoming the world leaders and holding the leadership positions are possible to those countries that make significant efforts to develop their intellectual potential and its implementation in the economy. The basis of high indicators and dynamics of development of such countries as Germany, Japan, South Korea, Singapore, Taiwan, Iceland, Finland, etc., includes large investments in research and development, implementation of their results in products and services that are produced and provided, as well as in qualitative changes in the spheres of life. In the modern world, the leader country is primarily an intellectual centre, which is an integrator, initiator and organizer of active actions.

In our opinion, intellectual leadership is the achievement of high positions in competition through the growth of the quality and intensity of the resources implementation. Intellectual leadership is considered mostly not as the ultimate goal, but as a key tool in achieving global leadership, which allows to enhance competitiveness and economic efficiency due to accumulation of intellectual resources. Subjects of intellectual leadership can be individuals, organizations, regions and countries. In turn, each of these subjects can show leadership among other players of its level and at higher levels - organizational, regional, national and global.

It is possible to try to determine the forms of manifestation of intellectual leadership of the main players (individuals, organizations and countries) at such levels as individual, organizational, international and global. From the very beginning, the concept of "leadership" was related mainly to the individual level - the level of individuals. Leadership was considered solely as a manifestation of personal activity, and its economic component and characteristics of the economic consequences of manifestations of leadership qualities were beyond the attention of scientists. In academic literature, we can find a large number of definitions of leadership as a manifestation of personal activity, which can be grouped according to such basic approaches.

1. Leadership is considered primarily as a power directed from the top down and is implemented by an individual leader. According to J. Blondel, "Leadership is a power exercised by one or more individuals" [1, p. 32].

2. Leadership is the managerial status, leadership position. As defined in L. Downton's work, it is "a situation in the group characterized by the ability of the person who has this position to direct and organize the collective behaviour of some or all of its members" [2, p. 51].

3. Leadership is understood as an influence characterized by continuity, breadth, priority and authority (V. Katz, L. Eddinger). It can be considered from the point of view of influencing the group as a natural process that can change the behaviour of people for the general effect. Leadership can also be manifested through informal, psychological influence.

4. The understanding of leadership through its role in innovation processes is also widespread. Decision-making takes place through their new, original versions. Thus, leaders are not only subjects of power and influence, but also innovators.

We can emphasize that most approaches characterize the individual level, covering only social manifestations and neglecting the economic consequences and components. In these theories, the economic foundations of understanding leadership are absent, and leadership is considered a social phenomenon, the essence of which is directing processes and formation of a common understanding.

At the individual level, intellectual leadership can be manifested in the leading positions of an individual in particular thematic competitions, ratings, etc. At the organization level, the effectiveness of individual leadership also significantly increases due to the intellectual component. The influence of a leader on an organization or its

structural unit may, according to E. Helping and B. Winner, be characterized by such aspects of leader's behaviour as "category of attention" and "adjustment of the structure".

Attempts to evaluate leadership efficiency on an individual level were made by E. Fleishman and E. Harris [5], which traced a significant relationship between the behaviour of the leader and such characteristics of behaviour of subordinates, as complaints and staff turnover. The higher is the degree of "structure adjustment" by the leader (according to the data on its perception by subordinates), the greater is the number of complaints and the higher are turnover rates. This connection manifests itself as a curvilinear dependence: the number of complaints and turnover rates were slightly associated with the "structure adjustment" only to a certain degree, and with increasing the degree of "structure" the number of complaints and indicators of turnover increased sharply.

Thus, we can argue that the effectiveness of individual leadership is largely determined by both the personality traits of the leader and their development in the process of intellectual improvement. In this case, the assessment of individual leadership and the forms of its manifestation is reflected in dimensions of both management and performance. For example, an assessment can be made from the point of view of the degree of taking into account the factor of the leader's behaviours dynamics, as well as the situational factor. Such assessment tends only to take into account the psychological characteristics of the leader, but it is conducted in such dimensions that have clear economic effects. The main areas of the leader's behaviour under analysis are:

- intellectual leadership, characterized by a higher rate of intellectual processes, erudition, goodwill, and justice;
- business leadership, which is expressed through the ability to find an effective approach, the ability to coercion and, at the same time, willingness to provide assistance;
- practical leadership based on the benefits in the practical field of interaction (in this case, the leader-practitioner acts as the organizer of the group activity and at the same time reveals such personal qualities as courage, confidence in his/her actions, the ability to achieve the goal by assigning responsibilities and monitoring the progress of its achievement [13].

The subjective basis of leadership becomes more complicated, and gets its manifestation in distinction not only of individual leadership, but also of institutional (or organizational). The subject of individual leadership is an individual who influences other

people and brings them together to achieve certain goals. The subject of institutional leadership is an organization that makes influence on itself and other organizations. Leadership of organizations can be represented on an organizational basis (among the companies of its branch or its city), regional, national, international and global levels. This approach reflects the division of human activity into a personal and socio-group, which is substantiated in the writings of V. Kremen [15, p. 31].

The economic nature of leadership is actively manifested itself at the organizational level, not only in establishing control of the market and the region, but also in active influence on other enterprises, organizations or institutions. The availability of such influence is important not in itself, but first of all - as a tool to achieve additional economic gains and opportunities to independently determine the future development of the organization.

In economic science, the provision of organizational leadership is possible both on the basis of internal processes (since it is formed "at all levels of the organization" (K. Blanchard) [12, p. 32]), and in the form of counteraction to external factors. According to M. Kets de Vries, leadership organizations are very sensitive to the environment. That is why they are united, have a strong structure, a common vision of the world and a common system of thinking. They "are proponents of distributed leadership, encouraging leadership at all levels of the organization. They maintain sustained innovations that are the source of organizational life. They encourage the optimistic mood of employees, produce a culture of learning, the reality of mistakes, the perception of diversified thinking and action. They produce a systemic perspective and form a synergistic effect [16, pp. 80–82].

Thus, organizational leadership becomes a necessary factor in ensuring successful entrepreneurial activity in the context of the current challenges of social development. It becomes both a prerequisite for competitiveness and its manifestation. Organizational leadership manifests itself as a competitive advantage, which ensures the company's place in the market. Thus, the company's leadership is considered not only as a social phenomenon, within which the position of a person is determined, but as an economic phenomenon, which becomes a source of company's wealth. The economic activities of the company, which determines the methods of market coverage, competition and aggressive marketing, together provide it with a leading position.

In modern global environment, MNCs that take advantage of other market players, take leadership positions in the market due to the large geographic area of their business operations, reduced transaction costs, and the ability to accumulate resources (natural, human, scientific and technical, etc.) of host countries. Therefore, the formation of leadership positions of MNCs is both a process and a result that provides creation of international complexes and the impact not only on the economy of individual countries, but also on the state of world trade in general. According to experts, MNCs control more than 50% of world trade and almost 70% of foreign trade.

The assessment of the effectiveness of MNCs is carried out by Forbes, which determines their rating on the main results of the activity. For instance, in 2014, this rating included a large number of MNCs, among which, the companies from China and the United States confidently held the first positions [6]. The assessment of MNCs' activities is based on the main indicators of economic success: turnover, profits, assets and capitalization. According to the rating, the leading positions are taken by companies operating in banking and energy sectors, as well as high-tech companies (in particular, in the machinery and automotive sectors, as well as ICT sector).

The study of the economic aspects of leadership (which becomes relevant both in applied development and management theories, and in general economic science - in understanding the issues of entrepreneurship, competitiveness, international economics, globalization) causes interest in the problems of intellectual leadership: its nature, mechanisms and roles in the processes of world economic development. Stressing of this type of leadership, as intellectual, is explained, in our opinion, by the growing importance of human resources in general and their intellectual components, in particular, in providing development of a modern economy. It is intellectual factors, directly or indirectly, through their influence on other factors, are key to achieving high positions in today's highly competitive environment.

Exploring and identifying the influence and role of intellectual factors in achieving leadership positions in the global economy is possible based on the analysis of the intellectual component in different approaches to determining leadership positions. Indeed, today, at the international level, there are numerous valuation approaches (ratings, indices, tabloids, etc.), the purpose of which is to determine the positions of individual players according to different criteria at different levels of competition.

At the global level, some of the world's indices that have emerged recently can provide partly evaluation of individual leadership in its generalized format and confirmation of its need for economic growth. In particular, the Global Innovation Index contains an analysis of the role of human capital in the growth of economic performance (in particular, indicators of innovation activity). Another index that takes into account the individual component of leadership is the Global Talent Competitiveness Index, which is based entirely on a study of the state of human capital in the country [9]. Of course, these indices only generalize the existing trends, rather than consider individual leadership as a separate element of the economic system.

The problem of leadership becomes relevant not only for business organizations. Sharpening of competition on a global scale, in turn, actualises the issues of achieving leadership positions in other areas of activity, the specifics of which necessitates the need for their leaders and professionals. Direct intellectual activity- the system of education and science is becoming one of such spheres. In recent years, numerous university rankings, ratings and indices of innovation have emerged, and they are becoming tools for ranking and identifying leaders in a highly competitive intellectual environment. The emergence of leadership issues in its modern sense to a higher level suggests the existence of new leadership formations in the geopolitical environment and understanding of the international economy.

Confirmation of the importance of intellectual factors in achieving leadership at the global level can be the discovery of this component in world rankings. The table summarizes the main world rankings, analyses some of indicators that characterize intellectual activity and the components of human capital in manifestations (table 1).

Of course, the list above is not exhaustive, but it is represented by the most weighty and popular world rankings. All of them reflect the process of increasing the role of the human factor and its transition to a new level of leadership positions providing. The world's leading countries are demonstrating a creative transformation, which becomes a platform for the formation of a successful society and a prosperous nation. Confirmation for that can be found in the Human Development Index (HDI) study, which examines three components: long and healthy life; education and access to it; the standard of living, estimated through the GNI per capita by PPP in dollars. For instance, one of important indicators, which is defined in the study of World Development Indicators, is the export rating of high-tech products.

Table 1

Global rankings and indexes*

	Index, rating	Organizations which calculated index	Indicators	Amount
Intellectual component of human sources	Human Development Index – HDI	UN	Index of education level	1 sub index from 3
	Index of education level in the world	UN	Index of Literacy The rate of pupils	2/3 1/3 in total index
	The Social Progress Index	The Social Progress Imperative	Availability of basic knowledge and literacy of the population Duration of women training Duration of studies in high school Global University Ranking Inequality in the availability of education	5 indicators from 48
	The Global Innovation Index	Worldwide Organization of Intellectual Property	Human capital and researches in sub index innovative costs	1 indicators from 6
	The Bloomberg Innovation Index	Bloomberg Rankings Agency	Tertiary efficiency (5%)	1 indicator from 7
	The Global Competitiveness Index – GCI	WEF	Health and elementary education Higher education and vocational education	2 groups of indicators from 12
	The Legatum Prosperity Index	Legatum Institute	Education Quality Indicator	1 sub index from 8
	Satisfaction with Life Index – SWL	OECD	Indicator of educational reach	in 1 sub index
	Academic Ranking of World Universities – ARWU	Higher Education Institute of Shanghai Jiaotong University	Takes into account the activities of leading universities and their scale	100%
	Webometrics ranking of world's universities	Cybermetrics Lab and Spanish National Research Council – CSIC	Takes into account the activities of leading universities in Internet and their scale	100%
Report of WTO	WTO	Includes education coverage (both primary and secondary)	2 indicators from 8	
The results of	The Global Innovation Index	Worldwide Organization of Intellectual Property	Subindex innovation expenditures Subindex of innovative results	100%
	The Bloomberg Innovation Index	Bloomberg Rankings	Intensity in research and development (20%)	5 indicators from 7

	Agency	High-tech density (20%) Concentration of researchers (20%) Patent activity (5%) Technological opportunities (10%)	
Country rating by number of patents	Worldwide Organization of Intellectual Property	Takes into account the specific indicators of the results of intellectual activity	100%
Country rating by number of Internet users	It is based on statistics	Takes into account the specific indicators of the results of intellectual activity	100%
Country rating by number of mobile phone users	It is based on statistics	Takes into account the specific indicators of the results of intellectual activity	100%
Country rating by level of export high technology products	It is based on statistics	Takes into account the specific indicators of the results of intellectual activity	100%
The Global Competitiveness Index – GCI	WEF	Level of technology development Innovation potential	2 groups of indicators from 12

*Completed by author

According to generally accepted standards, high-tech products are such, in which the share of R&D is at least 3.5%. Thus, the volume of trade in high-tech products is an effective indicator of the level of intellectual activity of each country. Trends in the sale of high-tech products show the potential accumulated in the countries, as well as the perspective trends of further development. Thus, a significant role in determining the place of the country in the world arena is related not only to the structure of its trade, but also to internal reserves to maintain leadership in the future among countries that trade high-tech goods. This is reflected in the World Intellectual Property Organization report, which analyses the patent activity of countries and the number of patent applications from both their residents and non-residents. Thus, both internal capabilities and external sources of intellectualization of the economy are investigated.

A concise analysis of the indicators of various world rankings suggests that the countries with the highest indicators of human potential development, research funding, trade in high-tech products and services are becoming the world's engines of development. It is from the new technologies, the effectiveness of their implementation, the human potential of the country to determine the pace and effectiveness of its development, as well as the position on the world arena. While in 50's years of the last century the country's development depended on new technologies by only 38%, in the 90's - by 65% already. It also represents the relationship between the general level of

development of the country, the effectiveness of its intellectual activity and social development. Ranking leaders in terms of education or social progress are countries that belong to a group of key innovators [10; 19].

The conducted research confirms the key trend of modern world economic development - to the deep intellectualization of production and trade, the priority development of science, the spread of intellectual component of labour [17, p. 15]. It is this that forms the centers of development of world civilization and becomes a prerequisite for the formation of a knowledge-based society.

The countries that are at the forefront of the world demonstrate a creative transformation, becoming a platform for the formation of a successful society and a prosperous nation. This is confirmed by the Human Development Index, in which, three components are investigated: health and longevity; education and access to it; the standard of living evaluated via GNI per purchasing power parity (PPP) in US dollars. Countries with a very high level of human development are represented by the most developed countries of the world (Table 2)

Table 2

Top 10 countries by human development level, 2014 [8]

Rank	Country	Index	Change to the previous year
1	Norway	0,944	+0,001
2	Switzerland	0,933	+0.002
3	Australia	0,917	+0,001
4	Netherlands	0,915	-
5	USA	0,914	+0.002
6	Germany	0,911	-
7	New Zealand	0,910	+0.002
8	Canada	0,902	+ 0.001
9	Singapore	0,901	+ 0.003
10	Denmark	0,900	-

In addition, such generalizing rating systems as global competitiveness index, social progress index, prosperity index, World Trade Organization report, etc., include to different extent indicators that characterize the performance of the country's intellectual activity, which serves as confirmation of the importance of the intellectual component in the modern world.

For instance, one of the important indicators, which is defined in the study of World Development Indicators, is the rating of high-tech products exports. According to

generally accepted standards, high-tech products include products, in which the share of research and development works is not less than 3.5%. The volumes of trade in high-tech products thus serve as an effective indicator of the level of intellectual activity of each country (Table 3).

Table 3

Indicators of activity in high-tech sector, 2013 [3]

	High-tech manufacturing				High-tech knowledge intensive services			
	Number of enterprises	Turnover (EUR million)	Production value (EUR million)	Gross investment in tangible goods (EUR million)	Number of enterprises	Turnover (EUR million)	Production value (EUR million)	Gross investment in tangible goods (EUR million)
Germany	8713	118229	108348	4264	96896	210725	172271	10653
Italy	5683	46510	45188	1284	98679	99532	101530	4701
UK	6528	40143	37797	1183	169541	227412	214090	12560
France	3309	73389	59430	2245	127547	154949	155878	10133
Ireland	165	39628	38903	2209	-	-	-	-
Finland	597	27633	11993	252	-	14106	-	-
Sweden	1763	24750	22693	440	52088	-	-	-

Indicators of activity in the sectors of high-tech products indicate the potential accumulated in the countries and prospective trends of future development. This is reflected in the World Intellectual Property Organization report, which analyses the patent activity of countries and the number of patent applications from both residents and non-residents. Thus, both internal capabilities and external sources of intellectualization of the economy are studied (Table 4).

Table 4

Ranking of countries in the world by the number of patents [4]

Rank	Countries	2009	2010	2011	2012	2013	2014
1	China	314604	391177	526412	652777	825136	928177
2	USA	456106	490226	503582	542815	571612	578802
3	Japan	348596	344598	342610	342796	328436	325989
4	Republic of Korea	163523	170101	178924	188915	204589	-
5	Germany	59583	59245	59444	61340	63 167	65965
6	Russian Federation	38564	42500	41414	44211	44 914	40308
7	India	34287	39762	42291	43955	43 031	42854
8	Canada	37477	35449	35111	35242	34 741	35481
9	Brasilia	22406	24999	28649	30435	30 884	30342
10	Australia	23681	24887	25526	26358	29 717	25956

Analyze the indicators of patent activity, it should be noted that a significant gap between the countries-leaders in patent activity is seen. Thus, the leaders by applications number, China and the United States, have significantly higher number of applications than the other countries included in the Top-10. At the same time, the sum of all applications in countries from third to tenth position is only 73% of the sum of applications from the United States and China. The quality structures of applications from China and the United States differ in the number of applications from residents and non-residents. While in the United States of America, the numbers of applications from both residents and non-residents are roughly equal, in China, applications from residents dominate applications from non-residents by almost 60% [4]. In China, the number of patents and patent applications tends to increase, each year by an average of 17%. The patent activity of corporations can confirm the significant participation of developed countries in the market of patents (Table 5).

Table 5

Patent activity of corporations (2012) [11]

№	Corporation	Country-based	Number of patents
1	ZTE CORPORATION	China	3,906
2	PANASONIC CORPORATION	Japan	2,951
3	SHARP KABUSHIKI KAISHA	Japan	2,001
4	HUAWEI TECHNOLOGIES CO., LTD.	China	1,801
5	ROBERT BOSCH CORPORATION	Germany	1,775
6	TOYOTA JIDOSHA KABUSHIKI KAISHA	Japan	1,652
7	QUALCOMM INCORPORATED	USA	1,305
8	SIEMENS AKTIENGESELLSCHAFT	Germany	1,272
9	KONINKLIJKE PHILIPS ELECTRONICS N.V.	Nederland	1,230
10	TELEFONAKTIEBOLAGET LM ERICSSON (PUBL)	Sweden	1,197

Companies in China and Japan have the highest patent activity: only in 2012, the total number of patents of major corporations is about 13,000.

The degrees of implementation of the potential of countries, their structure of trade, development trends are reflected in global rankings that take into account the above indicators; for example, in the definition of the Global Innovation Index, which explores the innovation costs of the countries of world and their innovative performance. Analysing the innovative activity of countries, we can note that the main players in the market of innovations are still highly developed countries (Table 6).

Table 6

Rank	Country/Economy	Score (0–100)	Region
1	Switzerland	67.69	EUR
2	Sweden	63.82	EUR
3	Netherlands	63.36	EUR
4	United States of America	61.40	NAC
5	United Kingdom	60.89	EUR
6	Denmark	58.70	EUR
7	Singapore	58.69	SEAO
8	Finland	58.49	EUR
9	Germany	58.39	EUR
10	Ireland	58.13	EUR
11	Korea, Rep.	57.70	SEAO
12	Luxembourg	56.40	EUR
13	Iceland	55.76	EUR
14	Japan	54.72	SEAO
15	France	54.18	EUR
16	Hong Kong (China)	53.88	SEAO
17	Israel	53.88	NAWA
18	Canada	53.65	NAC
19	Norway	53.14	EUR
20	Austria	53.10	EUR

Most of the key innovative countries are concentrated in Europe.

Of the top 20 countries in the world by innovation level, 12 are located in Europe, accounting for 60% of those 20 countries. Only 6 countries (30%) represent Asia. Such a concentration of innovative developed countries can be explained by reasonable public policy and focus on the development of internal capabilities.

For a more comprehensive analysis, it is worth considering this indicator by its components and the regional groups, which makes it possible to assess the global innovation structure (Table 7).

GII of leading economies and regional groups [7]

Country, region	HDI	Institutions	Human capital and researches	Infrastructure	Development of market	Development of business	Knowledge and technology, output	Creative release
Switzerland	68,29	89,62	59,22	58,63	72,33	59,97	72,41	64,84
United Kingdom	62,42	82,32	57,45	63,04	74,31	53,59	54,92	60,48
Sweden	62,39	90,00	61,67	62,75	63,70	56,92	60,45	55,10
Netherlands	61,58	91,88	51,72	60,50	61,77	55,26	55,93	61,92
USA	60,10	86,81	54,03	58,84	81,48	55,35	57,96	47,81
Finland	59,97	95,84	64,89	58,51	61,51	58,75	51,89	52,18
Singapore	59,35	95,44	60,89	69,54	71,57	63,13	51,47	41,71
Ireland	59,13	87,22	50,05	54,86	63,96	58,36	55,70	55,02
Luxemburg	59,01	83,54	40,84	54,23	56,23	60,24	49,04	68,96
Denmark	57,70	93,13	62,43	55,71	68,35	49,71	46,06	52,99
North America	57,91	49,65	89,73	52,50	59,87	77,48	49,94	49,36
Europe	47,99	76,37	44,15	49,61	54,95	42,29	39,44	45,56
South East Asia and Oceania	42,68	65,87	38,43	46,25	56,16	4,70	35,53	35,84
North Africa and West Asia	35,26	61,05	32,08	41,74	46,24	30,44	24,83	31,59
Latin America	32,49	54,87	25,29	35,37	44,29	35,37	21,01	30,86
Sub-Sahara Africa	27,05	51,66	16,89	25,60	41,37	30,29	19,34	22,53
Central and South Africa	27,03	47,67	22,41	31,77	43,00	25,60	20,12	19,82

The leading countries of the world form a rather harmonious policy of supporting the intellectual component of the economy and ensuring its innovation. At the same time, the analysis of these indicators by regions shows a rather significant gap. For instance, in the countries of Africa, Latin America and West Asia, the indicators of innovation are quite low. As we see, the analysis shows significant disparities in the development of regions in terms of innovation activity indicator. However, this does not exclude opportunities for development in countries with a lower level of development.

A consolidated analysis of the indicators of various world rankings allows to conclude that the countries with the highest indicators of human potential development, research funding, trade in high-tech products and services become, respectively, the world's engines of development. It is the new technologies, the effectiveness of their implementation, human potential that determine the pace and results of development and

the country's place on the world stage. Moreover, the relationship between the general level of country's development, the level of efficiency of intellectual activity and social development of countries is seen. The leaders in the ratings of education or social progress are countries that belong to a group of key innovators [10].

Conducted study confirms the key trend of modern world economic development - the broad intellectualization of production and trade, the priority development of science, the spread of complex intellectual work [17, p.15]. That is what forms the centres of development of world civilization and becomes a prerequisite for the formation of a society based on knowledge.

The increasing relevance of the problem of intellectual leadership in the modern global environment is associated with competition growth, as well as the complexity of the global economy's structure of it and the factors of its development. The nature of leadership is becoming more complicated, which is manifested in various forms of activity and is realized at different levels of economic activity. This is confirmed, on the one hand, by the increasing role of intellectual resources in achieving leadership positions in a variety of criteria for economic and innovative development, and, on the other hand, intellectual activity becomes an independent sphere of global competition. The importance of the intellectual component in almost all world rankings and indices was proved, which confirms the growth of the role of intellectual resources at all levels of world economic development.

At the same time, the problem of implementing intellectual leadership leaves a great space for further analysis, both in terms of identifying quantitative dependences and the role of intellectual factors, and in the context of in-depth research of factors and mechanisms of leadership attainment through the accumulation and implementation of intellectual resources.

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1.6. Features of stimulating and development of small business in Ukraine

In Ukraine the legal basis for small business and simplified system of taxation, accounting and reporting are:

- Tax Code of Ukraine [1];
- Law of Ukraine "On the development and state support of small and medium business in Ukraine" [2];
- Law of Ukraine "On accounting and financial reporting in Ukraine" [3];
- Regulations (standard) accounting 25 "The financial report of a small business entity" [4].

Special tax regime aimed at encouraging of small businesses, and its system involves only one type of tax: the only tax that is payable to the local budget. Regardless, entrepreneurs pay a single social contribution that is credited to the accounts of the Pension Fund of Ukraine [5].

The natural and legal persons were subjected to a simplified system by Decree of the President of Ukraine "On the simplified taxation system" which is now expired. With the adoption of Tax Code of Ukraine there are additional benefits for small business entities. In particular, maintenance of the current accounting forms and financial statements are simplified under the provisions (standards) of accounting; one reporting form is filled instead of various forms of taxes and fees that are replaced by a single tax; the calculations associated with determining the amounts of taxes are greatly simplified [5].

We believe that the simplified system is an important step to stimulate the development of small business in Ukraine and a single tax today is an important tool to create new small business entities. Today there are 4 groups of taxpayers under the simplified system:

Group 1: Entrepreneurs engaged exclusively in retail sales of goods on retail locations in markets or provide consumer services to population.

Number of employees – 0.

The amount of income - up to 300 thsd. UAH a year.

The rate - up to 10% of the minimum wage.

Group 2: Entrepreneurs engaged in economic activities to provide services, including everyday life services, to single tax payers or the public, engaged in the manufacture or sale of goods, activity in the restaurant industry.

Number of employees – up to 10 people.

The amount of income – up to 1.5 mln. UAH.

The rate - up to 20% of the minimum wage.

According to the Law of Ukraine "On State Budget for 2016 year" the following rates per month are set: the first group - 137.8 UAH; the second group - 275.6 UAH.

Group 3: Individual entrepreneurs and legal entities.

Number of employees – not limited.

The amount of income – up to 5 mln. UAH.

The rates:

– 3% of revenue – in the case of payment VAT under the Tax Code of Ukraine;

– 5% of revenue – in the case of inclusion of VAT in the single tax.

Group 4: Farmers in which the share of agricultural commodity production in the previous year equals or exceeds 75%.

Number of employees – not limited.

Circulation of money – not limited.

For the *fourth group* of taxpayers single tax rates depend on categories of land and are from 0.16% to 5.4%.

The number of small business entities in Ukraine is given in Table 1.

Table 1

Dynamic of the number of small business entities in Ukraine [based on 10]

Indicators	2010	2011	2012	2013	2014	2015
Small business entities (Including micro-business), units	2162004	1679902	1578879	1702201	1915046	1958692
Subjects of micro-business, units	2093688	1608819	1510776	1637180	1859887	1910830
The share of micro-business entities in the total number of small business entities, %	96,8	95,8	95,7	96,2	97,1	97,6

According to the data in 2010 year in Ukraine the number of small business entities (including micro business entities) reduced. However, since 2013 year the number of small business entities has slightly increased.

The share of micro-entities in the total number of small businesses shows a positive trend over time indicating that the subjects of small businesses moving into the category of micro-business. In 2015 year their share was up to 97.6%.

Distribution of small business entities by categories is shown in Table 2.

Table 2

Distribution of small business entities by categories [based on 10]

Categories of small business entities	2010	2011	2012	2013	2014	2015
Small business entities, units	2162004	1679902	1578879	1702201	1915046	1958692
small enterprises altogether, units	357241	354283	344048	373809	324598	328121
Percent of the total number of subjects	16,5	21,1	21,8	22,0	16,9	16,8
Per 10,000 population, units	78	77	76	82	76	77
individual entrepreneurs altogether, units	1804763	1325619	1234831	1328392	1590448	1630571
percent of the total number of subjects	83,5	78,9	78,2	78,0	83,1	83,2
per 10, 000 population, units	394	290	271	292	370	371
Micro-business entities, units	2093688	1608819	1510776	1637180	1859887	1910830
Micro enterprises altogether, units	300445	295815	286461	318477	278922	284241
percent of the total number of subjects	14,3	18,4	19,0	19,5	15,0	14,9
per 10, 000 population, units	66	65	63	70	65	66
individual entrepreneurs altogether, units	1793243	1313004	1224315	1318703	1580965	1626589
percent of the total number of subjects	85,7	81,6	81,0	80,5	85,0	85,1
per 10, 000 population, units	391	287	269	290	368	369

In addition, the share of individual entrepreneurs is significantly greater compared with the share of small enterprises in the total number of small business entities.

To investigate the role of small business in solving of social problems we should estimate the number of employees of enterprises (Table 3).

Table 3

The number of employees in small business [based on 10]

Indicators	2010	2011	2012	2013	2014	2015
Small business entities, thousand people	3033,0	3036,6	2950,7	2843,9	2420,8	2098,1
Small enterprises altogether, thousand people	2043,7	2011,8	1951,6	1891,8	1583,0	1466,3
percent of the total number of employed workers	67,4	66,3	66,1	66,5	65,4	69,9
individual entrepreneurs altogether, thousand people	989,3	1024,8	999,1	952,1	837,8	631,8
percent of the total number of employed workers	32,6	33,7	33,9	33,5	34,6	30,1
Micro-business entities, thousand people	1676,9	1685,9	1574,9	1535,5	1299,1	1148,4
Micro enterprises altogether, thousand people	762,0	757,4	736,5	734,4	626,6	587,8
percent of the total number of employed workers	45,4	44,9	46,8	48,7	48,2	51,2
individual entrepreneurs altogether, thousand people	914,9	928,5	838,4	801,1	672,5	560,6
percent of the total number of employed workers	54,6	55,1	53,2	52,2	51,8	48,8

According to data, there is a decrease in the dynamics of the number of employees of all enterprises. It should be noted that the share of employees at small enterprises is higher than the share of employees that work at individual entrepreneurs (Fig. 1). However, the situation is different in micro-business where the share of employees dominates in individual entrepreneurs.

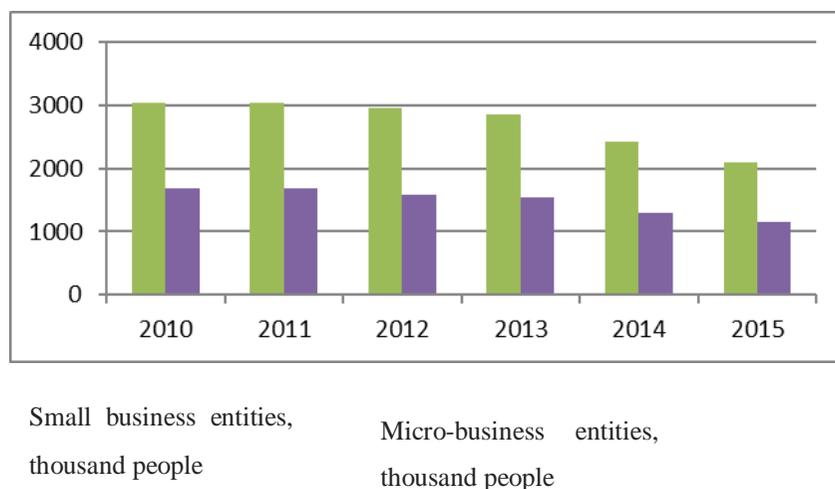


Fig. 1. Dynamics of the number of employees of small business entities, thousand people

According to data analysis in 2010-2015 years sales volumes increase in small business entities and in micro-businesses (Table 4); productivity increase both in small businesses and in individual entrepreneurs. However, this is due to inflation and price increase rather than other factors.

Table 4

Volume of sales by small business entities [based on 10]

Indicators	2010	2011	2012	2013	2014	2015
Small business entities (including micro-business), mln. UAH	779197,8	807777,0	916287,2	933717,7	981300,1	1318974,1
Small enterprises altogether, mln. UAH	568267,1	607782,4	672653,4	670258,5	705000,5	937112,8
% of total sales (goods and services)	72,9	75,2	73,4	71,8	71,8	71,0
Individual entrepreneurs altogether, mln. UAH	210930,7	199994,6	243633,8	263459,2	276299,6	381861,3
% of total sales (goods and services)	27,1	24,8	26,6	28,2	28,2	29,0
Micro-business entities, mln. UAH	371958,4	371496,9	438100,3	460657,4	486635,3	665725,8
Micro enterprises altogether, mln. UAH	181903,1	189799,1	212651,2	216111,4	230729,3	307450,0
% of total sales (goods and services)	48,9	51,1	48,5	46,9	47,4	46,2
Individual entrepreneurs altogether, mln. UAH	190055,3	181697,8	225449,1	244546,0	255906,0	358275,8
% of total sales (goods and services)	51,1	48,9	51,5	53,1	52,6	53,8

If we consider the share of large, medium, small and micro enterprises in total sales (Table 5) it should be noted that large enterprises had the largest share in sales volumes (41.2% in 2015 year), the share of medium enterprises was 36.7%, the share of small enterprises was 22.2% and the share of micro enterprises was 11.2%.

Thus, the analysis showed that:

1. In 2015 year in Ukraine the number of small business entities reduced compared with 2010 year;
2. The number of employees of small business entities decreases every year;
3. The share of small business in sales volumes is 22.2%, the share of micro - business in sales volumes is 11.2%;
4. Sales volumes and productivity in small business grow every year.

Table 5

The share of entities of large, medium, small and micro business in total sales
(goods and services) of economic entities [based on 10]

Years	Sales volume, mln UAH	Share of economic entities by their size in total sales, %			
		Large business entities	Medium business entities	Small business entities	of them micro- business entities
2010	3596646,4	39,0	39,3	21,7	10,3
2011	4202455,2	42,3	38,5	19,2	8,8
2012	4459818,8	39,5	40,0	20,5	9,8
2013	4334453,1	39,6	38,8	21,6	10,6
2014	4459702,2	39,1	38,9	22,0	10,9
2015	5954013,7	41,2	36,7	22,2	11,2

Scholars and practitioners are unanimous in the opinion that the tax burden has a significant impact on small business development. To test this hypothesis a comparison between the level of tax burden and the number of small business entities should be conducted. The level of tax burden on business entities we will calculate as the share of taxes in GDP in percentage (Fig. 2, 3).

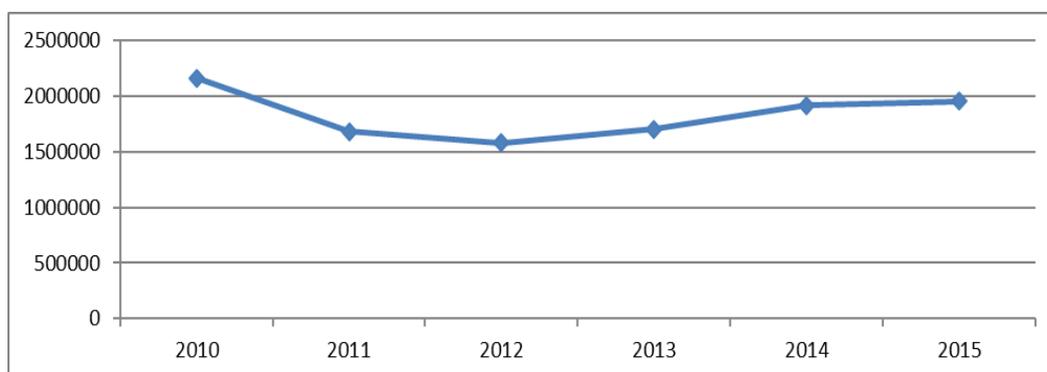


Fig. 2. Number of small business entities, units

Comparison of the data shows that the hypothesis is confirmed because in the case of increase in the tax burden the number of business entities reduces. In 2010 year we observed situation in which the level of tax burden was the lowest and, accordingly, the number of small business entities was the highest, in 2011 year the rapid growth of the tax burden resulted in decrease in the number of small business entities, and in 2012 year it

was reflected on the number of small business entities. In 2013 year some reduction in the tax burden in GDP caused the growth of the number of small business entities. This situation continued till 2015 year.

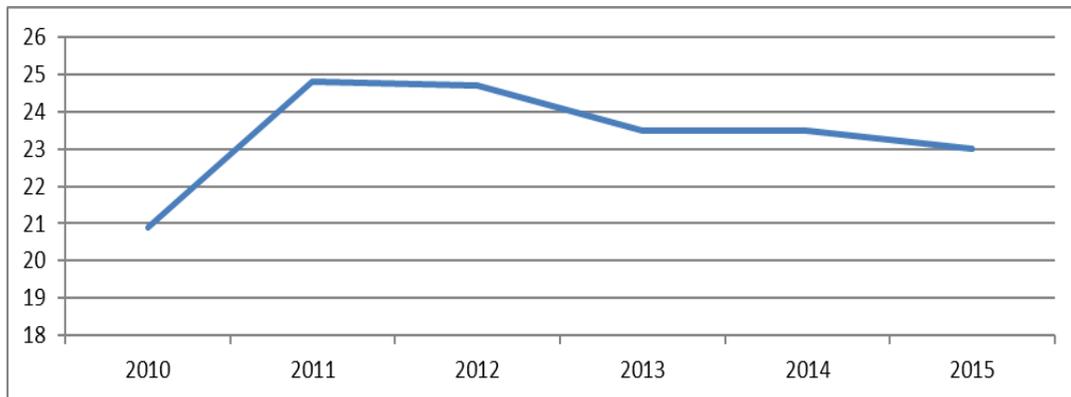


Fig. 3. Tax revenues in GDP, % [9]

By the formation of incentives for small business development in Ukraine it should be taken into account the conditions of their provision and the prospects of small business development for the country in general. Support from the state is implemented by two interrelated ways: help in the formation of startup capital for the opening of the enterprise; providing of favorable conditions for further development of already functioning enterprises.

In our opinion, the incentive system must meet a number of principles:

- Firstly, stimulation should have short term character and relate mainly with initial stages of setting up of small businesses or expansion of activity on new principles;
- Secondly, stimulation should have financial aspect providing access to cheaper resources;
- Third, stimulation should give impetus to the development of small business and ensure social, economic and / or environmental effects;
- Fourth, stimulation of small business should be made according priority areas that are important to the economy of the country;
- Fifth, stimulation should give returns in the form of tax revenues from small businesses;
- Sixth, stimulation should cover all subjects of small business that meet the criteria for incentive programs;
- Seventh, stimulation should be implemented according to the certain state or regional program of support.

For example, in Volyn and some other regions the program of support for agriculture is implemented that includes incentives for the development of farming in the region as one of the important areas of activity.

Measures of program relating to small business in the agro-industrial sector include [6]:

- Dotation to agricultural enterprises and farmers for sowing rye and buckwheat;
- Cheaper loans to purchase tractors with capacity of not more than 0.9 class traction and appropriate inventory;
- Partial reimbursement of cost of production of organic products of certified farms;
- Financial support of measures for liming of acid soils;
- Financial support of measures to improve cultivated and natural pastures;
- Partial reimbursement of the cost of refrigerators, packaging, sorting, drying, technological and auxiliary equipment for processing of fruits and vegetables;
- Partial reimbursement of the cost of domestic equipment for tillage;
- Reimbursement of interest rates or fees on loans provided for construction and rehabilitation of warehouses for vegetables and fruits;
- Reimbursement of interest rates or fees on loans provided for construction (arrangement) of slaughter shops;
- Reduction of interest rates of commercial banks on loans to young people up to 35 years which start agribusiness in rural areas;
- Reimbursement of interest rates or fees on loans provided for construction and rehabilitation of mini-milking parlours or milk wires.

However, it should be noted that the stimulation of small business is not limited solely to financial support. Also, there are important aspects such as: prediction in regional programs of socio-economic development the launching of "pilot projects" for the purpose of opening small businesses; development of a set of measures for the promotion and use of alternative fuels in district heating; development and implementation of an effective mechanism to ensure transparency in tenders; creation of regional programs of compensation of interest rates on loans; applying the mechanism of public hearings, establishing effective cooperation at the level of "power - business structure - the public" in relation to increasing social responsibility of small business for manufactured goods, services, their quality, safety and conditions of sale on the local and regional markets [7]; clear legislation of regulation of small business; availability of consulting support of

small business, consulting and intermediary firms; availability of register of objects which local authorities can offer to small business for rent; the possibility of obtaining of preferential "tax holidays" for entrepreneurs; providing guarantee for small business to obtain local orders, etc. We believe that the promotion of small business must be carried on specified priorities. In our opinion, creation of priorities for small business development in Ukraine should be based on the share of value added that generates a particular activity (Table 6).

Table 6

The added value of economic entities by their sizes and types of economic activities

Types of economic activity	Large enterprises		Medium enterprises		Small enterprises		Of them: micro enterprises	
	mln. UAH	Share, %	mln. UAH	Share, %	mln. UAH	Share, %	mln. UAH	Share, %
Total	751536	44,2	661399	38,9	288021	16,9	106196	6,2
including								
Agriculture, Forestry and Fisheries	16641,8	12,5	63285	47,7	52743	39,8	21458	16,2
Industry	378942	65,2	170604	29,4	31567	5,4	8326,6	1,4
Construction	13878,4	20,6	36444	54,2	16913	25,2	6221,5	9,3
Wholesale and retail trade; repair of motor vehicles and motorcycles	114551	27,9	197453	48,1	98676	24,0	38700	9,4
Transportation, storage, postal and courier activities	69260,1	57,5	35993	29,9	15259	12,6	5591,3	4,6
Accommodation and catering	–	–	–	–	1619,9	33,9	589,4	12,3
Information and telecommunications	23483,8	44,4	20014	37,8	9429,1	17,8	3678,6	7,0
Financial and insurance activities	–	–	–	–	10474	16,3	1384,2	2,2
Real estate	–	–	–	–	23116	47,1	9427,4	19,2
Professional, scientific and technical activities	124253,0	74,1	26565,2	15,8	16908	10,1	6439,6	3,8
Administrative and support services	1546,7	5,8	16843,2	63,6	8089,8	30,6	3129,0	11,8
Education	–	–	532,2	49,4	545,1	50,6	193,4	18,0
Health care and social assistance	–	–	2802,2	69,1	1253,4	30,9	378,6	9,3
Art, sport, entertainment and recreation	6723,0	40,0	9442,2	56,1	661,5	3,9	298,0	1,8
Other services	–	–	798,6	51,1	763,1	48,9	379,9	24,3

Given the survey data, the priorities for small business development in Ukraine should be defined.

In our view, these priorities should be such as:

- Fisheries which today depends on imports. Priorities in the development of this industry should be implemented towards developing and building of new plants and expansion of existing activities, diversifying of fish products, search of networking sales markets;

- Production of textile, clothing, footwear that are the products of mass consumption and the demand for which is significant. This activity is very important from the standpoint of high value-added content. The priority of this activity is to create a complete production cycle, final and intermediate consumption of domestic raw materials; diversification of products, imitation of the world's brands and the creation of domestic brands and their promotion in the domestic / foreign markets (exhibitions, fairs); state procurements from domestic producers;

- Production of computers, electronic and optical products, electrical equipment, software, machinery and equipment. The priorities in this segment is targeting both the needs of the domestic industrial complex and expanding of foreign sales markets;

- Production of high-tech and other products with low metal content and high complexity, precision engineering (instrumentation, radio parts); production of highly specialized products under the customer; preparation of raw materials, production of units and hardware for the serious technological process of larger enterprise and for companies engaged only in assembly of finished products, obtainment financial and technical support from them;

- Temporary accommodation and board. The priorities in this area are primarily regions - resorts and sanatoriums. Herewith, the priority issue in this segment is service in accordance with international standards;

- Real estate operations and other intermediary services. In this direction the international experience of diversification of such services as well as their implementation and improvements in Ukraine should be explored;

- Construction that gives a high added value;

- Farms of different specialization that will provide jobs for the rural population and create poles of growth in rural areas.

In addition to the above, there may be other priorities of small business in Ukraine, but in our opinion, the priorities mentioned above are the most appropriate in the current conditions of the country.

Thus, small business that performs important social and economic role in the country's development needs significant financial and organizational support. Understanding this aspect gives further possibilities of development of the middle class in Ukraine.

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1.7. Anti-crisis staff management as a comprehensive tool for personnel security of the enterprise: Theoretical frameworks

At the dawn of the XXI century, there are vast changes in all spheres of life that have ambiguous consequences and give rise to new challenges. One of the challenges of the modern global world is the dynamic development of a behavioral economics with dominated psychological peculiarities of human perception, when in making decisions taking place prediction of possible consequences of actions in terms of obtaining benefits or harm depending on the chosen benchmark of behavior [1]. Owing to such imperatives, the questions of the personnel component of economic security of enterprises are intensifying, in particular, public as strategic subjects of action. Furthermore, get worse demand for introducing a number of organizational and economic measures that would protect the company from the risks of loss of professional and work-related secrets, damages caused due to lack of competence and motivation of the personnel.

The results of international research show: losses that can be caused by its own personnel of the enterprise can reach about 9% of turnover of the enterprise [2]. This might be connected with actions such as the unintentional transmission of information through communication in social networks, disclosure of professional and work-related secrets with the objective to obtain monetary compensation, unprofessional actions that led to significant losses, etc.

The risks of imminent danger to the personnel and to the economic security of the enterprise as a whole raise if a crisis occurs and a systemic crisis deploys, when signs of dynamic financial and economic instability are manifested, a critical point of decline in performance indicators is reached, a lack of strategic resources is exacerbated, diametric divergence takes place in the positions of leading specialists and etc. In such conditions, there is a need for the introduction of mechanisms and tools for anti-crisis staff management that will allow to respond promptly to crisis phenomena and ensure competitive balanced development of the enterprise.

The study of push and pull theoretical-methodological and applied problems of anti-crisis management on the personnel' principle management and providing personnel security in the economic security structure is devoted to the works of foreign and Ukrainian scholars - E.I. Altman, D.J. Mayersa, T.S. Peters, R.J. Kaponingo, I. Ansoff, T. Tuffler, Burda I. Ya., N. L. Gavkilova, O. Gerasimenko, S. P. Kalinina, A. M. Kolota, T.

A. Kostyshina, O. V. Krushelnitskaya, O. E. Kuzmina, L. S. Lisogor, A. M. Lyashenko, A. F. Novikova, V. V. Onikienka, A. I. Pacyula, V. M. Petyukha, S. O. Tsimbalyuk, L.V. Shaulskaya and others.

The article covers new aspects of anti-crisis staff management that have not been properly reflected in the scientific literature and sufficiently distributed in practice. The author considers the anti-crisis staff management as a comprehensive tool of personnel security of the enterprise.

The aim of the work is justification of the theoretical frameworks of anti-crisis staff management in the context of providing personnel security of the enterprise.

The author shares the point of view of those scholars who regard the personnel security as a subsystem of its economic security, whose function serves the purposes of countering the threats to the internal and external environment, aimed at achieving a dynamic equilibrium [4] and are interpreted from the prospective of the process of preventing negative effects on the economic security of the enterprise through the risks and threats related to personnel, its intellectual potential and labor relations in general [3].

According to the author, the personnel security of the enterprise is a multidimensional process of staff management at all its stages (search, selection, assessment of competence and identification of psycho-emotional qualities, motivation and formation of loyalty to the enterprise, etc.), which allows to predict and identify possible risks and threats from the personnel side on time, to ensure the economic security of the enterprise through the establishment of a clear monitoring system of personnel processes and situations that will resist the threats to the environment.

It should be mentioned that the guiding idea or the main requirement of the effectiveness of the managerial process is the principle that carries workload as a methodological tool of the formation, study of the state and the development of mechanisms of anti-crisis staff management.

Principles of staff management reflect objective trends, social and economic laws, scientific recommendations of social psychology, theories of management and organization.

The following can be included to the group of general principles of anti-crisis management (Figure 1):

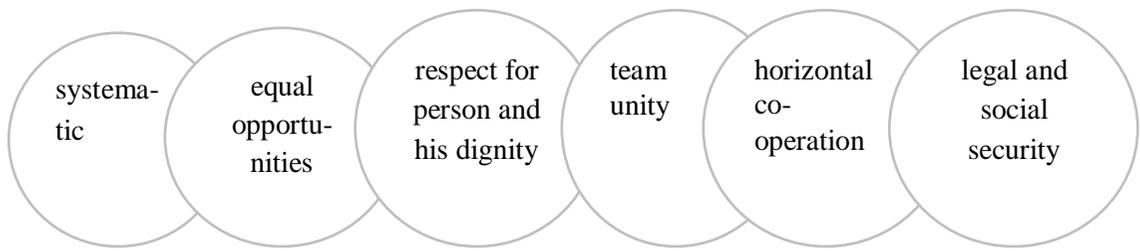


Fig.1 Principles of anti-crisis staff management

Source: compiled by author on the basis of [5]

Principle of systematic approach. Staff management implies that officials, specialists, and human resources personnel consider the human resource of the enterprise as a holistic dynamic system that covers all categories of employees and is closely related to the external environment of the enterprise. The systemic nature of staff management involves a coordinated approach to all areas of formation and regulation of human capital of an enterprise: recruitment, selection, placement of leading officials, their training and retraining, etc. [6].

Principle of respect for the human being and his dignity. This principle is the basis of winning the people's trust, which is quite necessary for success. It includes: the maximum development of initiative, talents, professional competence, the ability to find oneself in a new surroundings, promotion of staff achievements and their personal contribution, creating opportunities for personal growth, ensuring such conditions that everyone's voice is heard.

Moreover, protection of rights, dignity and guarantees of personal safety. This is a way of leadership thinking, in which needs and interests of employees are in the first place among the priorities of the enterprise.

Principle of team unity. The team is a carefully selected professional, self-governing staff that fully shares main goals and values of the enterprise acting as a whole. All team members have equal conditions, they plan activities based on the work plan of each member of the team and are collectively liable for its results. The functions of each member of the team are flexible and, as a rule, are specified in the management process, taking into account the situation.

Formation of project teams to overcome the crisis is the process of uniting a specially created group of professionals, which work on a project to remove an enterprise from the crisis, and is carried out in order to solve innovative or often extreme tasks (Fig. 2).

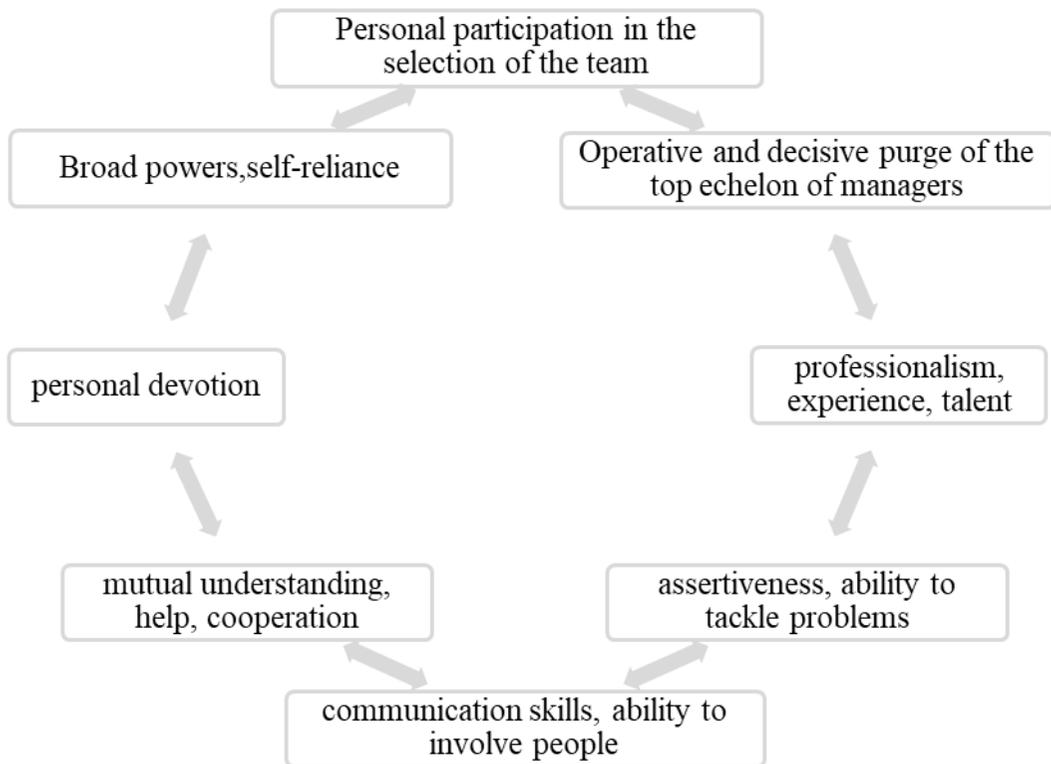


Fig. 2. Principles of creating a team to overcome the crisis

Source: Created by author on the basis of [7]

Principle of horizontal co-operation. In the majority of prosperous enterprises, there is a tendency to transfer of rights and liabilities to the grassroots level of management. Managers of this level are able to perform their functions in the absence of rigorous control from above. However, in order to ensure adequate information support and coordination of works in these conditions, a network of horizontal ties characterized by a high degree of complexity is needed. A typical vertically oriented structure with strong elements of bureaucracy is not able to cope with this task [8].

Principle of legal and social security. This principle implies that managers, entrepreneurs, employees of the personnel services must know norms of administrative, civil, labor, economic, criminal law. Inadequate legal training of managers may adversely affect the protection of employees' rights, lead to conflicts with them in the process of hiring and dismissal operations, and in other situations. There are also partial principles that are used predominantly in certain situations. This group includes the following basic principles: taking into consideration the long-term perspective of the enterprise, integration and unity of the group, participation of co-workers in making decisions;

reliance on a professional core of human resources, balancing of managers' and subordinate employees' interests.

Principle of accounting the long-term prospects of the enterprise. Implementation of the requirements of this principle involves the realization of strategic forecasting and planning of enterprise development [9]. The strategic forecast must answer the question: how many employees, which qualifications, when, in which circumstances and at what stages will be worked? What workplaces are planned to be cut, whether new ones will be created, and for what number of staff retraining and skills development is needed? What budget is needed to implement the proposed personnel changes? Strategic forecasting and planning will be effective if they are included in the general system of forecasting and planning the development of enterprise [10].

Principle of team cohesion and integration. Implementation of this principle is possible while educating the team in the spirit of corporate, joint liability and understanding of the fact that each personal destiny depends on the success of the enterprise, from the right choice of development strategy. Reorganizing, you must not be obsessed with the mechanical reduction of jobs, curtail programs for skills development and training personnel. These measures can cause staffs stress situations and dissatisfaction with management. On the contrary, it is essential to do everything possible to ensure that the workers wanted to improve their skills, self-development and prepare for the reorientation of the enterprise to produce new types of products and services. It is significant to maintain the trust of employees with leaders of different levels and have respectful attitude to each other, to ensure fair wages [11].

Principle of staffs participation in making decisions. In large enterprises, strategic decisions are made at meetings open to a wide range of employees. Usually, everyone who is involved in the implementation of the made decisions, always presents at the meetings and participates in the discussion of the anticipated solutions, gives their recommendations and makes suggestions for improving one or another option. Such participation prevents resistance of personnel to organizational and technological innovation, promotes not only the mutual understanding of managers and rank and file employees, but also significantly increases productivity [12].

Principle of reliance on the professional core of the personnel potential. The core of the personnel potential is a combination of capabilities of the enterprise's staffs, which provide him with a strategic advantage on the markets of goods, services and knowledge.

The value of these advantages lies in the fact that competitors are incapable of producing products and services of a similar quality or are late with the introduction of innovations. These abilities are inherent in the organizational system of the enterprise, rather than the individual eminent workers. They serve as a long-term basis for the development and adoption of strategically important solutions that ensure the evolution of the organizational system and its adaptation to changing conditions of the environment. [13].

Principle of balancing subordinate employees` and managers` interests. In most successful companies, the significant role is assigned to the collection of information regarding the staffs` opinions about the business organization, the content of the management, the conditions and remuneration of personnel` work, the adherence to the principles of work ethics, the involvement of staff in solving corporate tasks, etc. [14].

We shall notice that principles work when they interact and complement each other, being integrated into a holistic system. Thus, staff management in the conditions of the crisis situation of the enterprise is a diversified, carefully planned and well-considered activity, based on a system of scientifically validated principles, art and the common sense of entrepreneurs and managers. To overcome the crisis and enhance personnel security, a number of human resources management tasks must be implemented:

- formation of a managers` team, capable of developing and realizing a program of survival and development of the enterprise;

- preservation the core of the personnel potential of the enterprise: managers, specialists, workers, who have special value for the enterprise;

- restructuring of the personnel potential of the enterprise in connection with organizational changes in the course of restructuring, implementation of innovative and investment projects, diversification of production and reorganization of the enterprise [15];

- reduction of socio-psychological tension in the collective;

- ensuring social protection and facilitating further employment of redundant workers

The methods of staff management in circumstances of crisis at the enterprise are aimed at overcoming resistance of changes by personnel. Let's consider the most common methods of personnel work in the mode of anti-crisis management [16]. While using the adaptive change method, conflicts are resolved through compromises, agreements and job placements in the management. This method gives an opportunity to make changes in

conditions, when there is no administrative authority for supporters, but there is a strong motivation to innovate and an appropriate way of thinking. The method of compulsory organizational change involves the use of force. This process is expensive and socially undesirable, but has significant benefits in terms of strategic response during the crisis. It can be used in conditions of strict time constraints. When using the resistance control method, it is assumed that at the time of crisis, resistance usually gives way to support. In such a situation, the task of leadership is not the fighting with resistance, but the adoption of measures to prevent panic. The first signs of getting out of the crisis are evidence of resumption of resistance. The crisis method implies that if a crisis is inevitable, managers who are aware of it before others should implement the following actions:

- to try to persuade workers of the inevitability of the crisis and to take precautionary measures;
- do not be obsessed with the inevitability of the crisis, but prepare yourself for the role of "savior", when the crisis will come;
- to create artificial crisis before the outbreak of real one, having invented an external "enemy", who threatens the existence of the enterprise. It must be remembered that an artificial crisis does not necessarily have to turn into a real one.
- to choose an effective method for controlling the resistance.

In general, the management process is reduced to the fact that the resistance is controlled at a minimum with the help of a "launch pad", then consistently applied motivation. During the planning, the process of implementing changes is being developed. Resistance is under control throughout the process of change [7]. The comparative characteristics of the described methods are given in Table 1.

Table 1

Comparison of methods to overcome resistance to organizational change

<i>Methods</i>	<i>Conditions of use</i>	<i>Advantages</i>	<i>Disadvantages</i>
Forced	Considerable urgency	Rate of change	Great resistance
Adaptive	Insensitive urgency	Weak resistance	Slowness
Crisis	Threat of Existence	Weak resistance	Strict time constraints. The risk of failure
Management of resistance	Average urgency	Weak resistance	Complexity
Combination of techniques	Combination	Adaptation to the conditions	Difficulty in management

Source: Created by author on the basis of [17]

In the process of diagnosing the state, choosing a specific method, in addition to these areas of their effective use, must be taken into account two basic options:

- time horizon (degree of complexity of organizational changes, available time resources for their successful implementation);

- professional, psychological, technical readiness of the personnel for strategically important changes at the enterprise.

Extremely important in circumstances of crisis is the management of organizational change.

The practice of business restructuring shows that managers' attention must be focused on two aspects of adapting innovations: managing change and reducing counteraction to planned changes.

Any enterprise is in the process of continuous change, otherwise its ability to survive in a dynamically changing environment is endangered. In some enterprises, changes take place purposefully, incorporating the concepts of planned improvements, which are systematically developed, others are rather informal and adaptive in nature.

The senior management department makes decision to introduce innovations, assigns individuals or groups of employees responsible for certain aspects of the change. It is desirable that new people manage the process of change. The anti-crisis manager is a person who represents management functions. In addition to the classical management functions, the basis of his work are the following functions.

1. Strategic function - consists in formulating them on the basis of analysis of the situation and goals forecasts of the organization, coordination of the process of developing a strategy and a plan.

2. Administrative function – aimed at monitoring and evaluating results, implementation of adjustment of activities, matching its terms, time and resources, the development and introduction of a reward and penalties system.

3. Experimental-innovative function - requires from the anti-crisis leader continuous, purposeful awareness of innovations in various spheres of economy, their qualified assessment and selection, creation of conditions for immediate implementation in practice.

4. Educational function - establishes a creation of a favorable staff morale, support of traditions, prevention and resolution of conflicts, formation of standards of conduct.

5. Leading function - in this function, the anti-crisis leader acts as the initiator and integrator of work, which ensures that the interests of subordinates and employees do not contradict the goals of the enterprise. It depends on the general mood in work and the preservation of the internal unity of the group [7].

Some scholars point out that the staff has a specific picture of the most common goals that identify the mood of its members, the so-called "collective spirit". The leader should know this in order to determine the timeline of introducing innovations, communicating with the staff "in their language", as in, the language of the important goals for them.

For example, in enterprise the most important are the reliability and proper wages, and the desire for independence, personal responsibility and creativity is only expressed through implementation of some innovations, it should begin with the introduction of a new remuneration system from the result, and the delegation of authority to be implemented gradually accordingly to staff readiness level.

From the point of view of the human factor, the resolution of a crisis situation requires a change in the type of professional work and management culture. Solving the problem of readiness of personnel for action in crisis situations is based on the concept of creating psychological comfort, in other words, the achievement of such a personnel state, in which occurs the matching of facilities and working conditions with the functional capabilities of employees.

The structure of readiness includes motivational, orientational, operational, strong-willed and evaluative elements.

One of the priority tasks, to be addressed, is the socio-psychological aspect of staff management.

A successful manager tries to develop a human resources policy in such a way that in a crisis there will be no problems with the personnel due to the people`s uncertainty in their own future.

This is a extremely serious issue for many enterprises, because the whole situation often depends on the behavior and trust of employees. In addition, personnel policy should be rational, which is especially important in a crisis [19].

The features of the crisis management process, which is implemented consistently should be considered to develop mechanisms and select tools for anti-crisis staff management (Figure 3).

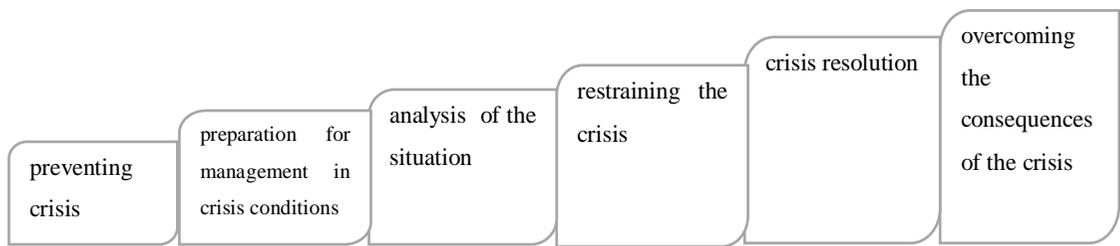


Fig. 3. Stages of anti-crisis management.

Source: created by author on the basis of [5]

Stage 1: Preventing the crisis. At this stage, a list of factors that can adversely affect the business, predict the possible negative consequences and the price of the necessary preventive actions should be drawn up. This could be the creation of a crisis center or a special group, etc.

Stage 2: Preparing for crisis management. At this stage, management begins to develop action plans, considering the potential risks and the variety of unintended consequences of the crisis.

Stage 3: Analysis of the situation. The most difficult is the objective assessment of the crisis situation. Mistakes can arise either because of an incorrect interpretation of the factors that caused the crisis, or because of the ignorance of serious threats coming from the external environment. Collecting information about the crisis, most managers rely on assessment of the enterprise's staff. At this stage it makes sense to involve external experts (experts) [16].

Stage 4: Restraining the crisis. The main thing at this stage is the establishment of the priority actions to remove the enterprise from the crisis. The problem is precisely the identification of the most important information and clear criteria for assessing a particular situation [20].

Stage 5: Resolving the crisis. The main thing is the rate of actions. It is necessary to evaluate the situation, identify appropriate measures and act immediately [21].

Stage 6: Overcoming the consequences of the crisis. At this stage, the company determines the measures to recover the losses it suffered during the crisis or to restore lost positions. Each of the six stages mentioned above must be filled with concrete measures considering a particular situation, business characteristics, qualifications of the key participants in the anti-crisis management process. It is important not to waste time and to

assess the variety and depth of problems that need to be addressed as soon as possible [22].

On this occasion Jim Collins emphasizes: "Do an autopsy without establishing who is responsible for death. If the project team is right, there is no need to look for guilty, we must understand the problems and draw conclusions "[23].

Guiding the staff, the core of development should be a clear goal. It mobilizes the project team and the whole team, and each of its members must clearly understand the significance of their work. And knowledge of the goal must be understandable not only logically, but also "passed through the heart." In this case, its achievement will become an important affair of each member of the team. One of the conditions for a successful advance to the intended goal is discipline. Therefore, at this stage of the formation of a management project team and a leader`s collective can be used the legislative style of management [24]. This style is characterized by the fact that the head demands the subordinates and strictly controls the implementation of committed orders, encouraging and punishing subordinates, without consulting with anyone, and assuming all responsibility for himself. The second stage is characterized by the fact that in the project team ends the process of studying each other, roles are assigned and the personal positions of each participant are determined. In collective, informal groups are formed in the process of solving intended tasks on the basis of mutual psychological gravities (sympathies) and common interests. Groups with executive psychology can be formed [25].

In the passivity of the leader, groups which will include undisciplined people with excessive ambitions may be formed. The influence of such groups reduces the productivity of collective work and adversely affects team`s morale climate. It is especially dangerous when such people get into the project teams. The tasks of the leader at this stage is to create the core of like-minded people. Psychologists have established that if the requirements are from the leader, they are perceived subordinates as external. If they are nominated and supported by members of the team, then such requirements are considered as their own and significantly more influences on the person.

No one in such a team feels isolated and defenseless. The unity of will manifests itself in the ability of the collective to overcome the difficulties, obstacles and bring the matter to the end, as well as the ability of each person to subordinate personal interests to the public. Thus, at this stage, the collective finally approves the relations of friendly

cooperation and mutual assistance. This is the way from the great goal set by the supreme leader, through the formation of project teams of like-minded people to a single focused team. At this stage, not only the leader, but all employees feel responsible for the work of the entire team. While distributing responsibilities in project teams, it is important for the leader to know particular characteristics of its participants. If group members are solid and able to withstand negative external influences, then the group can be characterized as strong.

Consequently, the formation of project teams to overcome the crisis is a process of uniting a specially created group of specialists and experts to work on a project to eliminate the company from the crisis, created for the solution of extraordinary tasks, which provide personnel security.

The organizational aspect of strengthening the economic security of the enterprise should be the service of economic security, in whose function a unit of staff management is laid down that allows to diagnose the threats that arise from the professional and behavioral competencies of employees on time. Among the responsibilities of the management of enterprises, the importance of developing rapid reaction plans and restoring the management system of anti-crisis actions in case of emergency with the use of perfect management technologies for staff management is increasing. A prerequisite for risk prevention must be recognition of the monitoring of global and regional trends in the field of information and technological disasters (hacking attacks, spread of computer viruses, etc.), tracking of factors that can lead to emergencies with threats to the economic security of the enterprise.

The beginning of the new century in the history of mankind has been marked not only by new development opportunities and the horizons of encouraging prospects, but also by the growing scale of existing threats and the fundamentally new risks of different hazards. The deployment of a behavioral economics, the dynamic development of high technologies and information systems, turbulent trajectories of a changing market economy create prerequisites for the emergence of numerous threats to successful enterprises.

Experience shows that the bulk of the risks is generated by the employees themselves, and the largest share of losses in the enterprise is caused by illegal and unprofessional or incompetent actions of employees. Increasing the risks and threats to the enterprise's economic security is characterized by those stages of the enterprise's life

cycle, when a crisis arises, especially a systemic one. In these circumstances, due to the difficult financial and economic situation and the limited staffing budget, the degree of job satisfaction, the level of implementation of the needs of employees, which leads to unfair or even illegal organizational behavior, deteriorates substantially.

An effective tool for strengthening personnel security must be anti-crisis staff management, built on a number of principles and implemented through the use of appropriate methods of staff management. Special attention must be paid to teamwork, which provides a synergistic effect in the functioning of anti-crisis organizational entities.

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1.8. Motivative approach to managing a social sphere

The social sphere is constantly changing. It is generated by the objective need of society in the continuous reproduction of the subjects of the social process, which consists of branches of socio-cultural (science, education, culture, art, health care, physical culture, sports, social protection) and material directions (housing and communal services, catering, communications, transport, telecommunications). The main purpose of the social sphere is to provide opportunities for realization of specific conditions of everyday life (labor, life, leisure); access to socio-cultural values and services (education, information, literature, art, health care, social protection, etc.); security guarantees, etc. As it is correctly noted by A.M. Kolot, the social sphere is not only costs, but also the institution that shapes the preconditions for potential economic growth [1, p.199].

Different concepts are being developed in the social sphere now. Each of them develops a certain strategy for the development of the industry. But at the same time, all these industries - parts of one sphere. With the expansion of financing health care, education, culture, social needs at the expense of non-inflationary sources, the aggregate demand in a society grows, which, with the appropriate mechanism of implementation, can be an important factor in economic growth.

Realizing that the development of the social sphere will contribute to the growth of payment demand, structural changes in society, this will make it possible to make adjustments to the program of economic development, while changing the social standards in the direction of their significant growth. In this regard, one of the conceptual tasks for today in Ukraine is the creation of a toolkit for managing the social sphere, in particular, the development of the foundations of the motivational approach to managing it, because the effectiveness of the social institutions depends to a large extent on the productivity of workers, on how qualitative there will be the services provided by them.

Study of the problem of motivation is the subject of research of many foreign and domestic scientists. Significant contributions to the development of the concept of the evolution of types, methods and mechanisms of the system of motivation have been contributed by the works of foreign scientists, such as S.Adams, R.Arkwright, C.Babbage, D.Boddi, B.Weiner, H.Herzberg, K.Levin, F.Lutens, A.Maslow, M.Meskon, A.Smith, F.Tayloe, D.Watt and others. Among the domestic scientists, problems of motivation are dealt with by D. Bogynia, G. Dmytrenko, A. Kolot, M.V. Semykina et al. The social sphere, its management is the subject of research of L.I.Didkivska,

L.S.Golovko, T.V.Yuriev, O.I.Zorina and other scholars. Despite the great interest of researchers in motivation issues, social management, there is the need for clarification and adjustment of approaches to social sector management, in particular, through motivational processes.

In the scientific literature, the concept of motivation as a process of influence on a person in order to motivate it in certain motifs has found wide coverage. Most scholars interpret motivation as a set of motives; a set of external and internal forces aimed at achieving certain goals; activities aimed at satisfying needs (Table 1). Motives determine the actions to eliminate the needs, they motivate the activity. N. Dyshlyuk confirms the primacy of needs in the event of motives. [2, p.9]. V. Shynkarenko and O. Kryvoruchko have a slightly different point of view on this. In their opinion, under certain conditions "... the basis of motivation can be as interests, value orientations, social expectations, target guides, and administrative incentives. However, only part of the stimulus, having passed through the prism of needs and values orientations, become motives "[3, 26].

Table 1

Features of the treatment of the term "motivation" by scientists

Author, year	The content of the concept	Features of the interpretation
Vilhansky O.S., Naumov A.I., 1996	process of influence on a person in order to motivate it to certain actions by inducing certain motives in it [4, p.101]	motivation as a set of motives
Belyaeva I.F., 1992	set of motives influencing human behavior, inducing it to work [5, p.73]	
Kolot A.M., 2002	the aggregate of internal and external driving forces that encourage a person to work, determine the behavior, forms of activity, give this activity orientation, focused on the achievement of personal goals and objectives of the organization ... this set of all the motives that have an impact on human behavior [6, c .17]	motivation as a set of external and internal forces that are aimed at achieving certain goals
Zhylin O.I., 2005	the set of internal and external driving forces that motivate a person to work, set the boundaries and forms of activity and give this activity an orientation aimed at achieving a certain goal [7]	
Bogynia D.P., 2002	the subjective side of activity, represented by a wide range of needs, desires, feelings, interests [8, p.5]	motivation as an activity aimed at meeting needs

Source: compiled by the author

Labor motivation of employees of the social sphere is formed on the basis of internal motivation of the individual and is directly related to the conditions, content and the regime of labor. Factors of labor motivation are: a variety of economic standards and benefits; level and fair distribution of revenues in the team; filling of work with creative content and the opportunity for the initiative to appear; free time incentive (providing for active work of additional leave and weekend, reducing the length of the working day due to high productivity, organization of flexible work schedules, etc.).

The status motivation is consistent with the needs to achieve the goals and self-fulfillment of the individual. The effective factors of this group of motivation is the ability to make decisions on forms and methods of work independently; the right to control the quality and quantity of work performed; the possibility to make suggestions on the directions of improving the work of the team, personal work, etc.

Table 2

Use of the category "personal needs" when determining the motivation of activity

Concept	Author, year	Meaning of the concept	Use of the category "personal needs"
Motivation of labor activity	Chervinska L.P., 1998	complex, relatively stable, due to certain personal-close properties of a person process, caused by the need to meet its needs in accordance with external stimulating conditions [11, p.43]	needs play a major role in shaping the motivation of work
Socio-economic motivation	Semykina M.V., 2004	dynamic process of formation of interrelated and mutually conditioned social and economic motives of certain labor behavior of people, which are the impetus for effective labor activity, aimed at achieving individual and collective goals [9, p. 8]	is based on the socio-economic needs of man, aimed at achieving competitive advantages in the development of manpower and results of labor and ensuring, on this basis, better meeting actual needs, obtaining the necessary material and spiritual goods
Motivation of labor	Kychko I.I., 2010	a set of circumstances that motivate people to work [10, p.66]	an incentive is the availability of needs (social, material, spiritual), insufficient level of satisfaction

Source: compiled by the author

Methods of administrative motivation of social workers may be rules for the implementation of work with appropriate sanctions in case of violation of labor discipline. This form of motivation involves measures for compliance with discipline by employees, the application of specific disciplinary measures (remarks, reprimands, dismissals, etc.).

The most voluminous component of social methods of motivation is the methods of managing processes in the middle of the group. These include: methods of activation (exchange of experience, competitions, moral stimulation); methods of social valuation (harmonization of social relations through the introduction of certain norms); regulation (use of contracts, obligations, establishment of the order of distribution of certain benefits).

In our view, the motivation of labor is a process that can not only be part of psychological methods of motivation, since it involves complex economic relationships.

Social motivation involves maintaining the health of workers and their families, the opportunity to work in accordance with their own interests and aptitudes and professional training, a sense of confidence in the future (in the near future and after retirement); creative atmosphere in the team, creation of opportunities for accumulation and growth of savings and welfare of workers and their families.

Increasing the effectiveness of labor motivation can be linked to the further expansion of the capacity of the social partnership system, which is based on the union of representatives of employers, state and wage workers. The objective of the social partnership is to find compromises in the adoption and approval of decisions on the stabilization of social and labor relations.

Creation of favorable and safe living conditions and labor of the country's population, increase of the motivation of its labor activity, social partnership, establishment of minimum wages, income regulation, their indexation, establishment of social guarantees is a far incomplete list of tasks of the state in the field of regulation of social sphere due to motivational factors.

If the motives are formed on the basis of the specific needs of the individual, then, influencing certain needs, can to some extent form the necessary motivation for development at this stage, although in the scientific literature there is a statement that the needs, motives, and desires can not be formulated that it responds to attempts to direct influence imitation and passivity.

Today, the Ukrainian social institutions can offer a system of motivation for labor, which should be based on a combination of elements of material and non-material motivation, in particular: payment of a bonus, increase of wages, privileges; disclosure of employee ratings by results of work, etc.

The general directions of moral and material motivation of the staff can be applied based on the assessment of employees' performance on a monthly, quarterly or annual basis, and may vary depending on the institution's activities, the wishes of managers and employees.

In any organization, or even in society, each person has different priorities and needs.

Therefore, there is a need to consider material and non-material motivation, depending on what type of motivation will be more effective for the employee to increase its labor performance.

The main material incentive for work is wages. Correct organization of wages must meet certain conditions: depending on the quality and value of labor input, working conditions and specific features of the institution's activities, efficiency of activities; to provide a faster growth rate of labor productivity at the rate of wage growth.

Today, wages do not properly fulfill their core functions of personnel management. The modern worker does not have the necessary resources to meet a wide range of needs. The problem of restoring the incentive function of wages is acute, because its level is extremely low, which provokes the destruction of internal motivational installations of workers.

When introducing the directions of non-material remuneration of employees, attention should be paid to the whole complex of status, labor and moral motives. An effective system of moral stimulation is an integral part of organizational culture. Intangible motivation encourages employees to achieve the best results in the long run, allowing them to maximally open up and realize their labor potential.

To create an effective system of motivation, it is important to develop motivational programs.

To this end, it is expedient to study the needs and motives of employees, involve staff in the development of these programs, pay attention to the achievement of collective tasks. Also, for the effective management of the motivation system, motivation monitoring is required, which is to continuously monitor and control the state of the motivation of

work, to meet the needs of employees for the purpose of their operational diagnosis and assessment in the dynamics.

Today, there is the transition to a decentralized social sector management system. Local government, public associations, which have their own funds of financial resources, are becoming more and more important. Resources for them may come from local budgets, revenue from enterprises, etc. Bodies of executive authorities may provide such associations with the right to determine the directions of development of the social sphere or its separate subsystems in the region, to formulate its own policy, to develop and finance targeted programs. When developing programs it is important to involve not only managers but also experts, the public, sponsors.

Significant influence on the state of the social sphere, its management have economic, demographic and motivational factors. That is, the state of the social sphere and its management are largely determined by decisions of previous years, economic and demographic trends, and the state of motivation in social institutions.

When characterizing the system of management of the social sphere vertically, it becomes necessary to determine the levels of the system and the hierarchy between them. The organizational structure of the motivation management of the personnel of the social sphere institutions should be constructed taking into account the state, local and grass-roots levels (Fig. 2).

At each level, the effectiveness of management must be determined. This goal is consistent with living standards, which are general indicators of social development.

In the management of the social sphere, taking into account the motivational approach, it is necessary: to monitor the motivational processes taking place in the institutions of the social sphere; to forecast further development of events, to trace possible variants of change of material and non-material motivation; to develop concepts and proposals for improving the functioning of the social sphere in general.

The complexity of managing motivational processes in the social sphere lies in the fact that there is a constant change in the deterministic and stochastic methods of management. It also complicates the management of social processes that they all have two interrelated aspects [12]:

The first is objective, which consists in changing the objective characteristics of such processes, for example, parameters of social structure, working conditions, level of education, demographic composition of groups, level of wages, etc.

The second - subjective, is to change the motives to activity, life values, goals.

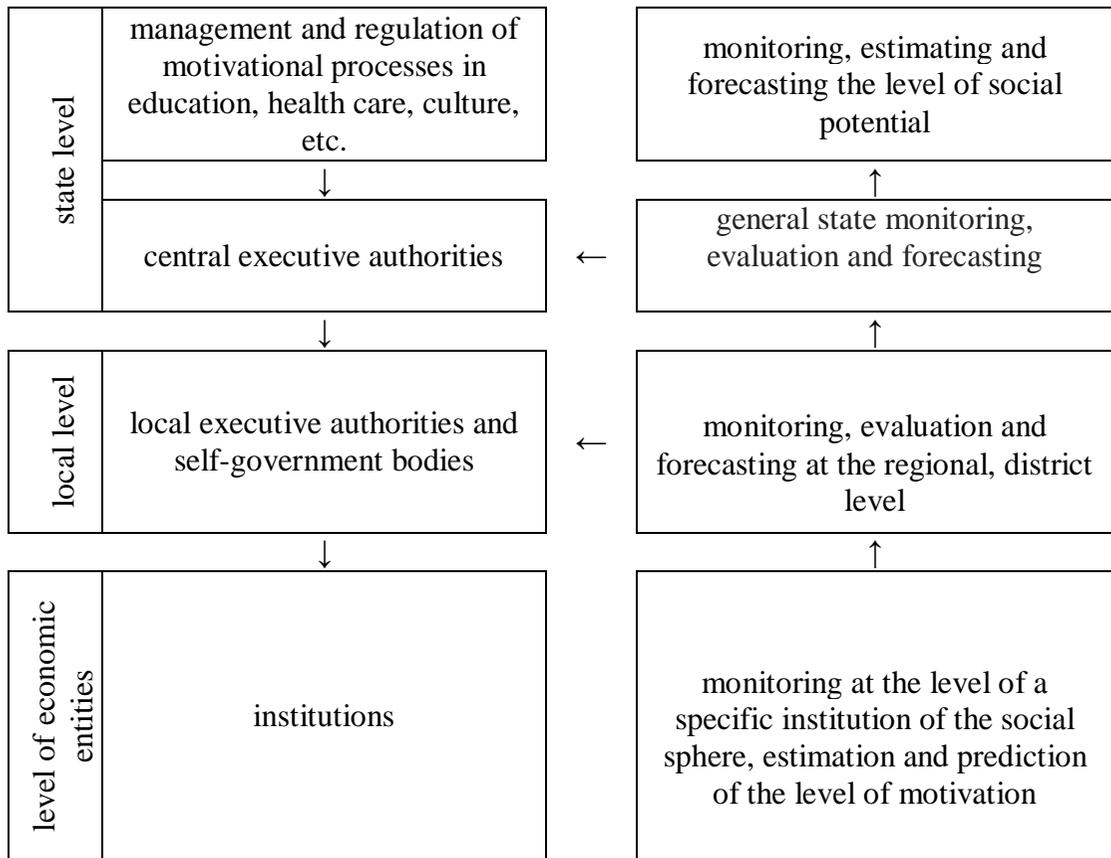


Fig. 2 Scheme of social sphere management

The search for new methods for managing the motivation of social workers should be considered in terms of the effectiveness of the use of funds. As you know, the higher the cost of social needs, the more difficult it is to ensure economic growth, because high social payments are accompanied by high taxes [13]. Therefore, the social sphere can be an important factor in the development of the economy only with the effective use of funds, which determines the need to track the elements of funding under the following scheme: allocation of funds - allocation of resources by industries and funds managers - control.

Consequently, the main objective of the management of motivation in social service institutions is that the motivational goals of each employee coincide with the interests of the institutions and ultimately lead to an increase in the welfare of the workers and the quality of services they provide. A well-planned system of motivation can significantly improve the efficiency of staff, improve customer service, without much

material material costs for staff. In order to get the most out of the use of methods of motivation and increase the level of productivity, it is necessary to use them in a complex.

In determining the effectiveness of management of social institutions, in particular in the context of the motivational approach, it is necessary to take into account both economic and social aspects [14, p. 394]. The social effect of the functioning of the social sphere is to meet the needs of society in the social benefits (education, culture, medicine, etc.), economic - manifests itself with increasing national income. The economic effect is due to the fact that the production of the social sphere through the reproduction of skilled labor, maintaining health affects the country's economic growth, its national wealth.

The effectiveness of the social sphere for a certain period can be characterized by those indicators, which are determined by socio-economic factors, in particular mortality rates, fertility.

As you know, the mortality rate is influenced in addition to endogenous factors, caused by diseases and natural aging, and exogenous, caused by external influence on the body. Exogenous causes of mortality are also socio-economic conditions of life, because the latter can cause both emotional and physiological changes in the body. Fertility is a process that is determined by the needs of a person, but is also determined by economic factors.

Efficiency of social activity of the state is determined taking into account economic indicators. If the subsistence minimum in Ukraine is well ahead of both the minimum wage and the average monthly unemployment benefit, this is evidence of ineffective social policy.

The effectiveness of social management is evaluated at the macro level. The assessment criteria should be the increase (decrease) of the population of the country as a result of exogenous factors; quantitative indicators characterizing the level of education among different social groups; quantitative and qualitative indicators of provided medical, cultural services. The above indicators must be consistent with the level of GDP. With a significant increase in expenditures for socially sustainable GDP, we must state only the results of the government's redistributive policy, not its effectiveness.

Harmful in terms of practical use in the future is the transfer of the essence of the effectiveness of social policy from the macroeconomic plane to understanding it as the provision of specific social benefits for a specific social order.

The effectiveness of management of the social sphere is assessed not only by the extent of solving social problems directly, but also by the degree of integration of social policy into the mechanism of economic growth.

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1.9. Transformation of the role of price departments markets in the modern economic processes

The securities market is a complex part of the economy characterized by non-linearity and evolutionary character of development. Today, the attention is focused on its ability to return to the equilibrium in the short and medium term, as well as the need to develop mechanisms for managing financial flows and "bubbles" in the securities markets. Therefore, there is a need to use the theory of systems and such system-wide characteristics of the securities market:

1) structuring - the presence of a complex internal architectonics of interconnected elements (market segments);

2) integrity - the mediation of the functioning of the market with a number of inextricable interconnections (contractual relations, risk management, prudential supervision, etc.);

3) emergence (nonadditiveness) - the functioning on its own laws, which is not a simple sum of market participants and relations between them;

4) limitation - the separation of its system function from the functioning of the economy;

5) hierarchy - the belonging to the financial system and the financial market of the country;

6) territorial segmentation - the dependence of supply and demand on financial services from the territory covering the sector;

7) motivation - the ensuring of the creation of a homogeneous and transparent global economic space, increasing the competitiveness and efficiency of a single market participant;

8) dynamism - the flow of financial resources from one sphere to another; rapid response to the endogenous changes;

9) state of affairs - the correspondence of the number of securities of demand, the coincidence in the space of emissions and placement to be carried out in the same place or at a distance;

10) subjectivity - the personal contacts of market participants complying with the certain requirements regarding norms, financial monitoring, professional qualification, ethical, cultural qualities, etc.;

11) functionality - the ensuring of the target direction of the market through its functions.

Typically, the main functions of the securities market include: redistribution of funds; redistribution of risks; accounting; console; balancing supply and demand; stimulant regulation. The assistive functions include the use of the financial instruments in the privatization and de-privatization processes, crisis management, structural shift of the economy, stabilization of monetary circulation, anti-inflation policy, etc.

Under current conditions, the securities market should be considered as:

1) the initiator of the creation of new financial products. The rapid development of financial engineering over the past two decades is a consequence of the influence of external and internal factors. The first group includes increased price fluctuations, globalization of securities markets, tax asymmetries, science and technology, and the success of financial theory, increased competition and operating costs. The second is connected with the factors that their subject is able to control [1, p. 59]. However, the idea of optimizing risks through financial engineering tools is unwarranted, since it is impossible to remove the risk from the securities market, then the financial system will not "work". The risk is the soul of the securities market, its philosophy;

2) the battery of financial resources for the implementation of scientifically-research and development works (hereinafter - SRDW). The efficient securities market enhances the return on innovation and disciplines the work of researchers, venture entrepreneurs through monitoring their economic activity. Removing the SRDW funding market will be linked to the threat of unfair behavior and low return on investment, which was, for example, one of the reasons for the ineffective implementation of NTP results in the countries of the former socialist camp, but it also took place in a number of market economies, for example, in Japan during the stagnation of the 90's of the twentieth century.

The advocates of financing the economy through the securities market and the money market often come up with critical assessments of each other's theories (Table 1).

Exploring the role of segments of the financial market, in particular the innovative securities market, one cannot ignore the needs of the main sectors of the economy in shaping a certain model of financing their activities; so, each of them has its advantages and disadvantages (Table 2). So, it is not surprising that researchers still cannot decide which of its models is most advantageous for economic development. Although the recent

studies by A. Demirguc-Kunte, E. Feyen, R. Levine [3] show that, with the growth of the economy, the securities market service is becoming more important for stimulating the economic activity, while those that are provided by banks become less important. In this regard, indicators of capital leakage in the countries of the world play a special role.

Table 1

Concepts of financing the economy through the money market and the securities market

Financing the economy through the money market and a critical assessment of the securities market	Financing the economy through the securities market and a critical assessment of the money and credit market
J. Stiglitz: the developed equity markets generate the so-called "free rider": information on these markets is more accessible to investors, which does not stimulate the search for the most promising companies. This reduces the likelihood that the most effective projects will receive funding, which affects the country's economic development.	R. Rajan and L. Zingales: the downloading a kind of informational rent for obtaining the insider information about the company; excessive care and support for firms that are experiencing difficulties, or failed. During periods of radical transformation, this can lead to long ineffective use of resources
A. Schleifer and L. Summers: the liquid securities markets facilitate mergers and acquisitions, but lead to enrichment of corporate piracy, as well as the creation of negative social phenomena. High liquidity also leads to the fact that investors can sell their financial instruments quickly, which reduces the incentives for corporate governance	R. Mork and M. Nakamura, D. Waynestein and J. Yafeh: the formation of liabilities through predominantly debt instruments; conducting a sufficiently well-considered investment policy to lend new innovative projects with deterrence of the same economic development
	F. Allen and D. Gale, F. Modigliani and E. Perotti: the successful implementation of the function of information collection and processing, but inefficiencies in non-standard situations when it comes to new products and technologies. Confirmation is made by countries such as Hong Kong, Korea, Singapore, Taiwan, which choose to fund through the issuance of securities, primarily shares, not lending
	E. Wenger and K. Kesserer: the concentration of significant shareholdings in banks that violates the principles of economic democracy and leads to ineffective corporate governance

Source: based on [2]

According to econometric studies by J. Würigler [4], the elasticity coefficients of value added investments were calculated, which determine the sensitivity of investment flows to the growth potential.

So, in countries with a developed monetary market the higher effectiveness of the allocation of capital is revealed: in Germany, the elasticity of investments in value added is 0.988 and is the highest in the world. Japan, the United Kingdom and the United States rank respectively the ninth (0.819), the tenth (0.812) and the thirteenth (0.723) places in the world. Moreover, in the United States, the change in the growth potential in one or another industry only 12.6% determines the flow of investment (for comparison, in Germany - by 36.4%). It was concluded that the securities market has a positive impact on the allocation of resources within one year, while the money market dominates long-term investment decisions.

Table 2

The needs of the economy sectors in choosing a segment of the financial market

Economics sector	Components	The segment of the financial market	
		Monetary market	Securities Market
Real sector	Small and medium-sized corporations (traditional)	+	
	Small and medium-sized corporations (high-tech)		+
	Big corporations (big debt)	+	
	Big corporations (small debt)		+
Domestic sector	High revenues		+
	Average Income	+	
	Low incomes	+	
State governance sector	High government debt		+
	Low government debt	+	

Source: based on [2]

Nowadays, in countries with strong securities markets, the GDP dynamics are more volatile than other countries. Thus, the crisis in the capital markets has had a significant impact on net financial transactions of households in the United States and the United Kingdom. As a result, GDP, on the one hand, largely depends on the development of the securities market, and, on the other hand, on banks as regulators of money circulation. In this case, the last limit the volatility of the market and, as a result, smooth out crises in the real sector that arise under the influence of monetary factors.

With regard to the innovative potential of segments of the financial market, ventures in Japan have the weak potential, and most of them are subsidiaries of banks.

The USA risk capital funds invest heavily in high-tech firms at an early stage of development (37%), while German funds typically finance firms at the last stages of development (11%) and are mainly high technologies, and the venture is more complicated. Germany faces the problem of "eggs and chicken" today: the risk capital market requires the presence of a securities market, and the latter, in turn, is the presence of entrepreneurs and transactions requiring a risk capital market. But the main problem is the simultaneous formation and presence of a complex of interconnected institutions, as well as the expectation of their effectiveness in a certain period of time [6];

3) the producer and the consumer of various investment services. In this sense, securities market participants are not only intermediaries but also institutional investors.

It should be noted that in the West, the concept of investment services has arisen earlier than financially and traditionally associated with securities transactions. In particular, the first legal acts that secured legislation in this area were American laws: the Banking Act of 1933 (the Banking Act), the Investment Companies Act of 1940 (the Investment Companies Act), and the Investment Advisory Act of 1940 (Investment Advisers Act). The investment services have traditionally been opposed to so-called banking services, which were associated with the acceptance of funds to depositors and the placement of these funds in the form of loan capital.

The principle of differentiating the financial services into banking and investment at one time influenced the legislation of other countries (in particular, Japan and South Korea) and for a long time it was observed in the United States and other states. However, with the development of the new innovative information technologies in the countries where such a distinction existed, there was a gradual departure from the law of the Glass-Steigel (Banking Act). An example can be the compromise between the universal banking system and the system of demarcation of banks for commercial and investment, which was achieved in the framework of the Investment Services Directive of the EU of 1993. The adoption of the last, as well as the financial services reform in the countries of Southeast Asia, contributed to the adoption in 1999 of the Federal Law on the Modernization of Financial Services (Graham-Leach-Bliley Law), which was authorized for banking operations in the securities markets and insurance services through subsidiaries. However, this is not about universal banks, but about universal banking holdings. In the whole world, with the adoption of the law of Graham-Lich-Bliley in the

United States, there was a peculiar "legalization", that is, the application in regulatory-right acts of the category of "financial services" and "financial activity" [7, p. 37].

The establishment of the Single Market for investment services is linked to the adoption in 1985 of Directive 85/611 / EC [8], which introduced the basis for harmonizing the conditions for the licensing of activities and prudential supervision over the activities of certain categories of financial institutions. Currently, the investment is the service or activity, an exclusive list of which is given in annex 1 to Directive 2004/39 / EC [9]. They can be treated as the following relatively specific financial instruments: transferable securities; money market instruments; units of collective investment funds; derivative instruments (options, futures, swaps, and forward) and derivative contracts for:

a) securities, currencies, interest rates, yield rates, other derivatives, financial indices, etc.;

b) changing meteorological conditions; freight rates; inflation rates and other official statistics that must be paid out in cash or can be executed in such a way at the option of one of the parties;

4) the mechanism of smoothing of consumption, which facilitates the exchange of goods and services. Due to the fact that most institutions of the financial market for the placement of assets accumulate resources of other entities, they can afford to return part of the borrowed funds, supporting their financial assets before the expiry of the deadlines.

Western scholars as D. Diamond and P. Dibwig [10] have developed a model for early and late consumption, based on the ability of financial institutions, primarily banks, to provide the additional liquidity to their clients. By investing their funds at the beginning of the game, depositors do not know when they need them. But there is also an interesting model of financial contamination by F. Allen and D. Gayl [11], who point to the possibility of smoothing out consumption in time and between generations, so, financial institutions make it possible to abandon today's consumption in favor of future payments and generations. First of all, it concerns mortgage lending, accumulative pension provision, life insurance, etc.;

4) the mechanism of influence on economic development and smoothing (amplification) amplitude of cyclic oscillations. For example, it is argued that in a developed market, the variability of savings (investment and consumption) will be lower than in the economy with its germinal status. This is due to greater alternatives to investing resources and a smaller dispersion of savings [12, p. 67].

In the 1980s, the American economists B. Bernanke and M. Gertler [13] proposed a hypothesis of a financial accelerator - a special mechanism for the propagation of cyclical fluctuations through the financial market, in particular the securities market. The essence is that external financing for firms always costs more than the use of equity. The difference in the value of these types of resources is considered as a premium for the use of external financing, which is paid by the borrower. With the improvement of the financial position of the last, this bonus decreases. At the same time, the financial condition of firms depends on real factors; the negative shock in the real sector of the economy can be reproduced and amplified through the securities market. Practice shows that the sectors most affected by the expansion (restriction) are highly dependent on external resources (small business, innovative industries). In particular, in sectors with a share of external financing above the average economic recession leads to a reduction in output by 1.5-3% [14];

5) a mechanism for effective allocation of capital, since the securities market will be effective when it allocates resources to the most cost-effective projects or income securities. At the same time, this process involves some certain costs. In order to finance the most profitable investment objects, financial intermediaries are looking for and monitoring alternative investments. In case of identifying high returns on invested capital, high risks may discourage potential investors. Hence, the securities market can distribute risks and encourage investors to invest in high-risk investment objects with an innovative component;

7) human resource activator and poverty reduction stimulator. This reproduction, on the one hand, is provided by investing money in high-yielding other securities, on the other - such capital adequately implements its creativity in creating new market participants in securities, tools, services, etc. Therefore, the securities market attracts both the owners of human capital and the accelerated accumulation of the last. As a stimulator for poverty reduction, this market plays a direct role in financing social protection through non-state pension provision.

It should be noted that the securities market and its participants allow the following types of transformation [15]:

- investment savings when it absorbs a certain portion of these resources, since the activities of securities market participants are related to transaction costs - spreads, fees and transaction fees. Of course, they are necessary for the normal functioning of the

market, but they can be super-high due to monopoly power, regulation, etc. If the quasi-reagent thus obtained is spent on private consumption or ineffective investment, then this loss of resources is hampered by economic growth;

- time through the conversion of short money to long, and vice versa. Today, the timing of the provision of financial resources, although gradually increasing, does not meet the needs of all economic entities. If the aggregate share of the securities market in the sources of financing the economy is small, then its share is in investments and preferences. Some research has to be taken into account, which has shown that an increase in the timing of the allocation of financial resources takes place mainly due to an increase in the timing of their involvement by market participants. Hence, the saturation of the economy with "long money" occurs extensively, not as a result of a more intense transformation of financial resources;

- volumes through the transformation of wholesale resources into retail, and vice versa. Institutional investors in the securities market carry out active operations on the transformation of retail resources into wholesale, and the last become over time scarce;

- regional through the organization of the territorial distribution of financial resources through the mechanism of functioning of the securities market. Its allocation is justified for domestic practice, since money in Kiev is uneven money in the province, and interregional redistribution of financial resources is associated with significant risks for financial institutions.

All these types of transformations are associated with appropriate risks - credit, currency, interest, liquidity, etc. They can trigger a threat to the stability of the securities market, and regulators should ensure appropriate monitoring, and, if necessary, operational intervention.

Exploring the securities market by means of a functional-structural approach (with a combination of neoclassics, institutionalism and behavioral finance), on the basis of analysis of its main function (effective redistribution of funds), other functions can be distinguished: 1) risk management; 2) clearing and making settlements facilitating trade; 3) unification and diversification of financial resources; 4) supply of price information, which allows coordinating the decision-making process; 5) solving incentive problems.

The relationship between the participants in the securities market, which will affect the development potential of the last, depends on solving the problems of stimulation. There are three types of these problems - "moral hazard" (irresponsibility), "unfavorable

selection" and "principal agent." The most well-known authors working in this area are J. Stiglitz, V. Bensenien, B. Smith, D. Diamond, D. Greenwood and others.

The problem of "moral hazard" (moral hazard) occurs when, for example, the possession of securities leads to the fact that their management involves greater risk or wants less to prevent the event, which leads to losses. In the case of bonded debt, the owner of debt securities does not know whether the issuer is going to repay the debt on time. The problem of "unfavorable selection" is usually due to the uneven amount of information on the parties to the transaction. For example, individuals who have purchased securities with one or another type of risk are much more likely to be at risk for all households altogether. The problem of relationship "principal agent" lies in the emergence of contradictions between the interests of the parties. This is the case, for example, when a broker on the securities market is engaged in "knock-outs", that is, he carries out numerous transactions at the expense of the client, which do not bring the client income, but increase the amount of commission.

Of course, approaches to the nature, segmentation and functions of the securities market can vary significantly depending on countries, academic schools, etc. But it is quite obvious that this market is an open dynamic system as a whole that is constantly the subject to innovation transformations and cannot be static, and with the development of the economy, the parallel development of financial relations takes place, which is reflected in changing approaches to the structure of this system. In this regard, in order to develop effective forms of interaction between the participants in the securities market, it is necessary to bring the financial theory in line with modern realities of innovation development. Currently, in the Ukrainian and foreign economic literature, there has not been a stable, generally accepted approach to the factors behind the development of financial innovations in the securities market, which now determine its characteristics and role in economic processes.

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1.10. Prostitution: the essence and motives

The theory of prostitution was formed and acquired an essential content during the last five thousand years. Its formation took place under the influence of various social processes.

Nowadays, there are interpretations of prostitution from the legal, economic, sociological, psychological, sexological and religious points of view. It is clear that in definitions, the object of research and the actual content are formed in accordance with the problems and within the framework of these sciences and systems of worldview (religion).

For example, according to the Christian morality, prostitution is seen as a clearly negative phenomenon, one of the depravity forms. This approach is revealed in the books of the Old and New Testaments, in particular: "For a whore is a deep ditch; and a strange woman is a narrow pit. She also lieth in wait for a prey, and increaseth the transgressors among men" (Proverbs 23: 27-28) [1], "Now the body is not for fornication, but for the Lord; and the Lord for the body" (1 Corinthians 6:13) [1].

From the point of view of sexology, prostitution is considered to be the provision of sexual services to clients at a pre-determined payment [2].

Sociologist A.O. Yakovleva gives the following definition: "Prostitution is a social phenomenon characterized by systematic, extra-marital sexual relationships that can be secret or open and have an emotionally alienated character" [3, p. 18].

The staff of the reference book on ethics treats prostitution as a kind of deviant behavior based on the sale of one's own body for a living or cash payment to meet sexual needs [4, p. 276].

Despite the fact that the above definitions indicate the existence of an economic component (paid nature of this activity), it is secondary to other aspects.

A legal approach to understanding the above definition is disclosed through its consolidation in the legislation.

For example, the law of the state of Pennsylvania (USA) defines as sexual activity performed as a business [5].

Domestic normative legal acts operate with the following definition: "Prostitution is the provision of sexual services (sexual intercourse, sexual intercourse satisfying in non-natural forms, the commission of any other sexual activity involving in particular the

various forms of sexual perversion) in order to obtain income to different partners and not on the basis of personal sympathy, pleasant" [6].

A rather interesting from a scientific point of view interpretation leads Nemirovsky A.V. in the draft Law of Ukraine "On the regulation of prostitution and activities of sex establishments", proposing to consider prostitution as a form of entrepreneurial activity for the purpose of providing intimate services, the use of actions or measures that make it accessible to a person for the performance of sexual intercourse with another person on a paid basis.

The aforementioned interpretation deals with prostitution, mainly from the standpoint of economic science, since it focuses on the business component of this activity. A definition similar to it is given in [7]. According to it: "A prostitution business is any business that derives funds from prostitution, which is regularly carried by a person under the control, management, or supervision of another" [7].

Within the framework of this approach, the following interpretations are also available.

Prostitution is the act of rendering, from the client's point of view, nonreproductive sex against payment [8, p. 183]. Prostitution is the act of sexual relations between prostitute and paying customer [9, p. 6].

Working out and generalization of the given information allowed us to propose the following definition.

Prostitution is a form of entrepreneurial activity for the provision of sexual services on a paid basis to meet sexual needs.

In our opinion, in order for prostitution to become a sign of entrepreneurial activity, the following conditions must be fulfilled:

- commodity-money relations;
- religious and social tolerance;
- sexual freedom;
- sexual need.

The presence of commodity-money relations and dissatisfied sexual needs are basic conditions, others influence indirectly and determine, mainly, the degree of development of this type of activity.

Understanding the essence of prostitution requires the definition of motives that affect the choice of this type of activity.

Nowadays, there are more than ten theories and scientific approaches that justify the emergence and the development of prostitution.

Thus, the researcher [9] summed up the eight theories and groups of motivational factors:

1. Biological show the propensity to biological (physiological) level of prostitution;

2. Psychological determine it as the main motivational factor in psychological problems;

3. Sociological (conflict of objectives, cultural, functional) substantiate the propensity to prostitution conflict goals, the weakening of family control, the protection of the family institution;

4. Economic link the decision of a person to engage in prostitution with estimates of potential earnings and opportunities to work;

5. Abuse of alcohol and drugs.

6. Mental and sexual violence.

7. Sexual adventures and promiscuity (unordered sexual intercourse). A certain proportion of prostitutes consider prostitution as sexual contacts for pleasure, the ability to experiment, to feel the adventure, the danger.

8. Mental illness. Researchers have pointed out that prostitutes may suffer from a number of mental illnesses, emotional disorders. It is noted that from 10 to 20 percent of women who work as prostitutes were hospitalized in specialized clinics.

Sufficiently thorough reasons that affect the choice of occupation of prostitution are set out in [10].

In turn, the researcher T. Anafyanova [11] proposes to allocate three theories of prostitution: genetic, psychological and social.

The genetic theory emphasizes the influence of the hereditary factors that led to the choice of men and women to engage in prostitution.

Within the limits of psychological theories various explanations of the nature of prostitution are presented. Thus, the theory of personality traits emphasizes the presence of certain features in the individual, namely - passivity, difficulties in interpersonal relationships, lack of desire for self-improvement.

Motivational-need theories believe that prostitution is a secondary need, the main thing is satisfaction of money needs and the realization of sexual desires.

Psychodynamic theories associate the urge to prostitution with the desire to reduce the negative emotions, experiences that might have occurred in childhood.

The study of the influence of social factors occurs within the framework of social theory.

In our opinion, the isolation of the influence of heredity theory (genetic) is quite controversial. Thus, the results of the study of doctors, for example [12], indicate a lack of propensity to prostitution at the genetic level. At the same time, it is noted [13] that genetic risk factors may worsen the effects of victimization on cognitive function and behavioral regulation, which in turn increases the risk of asocial behavior.

Quite controversial is the scientific approach [14], in which it is stated that the level of prostitution, above all, depends on the moral state of society. We agree with the authors on the existence of miscalculations in the moral and ethical upbringing of youth, the rapid decline in the authority of the family and school, however, in our opinion, the problem of prostitution is much more complicated.

Thus, one can not fully agree with the fact that the determining factor in determining the level of prostitution is the morality of society. On the territory of modern Ukraine, prostitution existed and evolved during the inseparability of the church from the state (the Russian Empire), the actions of the Moral Code of the builder of communism (the Soviet Union).

We believe that the factors that influence the choice of prostitution as a form of activity do not act in isolation for a person, therefore, one of them can not be singled out. Only the complex influence of several of them is able to determine the choice of occupation by prostitution. This approach was also described in, for example, in [15; 16].

In our opinion, it is necessary to proceed from the fact that prostitution, in most cases (with the exception of coercion), is a conscious choice of an individual. Taking into account the abovementioned, we offer three main groups of mutually determined motives: psychological-emotional, image and socio-economic.

The first group of motives is associated with the psychological type of person, his mental condition.

The results of research [17] are quite interesting. They testify that in childhood female prostitutes were usually victims of ill-treatment, parental neglect. Personality, developing under the influence of such experience, shows specific features, among which

impulsiveness, vulnerability to aggression, disturbed emotional self-regulation and the use of primitive, infantile mechanisms of psychological protection should be noted.

Researcher De Schamphelire [18] concluded that emotional stress could be one of the causes of prostitution. In [19] it is indicated that pleasure as an emotional reaction is also a motivating factor for prostitution. The study [20] states that about 26% of New York prostitutes were involved in illicit drug trafficking. The use of potent drugs led to the choice of prostitution as a source of income [20].

Image factors are related to the formation of a positive external image of persons engaged in prostitution.

Thus, the results of the 1988 survey among students of individual USSR schools [21] showed that the profession of prostitute is one of the most prestigious. In the late 1980s, the romantically prestigious image of the prostitute was featured in film and literature. In our opinion, the degree of prestige of the prostitute's profession is inversely depending on the level of economic development of the country and social stratification of society. For example, about 6% of prostitutes in Kenya have identified prostitution as a prestigious activity [19], which has led to their choice of profession. The situation in India is similar, where 9% of prostitutes consider prostitution a prestigious job [22; 23].

The formation of a positive image is also facilitated by the realization of life goals by individual prostitutes. In the research papers A. Piscitelli [24] describes the cases of marriage of Brazilian prostitutes with clients. As a result of the marriage, the social status and the financial status of the former prostitutes change. That means that the marriage with a client is a factor in the positive motivation of a professional activity.

Another group of factors is related to the influence of the elements of the social environment, the level of material security, etc. This, in particular, is confirmed by studies [25]. Thus, 72% and 67% of respondents surveyed [10] prostitutes pointed to the lack of their own homes and the difficult financial situation.

Unemployment, loss of breadwinner, and the possibility of improving the financial situation, including as a result of the cessation of domestic violence, are the predominant factors in choosing the profession of prostitute for Indian women [23].

In Mexico, every week girls can earn \$ 50 US. If they are prostituted, they will receive \$ 50 US per hour [27]. The situation is similar in Estonia. So, for example, women in Estonia are involved in prostitution make about the average EEK 11,000 per

month, which would be quite impossible to earn in the legal labor market by young women with limited education and no occupation [28, p.14].

Table 1

The role of material motives in prostitution in Estonia is given in the table

	Women's average response	Estonian women's response	Non-Estonian women's response
Yes, I have earned/earn (extra) money by selling sexual services	36	38	36
Yes, selling sexual services is presently the main (sole) source of income for me (my family)	26	23	27
I have a number of sponsors, but I am not providing sexual services	22	25	21
I have stopped providing sexual services	10	12	9
I have never looked for sponsors nor been engaged in providing sexual services	6	2	7
Total	100	100	100

Source: based on [26]

For Ukraine, socio-economic factors are dominant. The results of our research showed that for 86% of the interviewed prostitutes, monetary remuneration for sexual services is the main source of income, another 12% indicated additional earnings.

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1.11. Investment attractiveness of the e-commerce and its influence on economic development of the country

The emergence and spread of e-commerce greatly influenced the development of both national and global economies. The e-commerce has affected the global economy in many different ways. First of all, it has affected the information technology, and all the economic sectors, all and above e-commerce has enhanced the productivity growth worldwide [1]. Fundamentally new information technologies in the sphere of IT business appeared under the e-commerce influence (cloud services, electronic payment systems, handling of large unstructured data, etc.). The emergence of new technologies and their dissemination through the growing number of consumers engaged in buying online had quite strong influence on the development of national sectors and rules of e-commerce. It is also necessary to note the fact of appearance of a large number of jobs created in the sector of e-commerce. We can say that the development of e-commerce and its neighboring areas has a dynamic effect on the parameters of economic development. E-commerce has a tremendous growth potential and also generates economic growth in the country. In order to realize its full potential to bring about the structural changes needed for economic development, it is important to recognize that e-commerce provides an environment in which new activities can fruitfully be developed. Its interaction with various aspects of growth has to be self-reinforcing to yield the required rate of growth [2].

According to Eurostat, the share of e-commerce in 2016 accounted for 2.9% of China's GDP, 4% of GDP in Germany, 3.4% in France, 5.6% of Japan's GDP and more.

E-commerce is not only one of the fastest growing industry, it acts as a customer of innovative technologies and plays an important role in development. The spread of electronic commerce contributes to job creation, the emergence of new services and industries, workforce transformation and so on. In addition, results from different countries confirm the positive impact of e-commerce on economic growth. For example, increasing penetration of broadband (which is an important factor for the business) by 10% contributed to 1.4% GDP growth in emerging markets. In China, this figure could reach 2.5% [3-5].

The study on the prospects for the development of e-commerce and its impact on economic development was engaged by foreign and domestic scholars like Kenneth A.,

R. Solow, A. Tofler, O.Sobenko, V. Pleskach, A. Chubukov, Y. Lysenko, L . Ponomarenko end others.

The catalyst for IT and e-commerce development is the implementation of innovative projects. Development and implementation of innovations is due to venture investments. Therefore, the development of the venture investment market is an important element in the growth of the e-commerce market in Ukraine. Nowadays, almost half of humanity uses the Internet and more than every fourth inhabitant of the planet is online - buyer. A global leader in e-commerce in 2016 were China - 33.7%; US - 26.2%; England - 7.7%; Japan - 5.0% and France - 3.2%.

Due to the economic crisis, the activity on the Ukrainian venture investment market has fallen, but our start-ups are still of considerable interest [6].

A large share of foreign capital in the total volume of venture investments in the Ukrainian business. Transactions in the Ukrainian market are increasingly concluded with the involvement of international investors, including Silicon Valley. About 60% of transactions last year were held with the participation of international investors. Foreign capital is responsible for 80% of the total investment for the year, without taking into account undisclosed transactions [7].

In 2016, there was a reduction in investments in e-commerce both globally and in Ukraine (Figure 1).

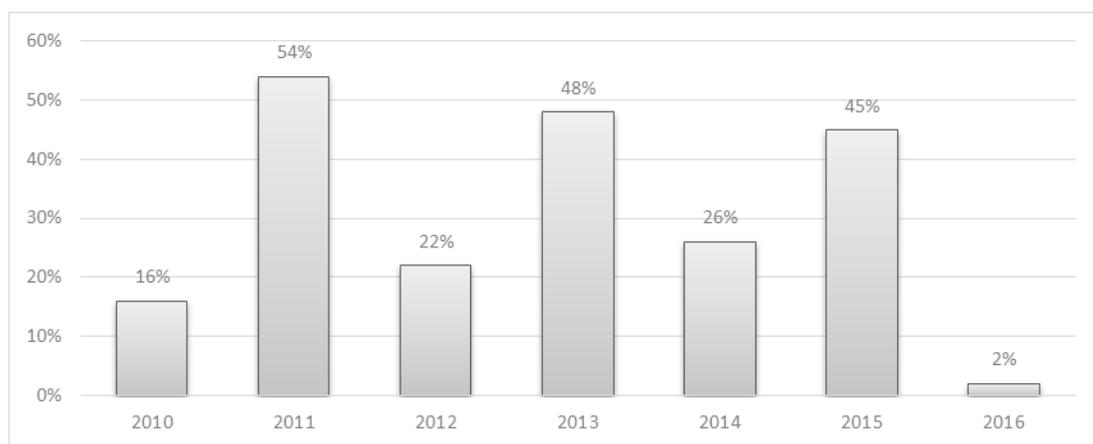


Fig. 1. E-commerce in the overall structure of transactions (in % of total investment) [7]

There is a consolidation of the market, for example, in just a few years, Amazon has increased its share in online retailing from 20% to 50%. In Ukraine, too, there are Internet giants. “Rozetka” already now belongs to the TOP-30 retailers of the world (TOP-20, except for the Amazon and eBay sites in different countries) [8].

Summarizing the above data, we note, that the sphere of venture investment in IT and e-commerce projects in Ukraine has enormous reserves of growth.

The advantage of the Ukrainian venture investment market in IT and e-commerce is a greater return on investment than in highly developed countries. This is due to the presence of highly skilled IT workers and, at the same time, cheap labor (for comparison, the average salary of an IT specialist in Ukraine is 1,100 dollars, in the EU countries - 4,500 dollars, and in the US - 7,000 dollars) [9, p. 78].

However, the development of the venture industry is constrained by such negative factors:

- weak legislative base,
- lack of sources of venture financing and the imposition of restrictions on raising funds from individuals,
- deterioration of the situation in the sector of generation of scientific knowledge,
- lack of quality projects with a strong marketing strategy and significant potential market capacity,
- absence in the sphere of venture management of experienced specialists who possess technologies for identifying and selective selection of promising innovative projects, as well as evaluating their future effectiveness with a sufficient degree of reliability,
- a high level of shadow economy [10, p. 9].

The main obstacles in the development of venture investments in the IT and e-commerce spheres are the unstable environment, the weakness of the venture infrastructure, the low liquidity of venture investments due to the underdevelopment of the stock market, mainly the foreign origin of venture capital, insufficient information support and lack of transparency and openness in business.

A feature of venture investment in Ukraine is the presence of institutional risks. Unlike traditional direct investment, venture investment allows for the possibility of losing the funds from the outset if the investment project does not bring the expected results after its implementation. At different levels, the possibility and expediency of diversifying the sources of venture funds, in particular, from pension funds, insurance funds, is discussed, which will significantly expand the potential volumes of innovation activity, but given the inadequate mechanisms for allocating these funds, the propensity to

informality of economic relations, the investment process can lead to negative social consequences [11, p. 175].

Part of these problems can be solved with the help of state support for the sphere of venture investment. In our opinion, the most rational proposals for activating this sphere were proposed by the UVCA (Ukrainian Venture Capital and Private Equity Association) organization and include:

- The creation of a state institution responsible for the innovation policy of Ukraine on the model of the Office of the Chief Scientist in Israel.

- State support for the introduction of the "Fund of Funds" model for investing in existing on the market and new venture funds. This will stimulate the development of venture and IT industries, and will enable existing 2,500 start-ups to obtain financing in Ukraine.

- Simplification of the procedure for obtaining a work visa. Taking into account the world experience, for Ukraine it is necessary to simplify the conditions and shorten the terms (up to 1 day) for obtaining a working visa for foreign highly qualified specialists, primarily in the sphere of high technologies.

- Cessation of illegal pressure on IT enterprises by law enforcement agencies, including through the introduction and observance of a moratorium on the withdrawal of servers from companies that are engaged in innovative activities.

- Protection of intellectual property.

- Creating fiscal conditions for innovation in Ukraine, similar to working conditions in technology parks around the world. This will become an important aspect for its activation and attraction of international companies for work in Ukraine [12].

Ukrainian online - trade is one of the most dynamic markets, it enters the small number of segments of the economy that continues to grow and develop, despite the crisis, jumps in exchange rates and other challenges facing the country in recent years. According to the information portal Web Expert 67% of Ukrainian Internet - users visit sites that work in the field of e-commerce [13].

Since 2007 e-commerce is growing in Ukraine. In addition, the spread of the industry increases every year. The volume of Internet - trade in Ukraine amounted to more than \$5 billion in 2016.

According to analytical companies' forecasts this indicator can be reached to \$14 billion in 2020 (figure 2).

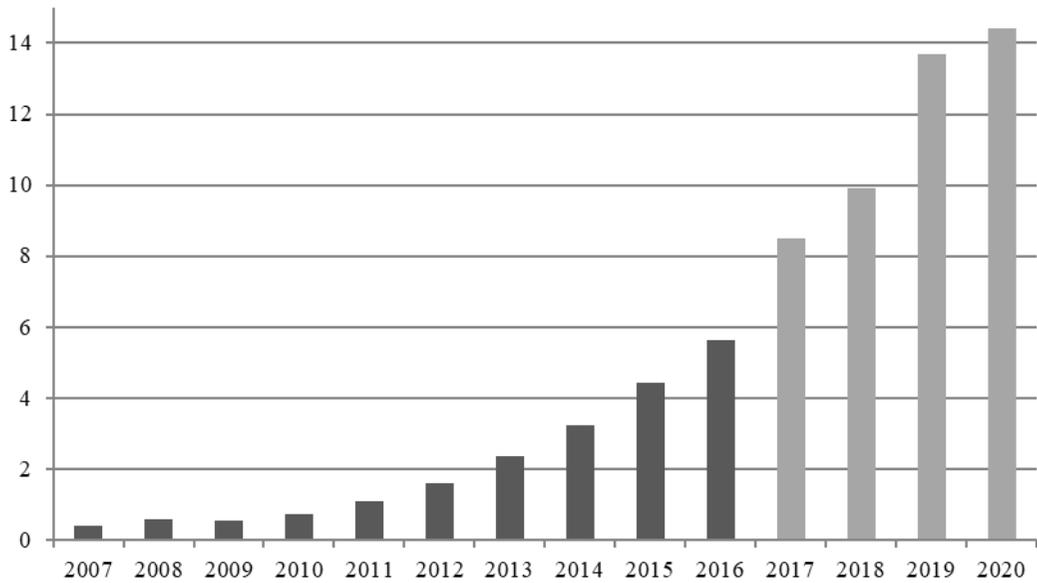


Fig. 2. Dynamic of volumes of Internet - trade in Ukraine in 2007-2016 years, the forecasts of Internet - trade in 2017-2020 [14]

Increasing of Internet penetration rate - the number of people using the Internet in the total population of Ukraine - contributed to the rapid growth in popularity of e-commerce. This indicator was 3% 2000, 30% in 2010, and the Rate of Internet penetration was 62% in 2016.

Figure 3 shows the comparison of the volume of Internet - trade in Poland and Ukraine in 2008-2016. We can see that the volume of e-commerce in Poland significantly higher than in Ukraine.

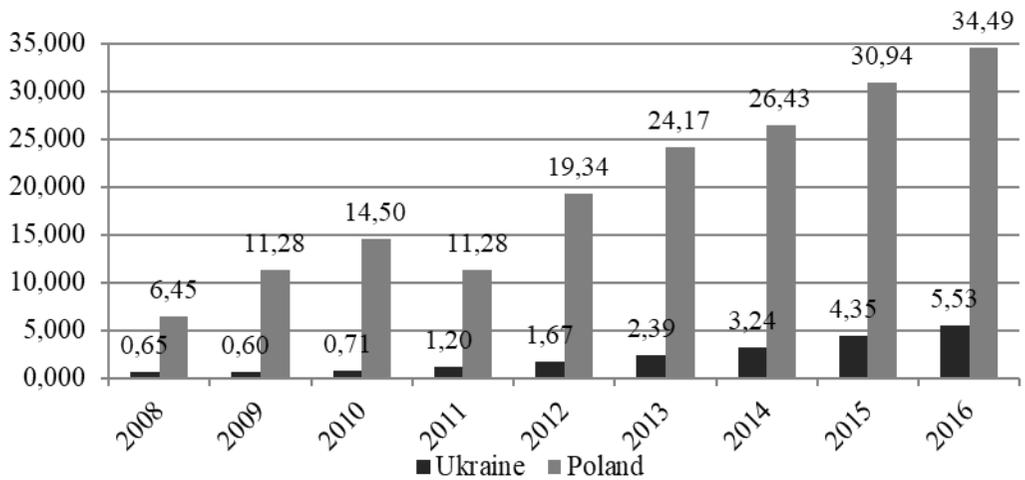


Fig. 3. The comparison of the volume of Internet - trade in Poland and Ukraine in 2008-2016 [15, 16]

Between 2001 and 2016 the number of Internet shops in Poland increased almost in 50 times (there were about 560 online stores on the territory of the country in 2001, and more than 16,000 online stores in the end of 2015). The growth rate of e-commerce in Ukraine has the leading position last years despite the fact that Poland is ahead of our country in terms of Internet - trade and number of e-stores.

We can confirm the importance of e-business for the economy by comparing it with one of the leading industries in Ukraine - agriculture, because agriculture's share in GDP is over 10%. Figure 4 shows the trend of Internet - trade shares in GDP and the trend of volumes of agricultural products in GDP in 2001-2016. Despite the fact that the rate of e-commerce slowed in recent years, it must be said that the share of e-commerce in GDP of Ukraine is constantly growing, while the growth rate of the share of agribusiness in Ukrainian GDP has negative values.

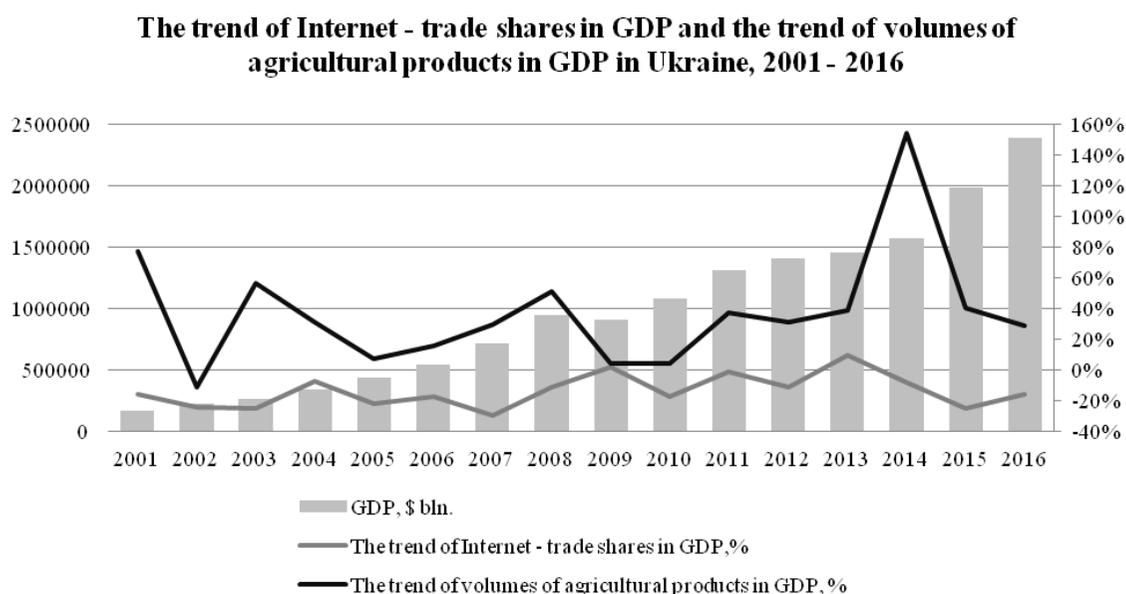


Fig. 4. Comparison of the trend of Internet - trade shares in GDP and the trend of volumes of agricultural products in GDP in Ukraine, 2001-2016 [15, 17]

Next we will try to make simulation of e-commerce influence on the economic indicators of the country. We propose to build economic - mathematical models based on the Cobb-Douglas function framework (example of dependence) to determine the relationships between e-commerce and development of the country [18, 19].

Production function Cobb-Douglas is a handy tool in the economy, which reflects the relationship between the production and production factors such as labor and capital. The framework of this model will be used to study the relationships between the

parameters characterizing e-commerce and variable reflecting economic development. Two models were built to study the impact of electronic commerce on the development and growth of Ukraine. The dataset was constructed on the basis of statistical data for the period from 2000 to 2016, annual data was taken [15, 16, 20].

Let's analyze the first model. We took next two independent parameters that represent the level of development of e-commerce in Ukraine for model's construction: the share of Internet retail trade in Ukraine in percentage and the volume of Internet - trade in Ukraine in \$ bln. The dependent parameter in the model is unemployment rate in percentage.

The model in mathematical form will be as follows:

$$\ln Upl = \ln A + \alpha \ln PIT + \beta \ln IT \quad (1)$$

where Upl - an unemployment rate; A - a sustainable rate that reflects the level of unemployment that prevails in the country without the influence of factors of electronic commerce and the Internet; PIT - the share of Internet retail trade; IT - the volume of Internet - trade; α, β - elasticity of independent variables.

It should be noted that using of this model gives the ability to scale expression and growth rate of dependent variable by interpretation of elasticity coefficients.

All calculations and mathematical operations were conducted in Excel and R Studio. The results can be displayed by using the equation:

$$\ln Upl = 2,675 - 0,343 \ln PIT + 0,206 \ln IT \quad (2)$$

We can see that elasticity of unemployment to share of Internet retail trade is - 0.343%. So unemployment rate drops in 0.343% with increase in share of Internet retail trade per unit (inverse relationship).

The elasticity of unemployment to the volume of Internet - trade in Ukraine is 0.206%, so unemployment will increase in 0.206% with the growth of online commerce per unit (direct relationship). Sustainable 2,68% ratio indicates the level of unemployment in Ukraine, which is installed without the impact of all factors, or in situation of their absence.

If we analyze the amount of elasticity coefficients $\alpha + \beta = -0,343 + 0,206 = -0,137$, we can see that cumulative effect of factors contributed to the decrease of the dependent variable (reduction of unemployment in Ukraine).

We can summarize the simulation results in the following table 1.

Table 1

Simulation results

Variables	Coefficients value	p-value	Residual error
<i>Ln A</i>	2,6747	7,536E-13	0,1100
<i>Ln PIT</i>	-0,3430	0,00026	0,0709
<i>Ln IT</i>	0,2065	0,00149	0,0525
F-test value	15,3036		
R ² value	0,6861		

In the analysis of the model we should pay attention to the coefficient of determination $R^2 = 0,686$, which indicates weak relationships between variables. All the coefficients near the variables are significant (at a significance level $\alpha = 0,95$). The correlation coefficient between variables $r = \sqrt{R^2} = \sqrt{0,6861} = 0,838 < 0,9$ is rather high, but doesn't reach the desired level. So it is possible to confirm the finding of dependence between variables.

It was logical to ask if there is multicollinearity between parameters in the model. The assumption of the presence of multicollinearity was rejected by using VIF-test.

The stability also was tested by advanced Dicke Fuller test (ADF – test). Low p-value indicates a stationary time series. The absence of autocorrelation was confirmed by using Broysh – Godfrey test. However, there is heteroskedasticity in our model, which we confirmed by using White test.

The present results give us possibility to affirm that constructed model can be used in researches. We can investigate relationship between the spread of e-commerce and indicator of country development by using this model.

The next model was built to reflect the relationship between e-commerce and economic growth in Ukraine. As independent variables were taken volume of Internet - trade in Ukraine \$ bln. and Internet penetration rate in the country in percentage (as the number of people using the Internet in the total population). As dependent parameter and indicator reflecting the economic growth was elected GDP per capita in USD. . The dataset was constructed on the basis of statistical data for the period from 2000 to 2016, annual data was taken [15, 20].

This model also bases on the Cobb-Douglas function. And in general represented by the equation:

$$\ln GDP = \ln S + \gamma \ln IT + \lambda \ln IP \quad (3)$$

were GDP - GDP; S - a steady rate reflecting the level of GDP without the e-commerce influence; IP - Internet penetration; IT - the volume of Internet - trade; γ, λ - elasticity of independent variables.

We can summarize the simulation results in the following table 2:

Table 2

Simulation results

Variables	Coefficients value	p-value	Residual error
$Ln S$	3,5084	0,0011	2,0556
$Ln IT$	0,3478	0,0026	0,2960
$Ln IP$	1,2527	0,0049	0,5924
F-test value	19,525		
R^2 value	0,7360		

The model equation is:

$$\ln GDP = 3,508 + 0,348 \ln IT + 1,253 \ln IP \quad (4)$$

We can see that the elasticity of GDP per capita to volume of Internet - trade is 0.348% (direct relationship), the GDP per capita in Ukraine will increase in 0.348%. with the growth rate of Internet – trade per unit. The elasticity of GDP to Internet penetration is 1.253% - a high value indicates that the increase in the percentage of Internet users will effect on increase of GDP per capita by 1.25%. If we analyze the amount of elasticity coefficients we can see that $\alpha + \beta = 0,348 + 1,253 = 1,601$, so the cumulative effect of factors contribute to the significant increase of the dependent variable during the period.

In the analysis of the model we should pay attention to the coefficient of determination $R^2 = 0,736$, which indicates a weak relationship between variables. All the coefficients near the variables are significant (at a significance level $\alpha = 0,95$). The correlation coefficient between the variables are high $r = \sqrt{R^2} = \sqrt{0,736} = 0,858 < 0,9$ so we can be say about dependence between selections.

Using of VIF criteria to the model gave grounds for rejecting the assumption of the existence of multicollinearity between variables. The absence of autocorrelation was confirmed using a Broysha - Godfrey test. However, heteroskedasticity was presented in our model, as in the previous, that was tested using White test.

The second model is also important for tracking usage and connection options between e-commerce and economic growth.

Let`s conduct a comparison with Poland to assess the impact of e-commerce development in Ukraine. We built the similar to the second model that shows the relationship between the volume of Internet - trade in Poland \$ bln. and Internet penetration rate and GDP per capita in USD during the same period; annual data was taken from 2000 to 2016 [15, 20].

The equation is:

$$\ln GDP_{Poland} = 11,437 + 0,344 \ln IT_{Poland} + 0,610 \ln IP_{Poland} \quad (5)$$

As we can see, the elasticity of GDP per capita in Poland to the volume of Internet - trade is 0.344% (direct correlation), which is at 0,004% less than in Ukraine. This means that the impact of Internet - trade on GDP in our country is more important. The elasticity of GDP to Internet penetration is 0.610%, this means that the increase in the percentage of Internet users will increase the level of GDP per capita at 0.610%.

Table 3

Simulation results

Variables	Coefficients value	p-value	Residual error
$\ln S_{Poland}$	11,4372	5,57E-12	0,5448
$\ln IT_{Poland}$	0,3442	5,52E-05	0,0604
$\ln IP_{Poland}$	0,6098	0,004	0,1768
F-test value	99,366		
R ² value	0,9341		

The high value of the coefficient of determination $R^2 = 0,934$ means that the Poland model which reflects the influence of e-commerce factors on GDP per capita is characterized by a close relationship between variables. All the coefficients near the variables are significant (at a significance level $\alpha = 0,95$). The correlation coefficient

between the variables are high $r = \sqrt{R^2} = \sqrt{0,934} = 0,966 > 0,9$, so we can say about dependence between variables.

It was rejected hypothesis of multicollinearity by using VIF-criterion, the absence of heteroscedasticity was confirmed by using White test.

So, we can say that the model of influence of e-commerce parameters on GDP per capita in Poland shows more strong dependence between variables than in Ukraine. This means that e-business in Poland is more common than in our country, and has a noticeable impact on the economy at this stage.

Venture investment in IT and e-commerce in Ukraine has significant development reserves. Factors restraining market growth are a small number of competitive innovative projects, underdevelopment of the stock market, a shortage of highly qualified employees in the sphere of attracting financial resources. Therefore, the state needs to develop a policy of stimulating venture financing, develop a mechanism for diversifying the risks of introducing innovations, and improve legislation to stimulate innovation.

The study revealed the following features of the e-commerce market in Ukraine: e-business in the country is at the start stage of development and has broad prospects for further growth; we can observe rapid development and growth of e-commerce compared with Europe; there is increasing of influence of electronic commerce on the economy of Ukraine.

The construction of econometric models demonstrated the presence of the impact of electronic commerce on economic development of Ukraine.

Analysis of the first model shows the relationship between such indicators as the share of Internet - retail trade in the country, the volume of Internet - trade (parameters representing e-commerce) and the unemployment rate in Ukraine (the figure that represents the level of development). The model is adequate and reflects the fact that the spread of e-commerce reduces the unemployment rate in Ukraine.

Research of the second model has proven the presence relationship between such e-commerce indicators: the volume of Internet - trade and Internet penetration, and an indicator of economic growth - GDP per capita. Analysis of the model confirmed a positive dependence between variables and proved that the spread of e-commerce in Ukraine contributes to GDP per capita.

It was also proved the dependence between e-commerce and economic development of Poland by modeling. Analysis of the model made it possible to assess the degree of

influence of the volume of Internet – trade, Internet penetration and GDP per capita in Poland. It was proved that the parameters representing e-commerce in Poland have a greater impact on the economy of studied European country compared with those in Ukraine. Comparing the models confirmed the fact that e-commerce in Poland reached the highest level of development. However, the pace of development of e-business in Ukraine is much higher than in Poland.

It was determined the dependence between e-commerce tools and the economic development of Ukraine by constructing of econometric models. Analysis of the models proved the possibility of using them to study the impact of e-business on the economy of Ukraine.

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Section 2. Finance

2.1. The features of the system of non-state pension provision in Ukraine

The system of non-state pension provision is based on the principles of voluntary participation of citizens, employers and their associations in the formation of pension savings in order to receive the pension benefits by citizens on conditions and in the manner prescribed by the legislation on the non-state pension provision.

So, the non-state pension provision is provided by:

- pension funds by concluding the pension contracts between pension fund administrators and depositors of such funds;
- insurance organizations by concluding the life insurance pension insurance contracts, risk insurance of disability, or death of a member of the fund;
- banking institutions by entering into the agreements on opening of the pension deposit accounts.

The participation in the non-state pension provision of financial institutions of various types allows to form the competitive relations between them, which is an important condition for the development and effective functioning of the market of services for non-state pension provision, since it limits the possibility of unilateral influence on the general terms of service provision in this market. At the same time, the business entities that have expressed a desire to become the members of the non-state pension provision market have the opportunity to choose a financial institution that best suits their individual needs, as each of these institutions has its own competitive advantages.

It should be noted that the functioning of NPF, insurance companies and banking institutions in the market for services of non-state pension provision is to some extent interrelated. Thus, banking institutions carry out settlement and cash servicing of NPF, provide agency, brokerage, advisory services, custodian services, place NPF assets and insurance companies in deposit accounts. Insurance companies enter into life insurance pension insurance, disability risk insurance or death with the NPF participants. In addition, banking institutions and insurance companies may act as founders of the NPF.

According to the current legislation, NPF is a legal entity that has the status of a non-profit organization (non-entrepreneurial society), operates and carries out activities

exclusively for the purpose of accumulation of pension contributions in favor of members of the pension fund with the subsequent management of pension assets, as well as provides the pension payments to the participants of the already mentioned fund.

It is necessary to distinguish between NPF depositors and participants. In this case, the NPF depositor is a person who pays the pension contributions in favor of the fund participant by transferring funds to a non-state pension fund in accordance with the conditions of the pension contract. A contributor to the fund may be the participant of the fund, spouses, children, and parents, employer of the fund participant or professional association, a member of which is a member of the fund. And as a member of the NPF he is an individual who benefits from the pension contributions to a non-state pension fund and who is entitled to receive some pension benefits from such a fund. Participants of the fund may be citizens of Ukraine, foreigners and stateless persons. Participation of individuals in any non-state pension fund is voluntary. An individual may be a member of several pension funds of his or her own choice. In our opinion, the NPF is a relatively new financial institution for Ukraine, so let us dwell on some of their differences.

1. The NPF, unlike banks and insurance companies, is a non-profit organization that means, it is not intended to generate profits for distribution among its founders (shareholders). The purpose of the NPF is the formation of savings from depositors' contributions for the payment of pensions to the participants. They are forbidden to do other activities, and thus minimize the possibility of loss / reduction of pension savings.

2. At the legislative level, NPF have stiffened (in comparison with banks and insurance companies) the "rules of the game", an appropriate system of state regulation and control, investment, tariff and other restrictions that reduce risks and make loss (decrease in the value of) retirement funds participants and prevent bankruptcy of the NPF, including in the event of bankruptcy of payers (depositors) of funds.

3. The NPF cannot be declared bankrupt and liquidated according to bankruptcy law.

4. A contributor to the NPF (a natural or legal person) does not bear additional risks for payment of fines and tax liabilities > loss of part of funds in the form of redemptive amounts or lost income, as is the case in insurance companies and banks in cases of termination of payment of contributions, changes in their size or early termination of contracts or amendments to them.

5. NPF have a clear social orientation, therefore, property and other interests of a natural person who is a member of the fund and its heirs are protected by the law to a greater extent than is provided for clients of banks and insurance companies.

6. All savings are inherited in full without additional conditions, the funds on the pension account are personified and belong to the participant from the moment they are credited to his account after payment of contributions by the depositor in his favor.

7. The contributor (a natural or legal person) has no right to withdraw the contributions paid in favor of the participant, as well as the income received for these contributions.

8. The participant (and only him) has the right, almost without loss, to transfer his accumulation to another financial institution that provides services to the refinery.

9. The size of the participant's pension depends only on the amount of savings and the payout period.

10. Under certain conditions, fund members, trade unions and employers are able to directly influence its activities through statutory mechanisms for organizing the founders' meeting, a collective agreement, the formation of a single governing body - the fund's board and approval of the pension schemes.

In Ukrainian practice, the following types of NPF are distinguished: the open pension fund is a non-state pension fund, which may be any natural persons regardless of the place and nature of their work; the corporate pension fund is a non-state pension fund, the founder of which is a legal entity - employer or several legal entities - employers and which may be joined by payer employers. Participants in this fund may be exclusively individuals who are (were) in labor relations with employers - founders and employers - payers of this fund; professional pension fund - a non-state pension fund, the founder (s) of which may be the association of legal entities - employers, associations of individuals, including trade unions (unions of trade unions), or individuals connected by their kind professional activity (occupation). Participants in such a fund may be solely natural persons, connected by the nature of their professional activity (occupations), defined in the charter of the fund (fig. 1).

The peculiarities of establishing or joining an NPF by employers are: firstly, the requirement for enterprises that are planning to establish a fund (or become employer-payers) to work in a break-even for at least one year before the foundation (or before joining the fund). For professional and open NPF similar economic requirements to the

founders are not established; and secondly, restrictions on the establishment of not more than one corporate NPF (professional NPF also). Whereas a legal entity can be the founder of one or more open NPF; thirdly, the employers' obligation to pay contributions to the NPF for all their employees. In case of temporary financial difficulties, employers may temporarily suspend payment of contributions for up to one year. Instead, in the case of joining an open NPF, employers will be able to decide on their own payroll fees and how much to start and stop paying contributions, etc.

At the same time, it should be taken into account that, in the case of participation in an open NPF, employers-depositors cannot appoint the members of the board of the fund and thus affect its financial position and investment policy. For citizens, participation in open NPF is more affordable, as there are all those who wish to participate in such NPF. Instead, only natural people who are related by the nature of their professional activity or who are in employment with the employers-founders or employers-payers may be participants in professional or corporate NPF. In this case, the advantage of a professional NPF is the ability of participants to remain in the fund for changing jobs if they do not change the profession.

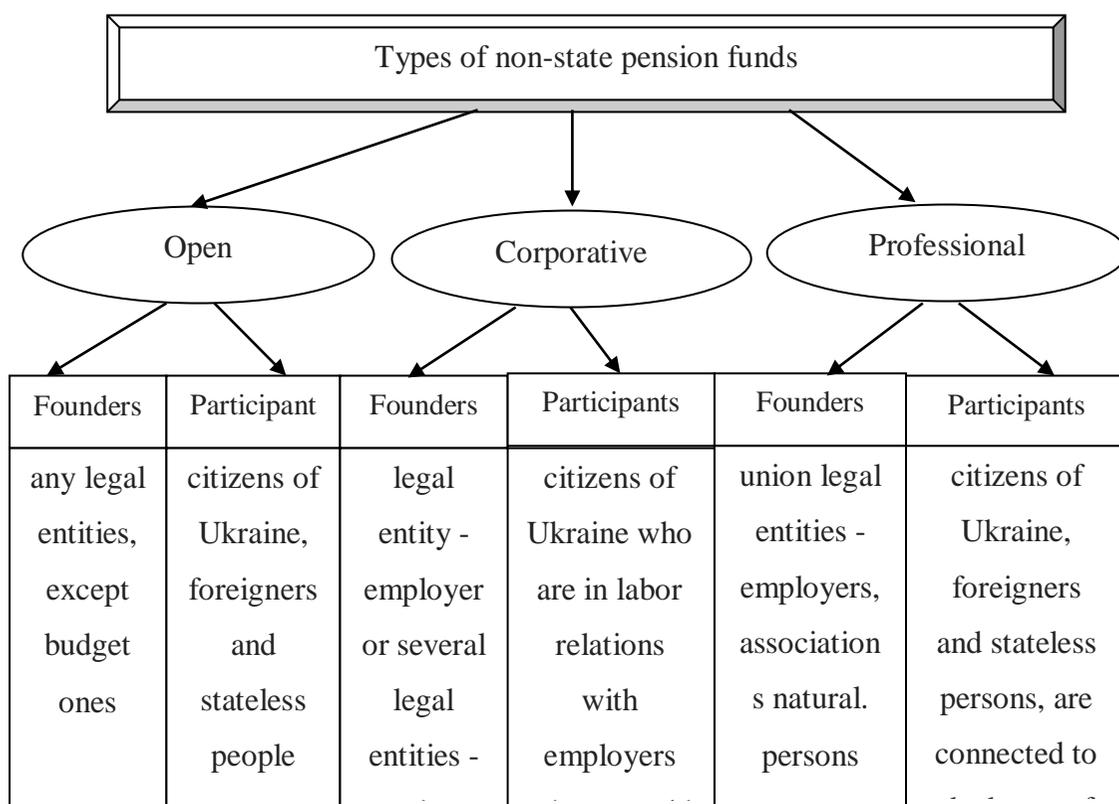


Fig. 1. Types of non-state pension funds

The subject structure includes some components that are of special significance:

- administrator of NPF - it is the legal entity that administers non-state pension funds: carries out personalized registration of pension fund participants; concludes the pension contracts on behalf of the pension fund; ensures the payment of pension benefits to participants; provides the custodian in order to transfer funds to pay for expenses incurred on account of retirement assets; carries out agency and advertising services; provides information; prepares accounts, keeps records and submits financial statements of the pension fund to the relevant executive authorities and the board of the pension fund;

- asset management company - it is a legal entity that carries out professional asset management activities on the basis of a corresponding license for the conduct of such activities;

- custodian - it is a bank that carries out depositary activity of a custodian of securities, carries out: the opening and maintenance of accounts of the pension fund; acceptance, transfer, registration and storage of securities, etc. documents related to the formation and use of pension assets; checking the calculation of the net asset value of the pension fund and the net value of the pension contribution unit carried out by the administrator and the asset management company; execution of administrator's orders regarding transfer of pension funds; submission of reports; termination (blocking) of execution of orders of the person who manages the assets of the pension fund at the request of the National Commission on Securities and Stock Market.

Scheme of organization of non-state pension provision through NPF is shown in fig. 2.

The limits of tariffs for payment for services provided by people servicing the fund are limited by normative legal acts on non-state pension provision issues and are:

- for administration services - up to 5% of the amount of each pension paid by the depositor in favor of the participant (up to 6% - for an open fund);

- for asset management services - up to 4.2% of the net asset value of the fund per annum (but not more than 0.35% per month);

- for custodian services - up to 0.5% of the average annual value of fund assets.

In practice, most NPF service providers charge their services at the level of "average" values from the maximum allowable tariffs. In addition, NPF administrators are not entitled to exceed the statutory limit set by the regulator for the transfer of pension

funds from a participant to another financial institution and provide a supplementary statement on the status of the IRA of the participant. The law enshrines the rights of an NPF member at any time to transfer to another NPF (for example, in the event of ineffective, in the opinion of such participant, asset management), and the above restrictions on payment of services allow him to transfer his accumulation to another financial institution with virtually no losses.

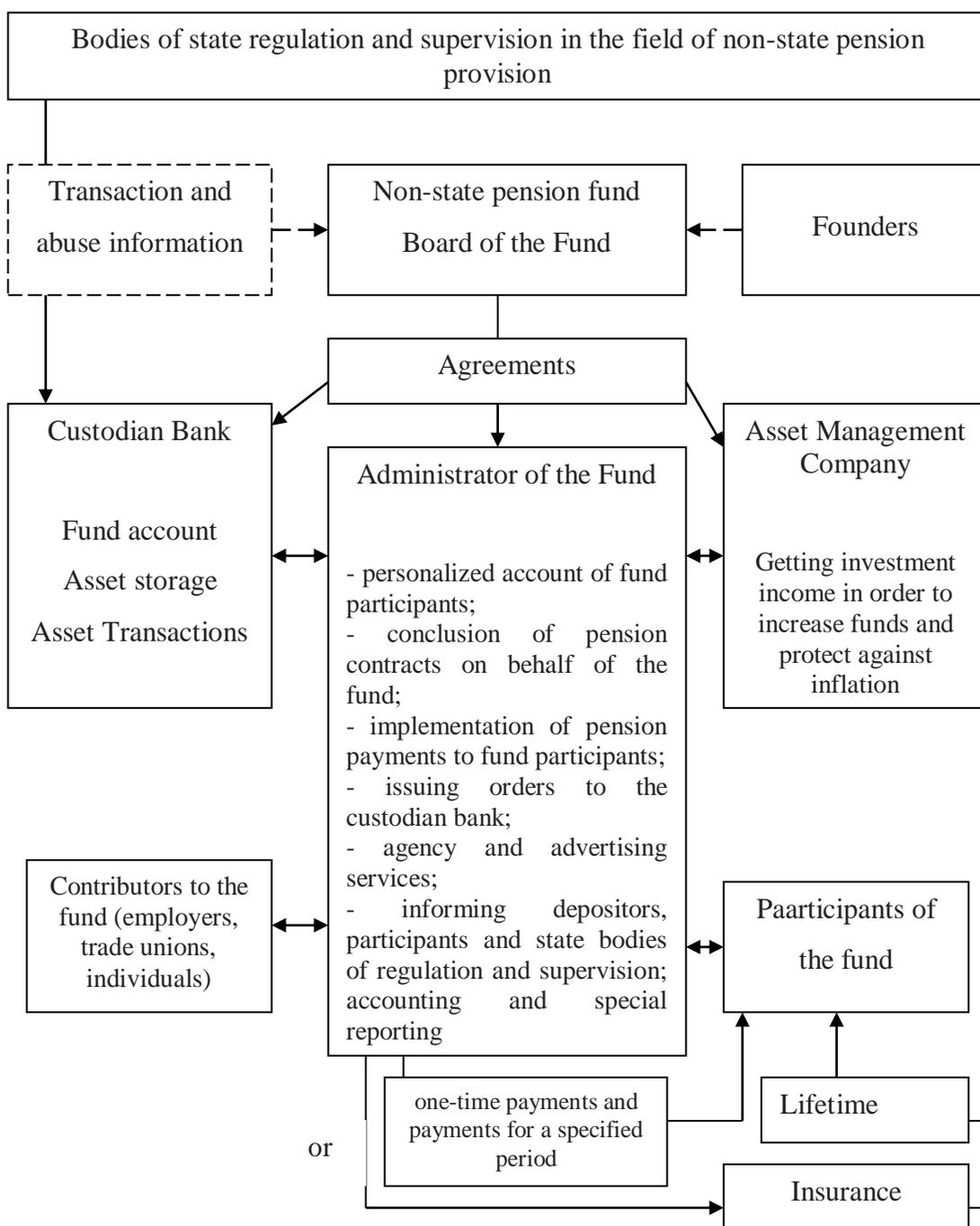


Fig. 2. Scheme of organization of non-state pension provision through NPF

The process of non-state pension provision is as follows. Contributors transfer the pension contributions to an NPF account opened with a custodian bank. The administrator of the NPF records information on the amount of pension contributions on individual pension accounts of participants. Asset Management Company multiplies funds by placing them in stocks, bonds and other investment objects. However, the asset management company does not have direct access to retirement assets. All operations with the pension funds are carried out through a custodian who, after verifying compliance with investment requirements, transfers money to acquire various financial instruments. Investment income, net of administrative expenses for servicing the fund, is distributed among participants and accounted for in their individual pension accounts. The revenues are re-invested, resulting in an increase in the amount of NPF funds on the principle of complex interest.

Let us note the following specific features of the institutional structure of the NPF market:

firstly, in comparison with some foreign countries, the number of NPF in Ukraine is excessive; at the same time, the largest domestic NPF may remain small in terms of pension assets;

and secondly, the NPF market has already passed the initial stage of the development, when there was a dynamic increase in the number of registered entities of the institutional structure of the market. At the present stage, the processes of consolidation and concentration of the NPF market have begun, which are manifested in the gradual decrease in the number of NPF, administrators, asset management companies, custodians and, at the same time, in increasing the scope of their activities;

thirdly, the vast majority of the NPF belongs to open-end funds, which is due to the universality of the conditions for pension provision of such funds;

fourthly, for the institutional structure of the NPF market, uneven territorial allocation of funds is characterized by their excessive centralization in Kyiv;

additionally, in general, the institutional structure of the NPF market in Ukraine is sufficiently developed to meet the growing demand for non-state pension provision services.

Consideration of the specifics of the functioning of the NPF is incomplete without paying attention to the directions of investment of pension assets. Thus, NPF retirement assets may consist of (pic. 3):

cash funds;

government securities, repayment and income guaranteed by the central executive authorities and local self-government bodies;

shares and bonds of Ukrainian issuers, which are traded on organized securities markets of Ukraine and listed on stock exchanges or in trade and information networks;

securities, repayment and income secured by foreign governments;

shares and bonds of foreign issuers traded on organized stock markets are listed on one of these stock exchanges such as New York, London, Tokyo, Frankfurt, or the NASDAQ (USA) trading and information system.

In addition, NPF retirement assets may not include:

securities issued by the custodian banks, pension asset management companies, administrators, audit firms, advisory services;

securities not listed Stock Exchange or Trading Information System;

securities whose issuers are the collective investment institutions;

promissory notes;

derivative securities (options, futures).

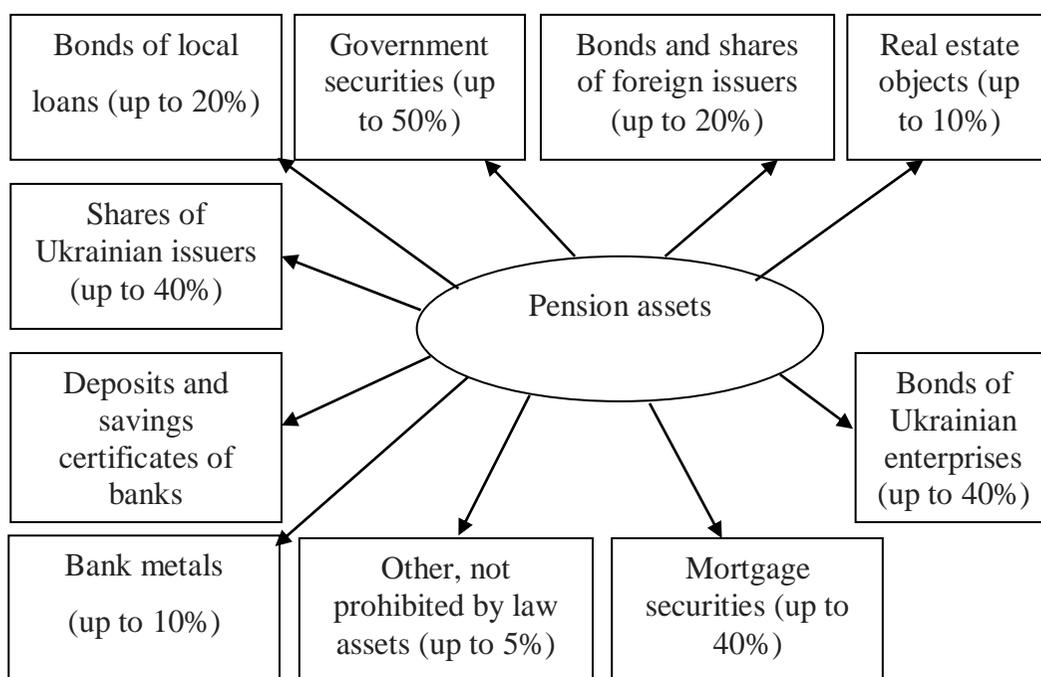


Fig. 3. Investment restrictions on the placement of NPF pension assets

The directions of investment, and, consequently, the composition and structure of the investment portfolio of NPF in each country are determined not only by restrictions

on the part of the state, but also by the availability of marketable instruments suitable for investing. Therefore, an important prerequisite for the growth of the cost of pension savings in Ukraine is the state and prospects of the development of stock and other markets (real estate, currency, government obligations, etc.), whose instruments are capable of generating acceptable income at minimum risk.

Pension funds of NPF can be used exclusively for the purposes:

1) the investment activity of the fund in accordance with the requirements of the law in order to receive income in favor of the fund participants;

2) the fulfillment of obligations of the fund to its participants under the contracts: payment of the pension for a specified period, concluded with the participants of the fund, and for the implementation of one-time pension payments provided for by the Law; life-annuity insurance and risk insurance against disability or death of a member of the fund, concluded with an insurance organization;

3) the payment of expenses related to the implementation of non-state pension provision, namely: payment of services of a professional administrator, including payment of advertising and agency services related to the operation of the fund, and expenses for disclosure of information about its activity, provided by the law; payment of remuneration for the provision of asset management services; payment of custodian services; payment for services for carrying out planned audits of the fund;

4) the payment for services of securities traders (intermediaries), expenses for keeping records and re-registration of ownership rights to the assets of the fund;

5) the payment of other services, the implementation of which is provided by the law or regulations on non-state pension provision and for which retirement assets may be used.

The use of retirement assets for other purposes (for example, remuneration to members of the fund's council or acquisition of assets prohibited by law) is prohibited.

It should be noted that special attention and scientific interest may be claimed by the qualification of types of pension payments to NPF. Generally, a pension payment is a cash payment to a member of a non-state pension fund or his heirs, carried out at the expense of accumulated in a non-state pension fund and recorded in the personal pension account of cash.

A member of the NPF may, according to his application, be given one of the types of pension benefits indicated below (Figure 4):

1. Pension for a specified period (payment of pension savings for 10 years or more) in the event of retirement (so, 45-65 years for women, 50-70 years for men in 2010, unless otherwise stipulated by law) .

2. Payment, as an exception, of the entire amount of pension savings at one time ("one-time pension payment") upon occurrence of the grounds established by law.

3. Life-long pension (receiving payments during the life of a pensioner or one of the spouses), carried out by an insurance organization chosen by the NPF member, subject to certain conditions.

Retirement benefit for a fixed term or one-time payment of the entire amount of savings is carried out by the administrator of the NPF, to which contributions were paid by the depositor, and the lifetime payment is the insurance company chosen by the participant.

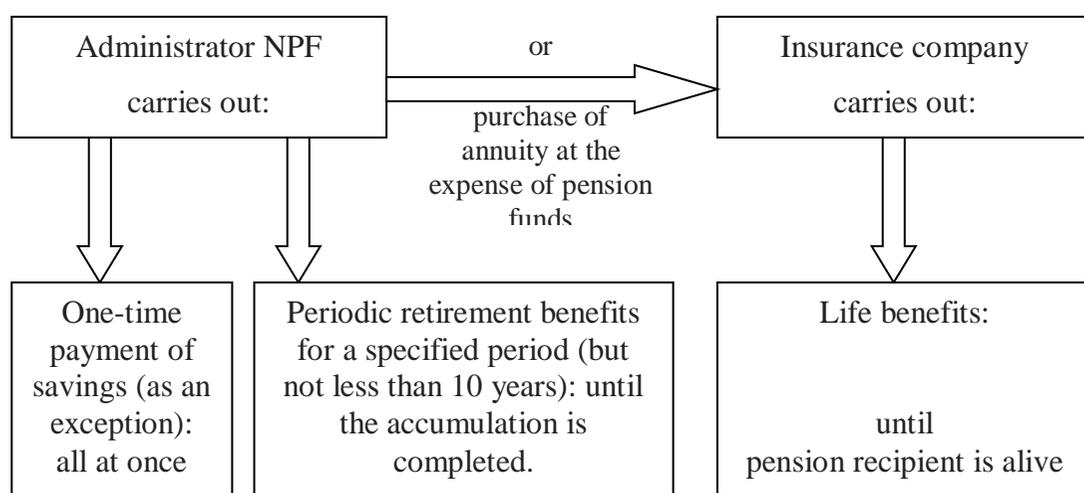


Fig. 4. Types of pension payments at the expense of funds accumulated in the NPF

The Law of Ukraine "On Non-State Pension Provision" sets the following grounds for retirement benefits.

1. The occurrence of the retirement age, determined by such a participant of the fund on its own, but may not be less than or equal to 10 years from the general retirement age (that is, in the range of 45-65 years - for women, 50-70 years for men), unless otherwise determined by law.

2. The invalidity of the participant of the fund, which is established in the manner prescribed by law.

3. The critical state of health of the fund participant (oncology, stroke, etc.), which

must be confirmed in accordance with the procedure established by law.

4. The departure of the fund member to a permanent place of residence outside Ukraine.

5. The death of the participant of the fund (payments must be made by the heirs by law or will).

It is worth noting that early retirement (so, before the grounds set forth in the Law of Ukraine "On Non-State Pension Provision") receive a pension payment is prohibited. Such, at first glance, strict rules are set to: firstly, a person could use the accumulated funds exclusively to meet the needs that arise after retirement when she is unable or will not be obliged to work, earn, accumulate; and secondly, none of the relatives, acquaintances or any other persons had the opportunity to take possession of the money deposited by a person to retirement, taking advantage of its kindness, complacency, difficulty, obligations, etc. In the end, the British are right with their proverb: "The money that got into your wallet soon ceases to be yours."

Given the above, it is impossible to level off the significance of the inheritance of the pension assets. Pensions accumulated during the marriage of one of the spouses in a pension fund, insurance organization or pension deposit account is the common property of the spouse, unless otherwise provided by the marriage contract. Pension funds are inherited by the person (people) who are the heirs of the owner of such funds in accordance with the civil law of Ukraine. The inherited pensions are paid to the heirs as a one-time retirement benefit.

In the end, the importance of control measures in the system of non-state pension provision should be noted. Thus, the role of controlling the activities of the administrator, the asset management company and the custodian bank is assigned to the Fund Board, which has the right to set additional requirements for their activities in the relevant maintenance contracts for the NPF, and also controls the fulfillment of such requirements on the basis of receiving regular reporting. An administrator, an asset management company, and a custodian also have certain supervisory powers over the work of the Board of the Fund. Yes, these entities may refuse to sign contracts for the servicing of NPF in the presence of clauses in agreements, investment declarations or pension schemes that are in conflict with applicable law or provisions that adversely affect the performance of NPF.

The control over the activities of the NPF is also carried out by NPF participants

on the basis of information obtained from statements of individual retirement accounts and publicly disclosed accounts of the NPF. The effectiveness of the control exercised by NPF participants is reinforced by the right to judicial protection against violations of their rights, including the right to transfer pension savings to another NPF or an insurance company, as well as the opportunity to seek clarification from any controversial or incomprehensible issues before the administrator of the NPF or the National Financial Services Commission. Employers and trade unions have an opportunity to influence the activities of corporate and professional NPF by taking part in the founders' meeting, in forming the Board of the Fund, in approving pension schemes, and so on.

Separate supervisory powers are self-regulatory organizations. In Ukraine, such self-regulatory organizations include: National Association of NPF of Ukraine and Administrators of NPF, Ukrainian Association of Pension Fund Administrators, Ukrainian Association of Investment Business, Professional Association of Registrars and Depositories, etc. Self-regulatory organizations exercise control in two directions: firstly, on the activities of the NPF management bodies on the basis of the powers delegated to such organizations by the state supervision bodies; secondly, for the activities of state authorities to identify corruption, incompetent regulation, which can negatively affect the effectiveness of NPF management, overcoming over-regulated market of services for non-state pension provision, reducing barriers to entry, which may hamper the development of competition.

Public control over the activity of the NPF is carried out by those interested in this activity on the basis of the data contained in the mass media about NPF management subjects, publicly disclosed NPF reporting, etc.

The bodies of state supervision and control over the activities of NPF and institutions that manage the NPF include:

Firstly, the National Commission, which carries out the state regulation in the field of financial services markets (the National Financial Services Commission), regulates the activity of the NPF and the administrators of the NPF;

secondly, the National Securities and Stock Market Commission (NSSMC) - controls the activities of asset management companies of the NPF and depositary activity of the custodian banks;

thirdly, the National Bank of Ukraine (NBU) - supervises the banking activities of custodians;

fourthly, the Antimonopoly Committee of Ukraine - observes compliance with the legislation on the protection of economic competition in the field of non-state pension provision;

additionally, the State Financial Monitoring Service - monitors compliance with anti-money laundering legislation in the process of non-state pension provision.

All parties to the social dialogue - citizens, business and the state - are interested in the development of the NPF, as this opens new opportunities for the realization of their social interests, creates the preconditions for increasing social responsibility and developing a tripartite public-private partnership in this area. The social interest of citizens in participating in NPF is the desire to maintain the usual level of consumption after retirement. For most citizens, retirement is accompanied by a reduction in income and the resulting deterioration in the quality of life. NPF offers citizens the mechanisms for implementing their own personal income support strategy for retirement, which will satisfy the individual demands and expectations of working citizens regarding the level of material support upon termination of employment. Civic cooperation with the NPF will allow to accumulate funds for supplementary pension payments from the distributive pension system, as the NPF offer their clients an effective mechanism for a stable way of saving and increasing the amount of money. The social responsibility of a citizen in this case is to realize the limited possibilities of state pension provision due to the aging of the population, the assessment of their social status and the corresponding existing and expected needs, which should be a motive for participation in the NPF in order to meet the pension needs.

A distinctive feature of non-state pension provision through NPF is its flexibility, which allows maximum consideration of the interests of each individual employer for participation in the NPF. Such interests can be:

firstly, the creation of additional social protection programs for workers, including the provision of initial benefits to retired workers;

secondly, the use of NPF as an instrument of flexible personnel policy for securing the most valuable employees at the enterprise, regulating staff turnover, creating incentives for timely retirement, rejuvenation of the collective;

thirdly, promoting the implementation of a long-term strategy for enterprise development through reinvestment of part of the pension contributions paid to the NPF, obtaining tax privileges granted to employers in the event they participate in the NPF.

Among the most important results that can be achieved when implementing a non-state pension provision program at the enterprise, it should be noted that increased professional staff loyalty to management, increased motivation of employees to more thoroughly fulfill their responsibilities, strengthen labor discipline, increase labor productivity, reduce rotation frames. Consequently, the participation in the NPF gives the company additional levers of management of the team, strengthens the relations of social partnership between the employer and employees. The financing of corporate pension plans indicates the social orientation of the company, which is an additional advantage in obtaining a permit for the initial placement of securities on foreign stock markets, as well as in obtaining loans from international financial institutions 298. All this strengthens the competitive business success.

The development of NPF contributes to reduce the financial burden on the state pension system and it reduces social tension in society. Long-term financial resources accumulated by NPF can be used as a source of financial support for the development of the economy. Supporting the development of the NPF, the state can develop the following areas of public-private partnership: firstly, the use of professional (sectoral) NPF for solving employment issues and redistribution of economically active population within the framework of processes of structural adjustment of the economy. Use of regional (territorial) NPF to "equalize" social space, creating equal opportunities for all citizens in access to supplementary pensions; and secondly, investment targeting by increasing the capitalization of the financial system with the participation of long-term financial resources of the NPF. The formation of a financial development system in Ukraine aimed at financial support and stimulation of modernization, innovation, sustainable economic growth, enhancement of the competitiveness of the real and financial sectors; third, the involvement of NPF in the implementation of national and regional strategies for socio-economic development, in particular regarding the use of NPF investment potential for financing national projects and programs.

In the current context, the social significance of NPF activity is increasing as these financial institutions contribute to the social interests of the state, business and citizens in mitigating the economic consequences of aging populations for state-owned distributive pension funds; extension of the circle of persons who independently provide themselves with additional income after retirement; the interest of business in financing corporate pension programs; regulation of employment of the population within the branches of the

economy; development of capital markets; attraction of long-term investments to financing of national projects and programs; integration of financial markets into a globalized financial environment, etc. The real needs of citizens in improving their material condition and the state's interest in gradually releasing the state budget from additional social costs contribute to the fact that the activities of the NPF become more and more socio-economic in different countries.

The dynamic development of the NPF market is impossible without changing the mentality of the population, without raising the pension culture, which is understood as the socio-psychological perception of the population by the system of pensions, namely, the level of awareness of people about the need to worry about their future retirement throughout the labor activity, as well as understanding of the pension capacity of the state and willingness to take part in the formation of their own pension savings.

The formation of a pension culture should become one of the main goals of large-scale information and explanatory work conducted among the population of Ukraine, on the directions of pension reform and the role of the system of non-state pension provision in it. Given the social significance of such work, it should be conducted in conjunction with public authorities, the business community and trade unions.

Another direction of activating the further development of the NPF market is to increase the motivation of business entities, which would encourage them to participate in the NPF. Thus, co-financing of pension contributions with the employer could be an effective motivator for participation of employees in the NPF, subject to the attribution of the total paid contributions to the gross expenses of the employer.

To motivate employers to participate in the NPF, the legislation provides for tax benefits and the possibility of refinancing part of the pension contributions to the company. Therefore, employers can take into account the possibilities of using the pension programs to optimize taxation and expand funding in developing business strategies for enterprise development. Other variants of employers would be able to mitigate access to refinancing through state-owned banks, preferences in public procurement and privatization, and other forms of supplementary pensions for employees. In order to increase the efficiency of the NPF's investment activity and the attractiveness of the services they provide, steps should be taken to expand financial instruments that will ensure the reliability and acceptable return on the investment of assets of these financial institutions, in particular: 1) to take into account in the state program of

privatization the need for transition from fiscal to investment orientation privatization and support through the stock market; 2) to increase the issue of medium- and long-term government debt securities with floating income (coupon), which takes into account the level of inflation in the period for which the income is paid (inflation rate plus guaranteed interest), including specially foreseen for investment of pension funds; 3) to improve the legislation regulating the creation and development of organizationally-formed markets for commodity resources (land, housing, commercial infrastructure objects), which will ensure the liquidity of mortgages and mortgages, and, in turn, will contribute to the increase of issues of mortgage securities issued on mortgage of land and other real estate objects - mortgages, mortgage bonds, housing certificates, etc.

References

About the non-state pension provision: Law of Ukraine dated 09.07.2003 No. 1057-IV, as amended.

2.2. The generalization of banks' financial stability indicators

Under the current conditions of globalization, when banking, currency and financial crises occur quite often in different parts of the world, the question arises about ensuring sustainable economic growth of each country, which, in the first place, depends on the reliability of the banking sector. Today, for the economy of our country, one of the most important factors in ensuring the trust of depositors, partners, investors to banks is to maintain their stability and ensure financial development, should be not only short-term but also their strategic tasks, which, in the first place, will depend on the dynamics of market transformations and shifts.

At the same time, in the conditions of increasing openness of the Ukrainian economy and its consistent integration into the world economy, the question of ensuring the stability of the functioning of the banking system becomes relevant. This is due to the influence of the external and the internal environment.

Macroeconomic stability has been holding since the start of the year, which has allowed the banking sector to consolidate the positive trends of past periods. Demand for banking services is recovering and banks are lending more proactively to retail customers. Banking interest rates are declining further and this trend is expected to continue. The funding base at banks has remained stable due to a recovery in deposits. The banking sector overall has generated higher profits, driven by growth in net commission and interest income, as well as lower provisioning. Six banks have been removed from the market since the start of 2017, while financial institutions still at risk in terms of capital adequacy account for less than 1,5% of total sector assets. The sector's key challenges include low operating efficiency at the state-owned banks and the low quality of their assets, which brings into focus the need for reforms at the state-owned banks.

In January-April 2017, six banks were declared insolvent. Four of those banks were removed from the market because of a failure to comply with the recapitalization programs approved upon the completion of a diagnostic study. All other banks that passed the diagnostic study complied with capital adequacy requirements, and most of them with a safe margin. In Q1 2017, state-owned banks increased their share of total assets by 3,8 pps to 55,1% and of retail deposits by 1,4 pps to 60,9%. Consolidation in the banking sector also increased: the share of the top-20 banks in total net assets expanded by 1,2 ppsto 90,6% [1].

New lending remains sluggish. The gross corporate loan portfolio shrank by UAH 13,1 billion, driven by FX segment (-2.5% in USD equivalent) (at banks solvent as of the end of March 2017). Gross corporate lending in hryvnia remained virtually flat (+0,2%). Agriculture and the food-processing industry were predominantly the recipients of bank loans.

For the first time since the start of the crisis, retail lending in hryvnia resumed, growing 2,8% (at banks solvent as of the end of March 2017). This excludes Privatbank, which partially replaced retail loans in the P2P segment with on-balance sheet loans. Banks' total share of investment in public sector securities (domestic government bonds and NBU CDs) increased by 1,7 pps to 26,2% of net assets. The increase was primarily driven by the recapitalization of state-owned banks through domestic government bonds in Q1 2017 (UAH 26,4 billion) and the resulting growth in government bonds in their portfolios. In May, the National Bank published for the first time statistics on NPLs based on the new approach defined by Regulation #351. According to the new rules, which are based on internationally accepted standards, loans past due over 90 days as well as those where probability of repayment is low are now classified as NPLs. Banks, including Privatbank, recognized real asset quality in full, boosting average NPLs for the sector to 55,1% (excluding off-balance sheet items).

In the quarter, banks were busy attracting retail deposits, growing them by UAH 4,5 billion or +1,1%. Hryvnia deposits increased by 4,7% (at banks solvent as of the end of March 2017). A large proportion of this increase was due to Privatbank's transfer of deposits attracted under the P2P program onto its balance sheet. Excluding Privatbank, retail deposits increased by UAH 1,8 billion or 0,4%, with hryvnia deposits up +1,4%. The growth rate in corporate deposits was slower, partly because of negative sentiment related to the trade blockade of the ATO area. Deposited budgetary funds rose due to budget cycle fluctuations. The share of deposits from all clients in banks' liabilities increased from 73,8% to 74,9% [1].

The accumulated liquidity allowed banks to repay UAH 5,3 billion to the NBU (the share of NBU loans in banks' liabilities fell to 1,6%). However, liquidity is unevenly distributed throughout the banking sector: the state-owned banks enjoy the greatest resilience thanks to their respective recapitalizations.

After a short break following the Privatbank nationalization, interest rates have continued to decline. The interest rate on 12-month retail deposits decreased over

January-April by 1,7 pps to 15,7% p.a. in hryvnia and by 1,0 pp to 4,6% p.a. in US dollars (according to the Ukrainian Index of Retail Deposit Rates (UIRD)). State-owned banks drove the decline in hryvnia deposit rates. The cost of retail dollar deposits fell to new historic lows because of limited demand for FX funds from banks with foreign capital.

After posting record losses in 2016, the banking sector generated profits of UAH 4,1 billion in Q1 (number is different from the one previously reported in the Ukrainian version of the report due to corrections done by Privatbank after initial financial reports were submitted to NBU). Stateowned banks accounted for more than half of this amount, but this may partially revert later in the year owing to a potential need for additional provisions. The sector's operating efficiency improved: the cost-to-income ratio diminished to 49% in Q1 from 58% in 2016. Net commission income grew moderately on the back of greater demand for banking services. At the same time, the growth in net interest income was supported primarily by the lower cost of deposits. Most of the provisioning for loan losses based on the results of the diagnostic study already took place last year. As a result, provisioning in Q1 declined to UAH 7,0 (number is different from the one previously reported in the Ukrainian version of the report due to corrections done by Privatbank after initial financial reports were submitted to NBU) billion from UAH 11,3 billion in Q1 2016 [1].

The conditions for a gradual recovery of the banking sector and of lending are in place. Continued economic growth, tamed inflation, and moderate volatility in the exchange rate are facilitating increasing demand from households and businesses for banking services. The 1 pp key policy rate cut to 13% in mid-April will also lower borrowing costs for households and corporates. The banking sector's funding base will remain stable and the average deposit maturity is poised to increase. According to a lending survey conducted in April, 88% of banks expect an increase in retail lending and 61% expect an increase in corporate lending over the next 12 months.

An important challenge for smaller banks is the NBU's requirement to ensure share capital and regulatory capital of at least UAH 200 million by 7 July 2017. The asset quality review for smaller banks is scheduled to be completed by the end of 2017, which will mark the end of the diagnostic study of the banking sector that began in 2015. Banks that are still at risk in terms of capital adequacy account for less than 1,5% of banking sector assets. This is a clear sign that stability in the banking sector has been restored after two years of clean-up.

The banking sector's key challenge now is the low operating efficiency of state-owned banks. The largest state-owned lenders need a fundamental revision of business models and long-term development strategies. An important step in this direction is the adoption of legal amendments that allow the establishment of independent professional supervisory boards and the right to replace management (if necessary) [1].

The financial stability of banks has been gaining importance for leading financial institutions around the world in recent years. Considerable attention has been paid to improving methods for evaluating and monitoring the financial stability of banks to ensure their effective functioning in dynamic macroeconomic conditions. The globalization of financial markets, the ever-increasing supply of non-traditional banking services, the creation of bank holding companies, mastering new technologies and other processes of the banking business lead to the emergence of new banking risks. Accordingly, there is a need to review approaches to the assessment and analysis of the financial stability of banks.

Financial stability is the state of a financial system when it is capable to perform duly its core functions such as financial intermediation and execution of payments as well as to resist crises. Financial system is presumed to be stable if it: efficiently distributes resources from savers to investors; thoroughly assesses and adequately manages financial risks; is capable to absorb shocks without major negative consequences.

During the last decade some innovative methods of analysis of banks' financial stability have been implemented: the inclusion of sensitivity risks component to some financial stability assessment systems; the origin and use of standardized computer models for assessing financial stability by supervisors and banks; the developing of statistical anticipatory response system models aimed at detecting possible problems in banking and using effective preventive measures.

The systems of bank evaluation in different countries have significant features and depend on several factors: the possibility of on-site inspections, their frequency and scale; remote supervision; types and composition of statements given under supervision; the availability of other sources of information and technology and the human factor. Systems that exist today in the world can be classified as follows: ratio analysis and systems analysis of homogeneous groups (the USA, Germany); comprehensive assessment system of bank risk (the UK, the Netherlands); statistical models (the USA);

rating evaluation system (the USA, Russia, France, Italy, Poland, Ukraine and others); microprudence and macroprudence analysis (member countries of the IMF).

The effective control and stable development of any business entity largely depends on a preliminary analysis of the object owing to the fact that it is used for the examination of investigated process or phenomenon issues and considered as a generalized evaluation base. Besides it is considered to be the component enabling the management to correct undesirable developments. Therefore the analysis is an instrument directing the object or process in achieving goals. At the same time, the analysis is based on a synthesis of diverse indicators that reveal the activity of the object or process. Herewith the variation of such indicators is specific, both in terms of a particular subject or process and certain aspects of such subject or process functioning with a key role of financial issues. Given that at the present time the issues of banks' sustainable development are of great importance, the generalization of the bank's financial stability indicators is to be considered.

The functioning and development of banks are under constant supervision of the regulator, which is the National Bank of Ukraine (NBU) in Ukraine. Ensuring financial stability became one of the key tasks for central banks around the world in the course of the last decade. The Law of Ukraine "On National Bank of Ukraine" also sets promotion of financial stability as one of the core functions of the National Bank. The National Bank of Ukraine builds up its financial stability framework with regard to rich international experience.

The National Bank partially shares its responsibility for financial stability support with the Ministry of Finance, National Securities and Stock Market Commission, National Commission for the State Regulation of Financial Services Markets, Deposit Guarantee Fund. The Decree of the President of Ukraine established high-level interagency Financial Stability Council in the March 2015. The Council comprises heads of key financial sector regulators.

Such work is carried out within the monitoring of compliance with a number of standards and indicators, determined in accordance with the Regulations on the procedure for regulating the activities of banks in Ukraine as well as general practical methodology of the calculation of financial stability indicators for deposit-taking institutions. The methodology is relatively new, it was preceded by numerous studies of scientists from different countries [2].

The research of B. Eichengreen and A. Rose is concerned with the indicators of banks' internal financial structure as well as the analysis of the impact of banks' balance sheet structure on the stability of their development in terms of countering negative developments in the financial sector. The scientists emphasize the structure of loans given and the conditions for their return in terms of a sharp devaluation of the national currency [3]. Therefore, the work of B. Eichengreen and A. Rose is relevant due to the current situation in domestic banking dealing with such issues. The key component of sustainable development indicators in their research is a balanced approach to the assessment of credit risks when allocating available bank resources. This is understandable, since according to the Law of Ukraine "On Banks and Banking Activity", such activity is carried out at your own risk, and thus the question of avoiding and minimizing risk is one of the pillars of sustainable development both an individual bank and the banking system.

According to B. Eichengreen and A. Rose the dynamics of providing loans and changes in interest rates are considered as indicators of banks' financial stability [3]. It must be emphasized that we consider mainly those indicators that are directly dependent on the work of banks. Price stability, inflationary pressure, the development of economic sectors etc. have not been considered in our research.

G. Kaminsky and C. Reinhart consider the dynamics of the volume of loans and attracted deposits, the real interest rate on deposits and the ratio of the interest rate on loans to the corresponding index for deposits to be the indicators of bank financial stability [4]. Such a consideration is due to the fact that the indicators, according to the researchers, are the key ones in determining the financial stability of banks.

To analyze the financial stability of the functioning and development of banks J. Sachs, A. Tornell and A. Velasco regard the likelihood of accelerated dynamics of the loans provision to the gross domestic product (GDP). According to the researches this proves the risks of increase of a number of bad loans [5].

D. Hardy and C. Pazarbasioglu consider the ratio of loans given to GDP as an indicator of banks' financial stability. They also determine the ratio of obligations on individuals' deposits to GDP, ratio of subordinated debts to GDP, changes in interest rates on deposits as indicators [6].

H. Edison has similar approach underlying the importance of generalization in this context, the credit ratio to GDP, the dynamics of interest rates on deposits and the volume of attracted deposits [7].

However, the scientists were not unanimous in determining the indicators of financial stability of the banks' functioning and development.

When considering the financial stability indicators of banks' functioning and development, B. Gonzalez-Hermosillo, C. Pazarbasioglu and R. Billings mark out interest rates on interbank loans and the ratio of the volume of deposits in the money supply [8].

P. Trunin and M. Kamensky prove that the ratio of interest rates on loans to interest rates on deposits is an ambiguous indicator of the financial stability of banks' functioning and development [9].

At the same time the dynamics of bank deposits is generally considered as non-performing indicator. However, how to deal with a sharp outflow of deposits, which generally leads to the destabilization of the banking system. It is a rather complicated issue to deal with as different scientists studied different conditions for banks' functioning [9].

In a study led by S. Drobyshevsky it is noted that financial crises are preceded by excessive growth of credits. Therefore, the balance of credits to GDP is one of the important indicators of financial stability [10]. Confirmation of this should be considered as the dynamics of the global financial crisis, as well as the realities of the domestic market of banking services. At the same time, the ratio of deposits to GDP can serve as a benchmark for reducing liquidity and raising appropriate risk, which is directly related to the financial stability of the bank.

The cross-sections of key indicators of financial stability of development of banks concern, first of all, the main indicators of their activities, namely, the volume of credits granted and deposits attracted and the dynamics of various interest rates. At the same time, such indicators of the definition of banking activity are given in absolute terms (volumes of credits, volume of deposits, interest rates), and in relative, or, in other words, aggregated (the ratio of interest on credits to interest on deposits, the ratio of loans to GDP, etc.).

The set of indicators in accordance with the research of leading scientists is presented in Table 1 [2].

Table 1

The indicators of financial stability of banks, which are identified in the studies

of leading foreign experts

Research	The indicators of financial stability of banks							
	The volume of credits	The volume of deposits	The structure of credits	Deposits interest rate	The ratio of interest on credits to interest on deposits	The ratio of credits to GDP	The ratio of deposits of individuals to GDP	Interest rates on the interbank market
B. Eichengreen A. Rose [3]	+		+	+				
G. Kaminsky C. Reinhart [4]	+	+		+	+			
Sachs, A. Tornell A. Velasco [5]						+		
D. Hardy C. Pazarbasioglu [6]				+		+	+	
H. Edison [7]		+		+		+		
B. Gonzalez-Hermosillo, C. Pazarbasioglu, R. Billings [8]								+
S. Drobyshevsky [10]	+	+		+	+			
G. Milesi-Ferretti A. Razin [11]						+		

The result of the research of banking experts on the indicators of banks' financial stability is a generalization of the International Monetary Fund in the form of a Manual for the preparation and use of such indices [12]. In this system twelve basic and fourteen auxiliary indicators were generalized. These figures are determined on the basis of the bank's capital, assets, income and expenses as well as interest rates.

The results of the Financial Stability Forum «Global Financial Stability Report of the Financial Stability Forum on Enhancing Market and Institutional Resilience», which took place in 2008 encouraged the development of presentation of the indicators of banks' financial stability according to the International Monetary Fund generalizations. The Forum confirmed the need to increase the requirements for capital and liquidity of banking institutions and the definition of banking risks [13].

According to Article 55 of the Law of Ukraine "On the National Bank of Ukraine" the National Bank carries out regular supervision over banks and their divisions, affiliates and related entities of banks in Ukraine and abroad, banking associations, agencies and

branches of foreign banks in Ukraine, individuals and other legal entities, regulations of the National Bank and economic standards. Thus in order to protect the interests of depositors and creditors and ensure the financial soundness of banks the National Bank sets mandatory economic standards.

Table 2

Economic norms of regulation of banks' activity

The ratios	The standard value
The capital ratios	
H1 - The ratio of the minimum regulatory capital	- 500 mln. UAH - if a license was received after July 11, 2014 - if a license was received before July 11, 2014, that 120 mln. UAH with a gradual increase until July 11, 2024 to the amount 500 mln. UAH
H2 - The ratio of capital adequacy	- during the first 12 months of activity (from the date of receiving a license) - not less than 15%; - during the next 12 months - not less than 12%; - then - not less than 10%
H3 -The ratio of regulatory capital to total assets	not less than 9%
H3-1The ratio of correlation of the regulatory capital to liabilities	not less than 10 %
The liquidity ratios	
H4 - The ratio of instant liquidity	not less than 20%
H5 - The ratio of current liquidity	not less than 40%
H6 - The short-term liquidity	not less than 60%
The credit risk ratios	
H7 - The maximum credit risk per counterparty	not less than 25%
H8 - The ratio of large credit risks	no more than 8 times the amount of regulatory capital
H9 - The maximum amount of loans, guarantees and warranties to one insider	no more than 5% before 2016 no more than 25% after 2016
H10 - The maximum total amount of loans and guarantees granted to insiders	no more than 30%
The ratios of investment	
H11 - The ratio of investment in securities by each institution	no more than 15%
H12 - The ratio of total investment	no more than 60%

The National Bank of Ukraine developed the following components of the general mechanism of ensuring financial stability, which was approved by them in the following regulatory acts:

- Resolution №. 368 of 28.08.2001 "On Approval of the Instruction on the Procedure for Regulation of Banks in Ukraine" (with amendments and supplements);

- Guidelines for the inspection of banks "Risk Assessment System", approved by NBU Board Resolution №. 104 of 15.03.2004 (with amendments and supplements);

- Decision of the Board of the NBU No. 393-rsh of 01.11.2016 "On Approval of Inspection Procedures" (with amendments and supplements);

- Resolution №615 of 17.09.2015 "On Approval of the Regulation on the Application by the National Bank of Ukraine of Standard Instruments for the Regulation of the Banking System Liquidity" (with amendments and supplements).

In addition, the NBU compiles the International Monetary Fund's recommendations on financial sustainability indicators and the Basic Principles of Effective Banking Supervision. In its practice of providing and assessing the financial stability of banks.

Economic norms of banks' activity are indicators set by the National Bank of Ukraine for the purpose of regulating banking activities on the basis of off-site supervision for the timely fulfillment of their obligations to depositors, as well as to prevent the wrong allocation of resources and loss of capital due to the risks inherent in banking activities.

The economic norms of the NBU have a clear framework that each bank must adhere to. In addition, normative acts of the NBU are prescribed the procedure for their calculation (NBU did not develop it for other methods).

The statistics of implementation of these ratios by the banks are presented in Table 3 [14].

The capital ratios (H1, H2, H3, H3-1) are set to ensure the adequacy of its capital the banking system for a certain period of time to cover the potential risks and ensure a stable and permanent job banks. Today the ratio of regulatory capital is set at 500 mln. USD. Regulatory capital adequacy (H2). The level of this indicator as of 01.01.2017 stands at 12,85%. This figure shows the bank's ability to timely and fully repay, its liabilities arising from trade, credit and other monetary operations. Reducing this standard

indicates creditors and depositors assume a larger share of risks. Standard H3 and H3-1 are not calculated for last 2 years.

Table 3

The statistics of implementation of economic standards by the banks of Ukraine for the period of 2014 - beginning of 2017

The ratios		The average norm of the year			
		2014	2015	2016	1.03.2017
The capital ratios	The ratio of the minimum regulatory capital (H1)	204975,9	188948,9	129816,9	102600,8
	The ratio of capital adequacy (H2)	18,26	15,60	12,31	12,85
	The ratio of regulatory capital to total assets (H3)	13,98	-	-	-
	The ratio of correlation of the regulatory capital to liabilities (H3-1)	17,41	-	-	-
The liquidity ratios	The ratio of instant liquidity (H4)	56,99	57,13	78,73	60,37
	The ratio of current liquidity (H5)	80,86	79,91	79,98	105,31
	The short-term liquidity (H6)	89,11	86,14	92,87	91,42
The credit risk ratios	The maximum credit risk per counterparty (H7)	22,33	22,01	22,78	22,02
	The ratio of large credit risks (H8)	172,05	250,04	364,14	264,58
	The maximum amount of loans, guarantees and warranties to one insider (H9)	0,36%	0,13%	-	-
		-	-	31,19%	29,64%
The maximum total amount of loans and guarantees granted to insiders (H10)	1,63%	1,82%	-	-	
The ratios of investment	The ratio of investment in securities by each institution (H11)	0,04	0,01	0,002	0,0002
	The ratio of total investment (H12)	3,15	2,97	1,10	0,42

The liquidity ratios are economic standards set by the National Bank of Ukraine to monitor the state of liquidity banks: instant liquidity (H4), current liquidity (H5) and short-term liquidity (H6).

The instant liquidity ratio (H4) is set to monitor the bank's ability to provide timely fulfillment of its monetary liabilities by liquid assets. Over the past 5 years this figure has grown considerably. It amounted to 58,48% in 2012 and it stands at 78,73% at 01.01.2016, but in early 2017 the figure decreased to 60,37%. So the banking system of Ukraine for the last year the share world's most liquid assets, but it meets the normative value established by the NBU.

The current liquidity ratio (H5) is set to determine the balance of the timing and amounts of liquid assets and liabilities. There is a growing trend. Ratio was 105,31% in early 2017.

Short-term liquidity (H6) established to oversee the bank's ability to fulfill them acceptable short-term liabilities by liquid assets. The ratio was at 94,73% in 2012. As of 01.01.2017 the value has decreased and is 91,42%.

There are external and internal methods to minimize the credit risks. These credit risk regulations of the NBU (H7, H8, H9, H10) are attributed to external methods. Changes in the maximum credit risk per counterparty are observed. This value does not exceed normative in 25% during all the analyzed years. If the value was 22,22% in 2010, it decreased to 22,02% in 2017. The lowest rate was recorded in 2011 – 21,85%.

The ratio of large credit risks demonstrates a tendency to increase until 2016. If in 2010 the value was equal to 158,28%, then by 2014 it had risen to 192,51%, which is 34,23% more than in 2010. But the most critical is the change in the period 2015-2016 year. At the beginning of 2015 the figure was – 250,04% and the beginning of 2016 – 364,14%.

At the same time the beginning of 2017 shows a sharp decrease rate to the level of 264,58%. Thus all the large value of the credit risk regulatory capital not exceeding 8 times the size.

Substantial changes are related to the Maximum loan and guarantees granted to one insider (H9). By 2015 there is a tendency to reduce this figure. At the beginning of the analyzed period in 2010 it was 0,86% in 2015 has dropped to the level of 0,13%. Then the ratio changed in accordance with the Resolution of the National Bank of Ukraine of 08.06.2015, at the maximum credit risk on transactions with related parties of the bank

(up 25%). As of 07.01.2015, the ratio was 17,4%, and a slight period increased to the level of 31,19% as of 01.01.2016 year. At the beginning of 2017 there is a slight decrease in rate regulation to the level of 29,64% and it is small, but a violation of the standard value set by the National Bank of Ukraine.

There is not at this stage developed banking system calculation Maximum total amount of loans and guarantees granted to insiders (H10). Recent data presented 06.01.2015 year. The value of the norm is 1,82%. The rate ranged within the prescribed limits during the period.

In order to limit the investment risk associated with investment activities and possible loss of investor capital, the National Bank has established standards of investment: investment ratio in securities for each institution (H11), the standard total investment (H12). The ratio of investment in securities by each institution (H11) is set to limit the risks associated with the operations of the bank investing in authorized funds of institutions that could result in loss of capital.

The ratio of total investment (H12) is set to limit the risks associated with investment operations (direct or indirect) of the bank to the statutory funds of any legal entities, which can lead to loss of capital. This standard describes the use of a bank's capital to purchase shares (parts) of any legal entity. The decrease of investment standards is observed during the period. However, they do not violate the rules, but their decline suggests reducing banks investing in authorized funds of institutions. Sharp is the decrease in investments in securities by each institution - in 2012 the rate was 0,06% and in 2016 – 0,002%. So 30 times the banks reduced investments in securities.

The main problem of the banking sector in Ukraine is systemic crisis caused by the influence of external factors and internal factors. Over the past two years of development it has passed an unprecedented cleaning and disposed of a significant number of problems related, first of all, the failure of key (for sector development) regulations, changes in the values of which were reviewed NBU at the request of the IMF.

Safeguarding and maintaining financial stability requires coordination between the National Bank of Ukraine (NBU), banks and other financial institutions, and government authorities. The NBU is proposing recommendations for government authorities and banks and outlining its plans and objectives for the near term.

Despite the observance of the banking sector prudential regulations, the financial performance of the banking sector are still in critical condition. Therefore, in our view,

require further study issues related to the definition of the factors that determine, for example, banks group performance norms of credit risk, on the one hand, and a significant increase in bad debts in the loan portfolio of the banking sector. What exactly is the direction of future research.

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2.3. Methodological modes in evaluating the financial stability of local budgets under the conditions of budget decentralization

One of the main functions of the state is to provide the stable incomes of all budgets levels. However, in Ukraine exists the problem to form the revenue base of local budgets incomes and lack of financial resources for municipal authority as well as instability of their revenue sources.

The concept 'stability' in the Theory of Finances and Practical Financial Activities is often associated with equilibrium, fixity and balance.

The category of stability is used to characterize complex dynamic systems ready to the influence of a great number of factors (factors with random characteristics). The object stability means its power to oppose efforts that are trying to disturb its static or dynamic equilibrium [1].

In general, the budget stability characterizes the power of municipal authorities to mobilize financial resources for the purpose to succeed the social-economic development of an appropriate administrative-territorial formation and to satisfy the needs of a local community [2].

Financial stability of a local budget is the comprehensive notion that reflects the particular conditions of total money funds when the municipal authority develops steadily providing its financial security under the conditions of an extra level for risks. The conditions for financial stability of local budgets are as following: the equilibrium of incomes and charges for the development, as well as the budget independence and capacity to pay. The aforementioned facts are characterized by the power of the municipal authority to mobilize financial resources into the budget without financial loan as well as to fully fulfil its authority [3, P. 87].

Foreign and native researchers investigate the problem of analysis and evaluation of budget security. Thus, modern Russian researchers emphasize that in the analysis system of a regional financial condition one can define the coefficient approach to calculate the financial condition of a territory and the system of SWOT-analysis to evaluate the level of regional development and its stability. Accordingly, the financial stability characterizes the equilibrium of planned incomes and necessary expenses (the financing of budget programs) and their variation because of the influence of external and internal factors. When analyzing the regional financial stability only the stability of a

local budget is evaluated as the main source of forming the regional financial resources, excluding the alternative revenues. Such an ideology is also the background for the methodology of evaluation proposed by the group of Russian researchers under a famous Prof. G. Poliak [4]. The mentioned approach is one of the first ones and consists of two stages (Fig. 1)

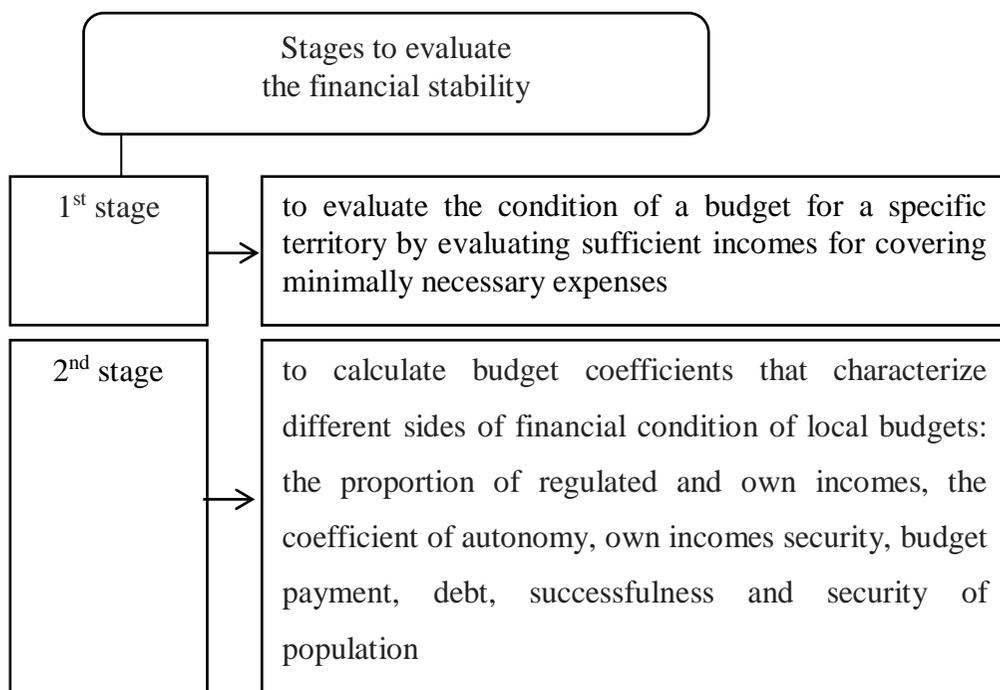


Fig. 1 Stages to evaluate the financial stability

Source: [4]

Ukrainian researchers O. B. Snisarenko, A. O. Havrylenko, O. V. Hrebenikova attempted to adapt the method of G. B. Poliak for evaluating the level of budget financial stability to the Ukrainian budget system as a consequence of differences in budget legislation and impossibility to use this method in original [5, P. 18-27].

It is obligatory to mention Ukrainian researchers O. Kyrylenko [6], I. Lunina [7] who support the evaluation characterizing only budget indices of incomes or expenses part of budget.

I. M. Kaminska and L. V. Lysiak emphasize that the financial stability of a region or local budget is connected with the structure of the sources of financing the regional development and the level of dependence on external sources of financing [8, 9]. I. M. Kaminska distinguishes indices as the indicators of financial stability of local budget. The aforementioned indices characterize not only the part of own and tax incomes or transfers in the structure of local budget incomes, but also indices characterizing interbudget

relations, particularly the part of levelling subsidy using transfers, the relations between the transfer from regional to state budget and the transfer from state to regional budget.

Thus, the budget management in the part of the security of budget stability has its peculiarities characterized by the time horizon when a budget is expected to keep in the condition of a planned level of main controlled parameters. Therefore, the budget stability in the present period is determined by overcoming cash gaps, providing budget equilibrium during the budget year. The stability in the mid-term period is determined by creditworthiness of government authorities, possibilities to invest in the development of administrative-territorial formation. The strategy planning of social-economic development of the territory is needed for the stability evaluation in the long-term period. The trends to reduce actions of negative factors that influence the budget condition are important to predict in the aforementioned strategy.

Thus, it is possible to distinguish a present and long-term budgets stability. A present local budget stability is based on the proportional analysis of system parameters, on the evaluation of the present economic situation. It means the capacity to adapt to the changes of external environment with local characteristics. The retention of present budget stability can be the purpose for resources management in a short-term period.

The long-term stability means the dynamic equilibrium of a system in the process of its development. L. A. Kostyrko and N. Yu. Velenteichyk proposed the approach to the complex analysis of the financial stability (Fig 2).

The scheme made by authors [10] shows the comprehensive analysis of the financial stability of local budget with the division into parts. It is necessary to improve the proposed system of indices for the analysis of financial stability of local budget, particularly providing the exclusion of the index of a part of the levelling subsidy from the part of the analysis of the local budgets financial independence. Owing to this fact, it does not exist according to present legislation. The coefficient in a formalized form was also presented and it has helped to analyze everything more thoroughly.

The aforementioned analysis provides the calculation of an integral index that includes the overall influence of integral evaluations by the determined parts of analysis:

- equilibrium,
- financial independence,
- budget effectiveness.

Every part of the analysis consists of the indices system oriented on the investigation and analysis of the most important constituents of the financial stability of local budget.

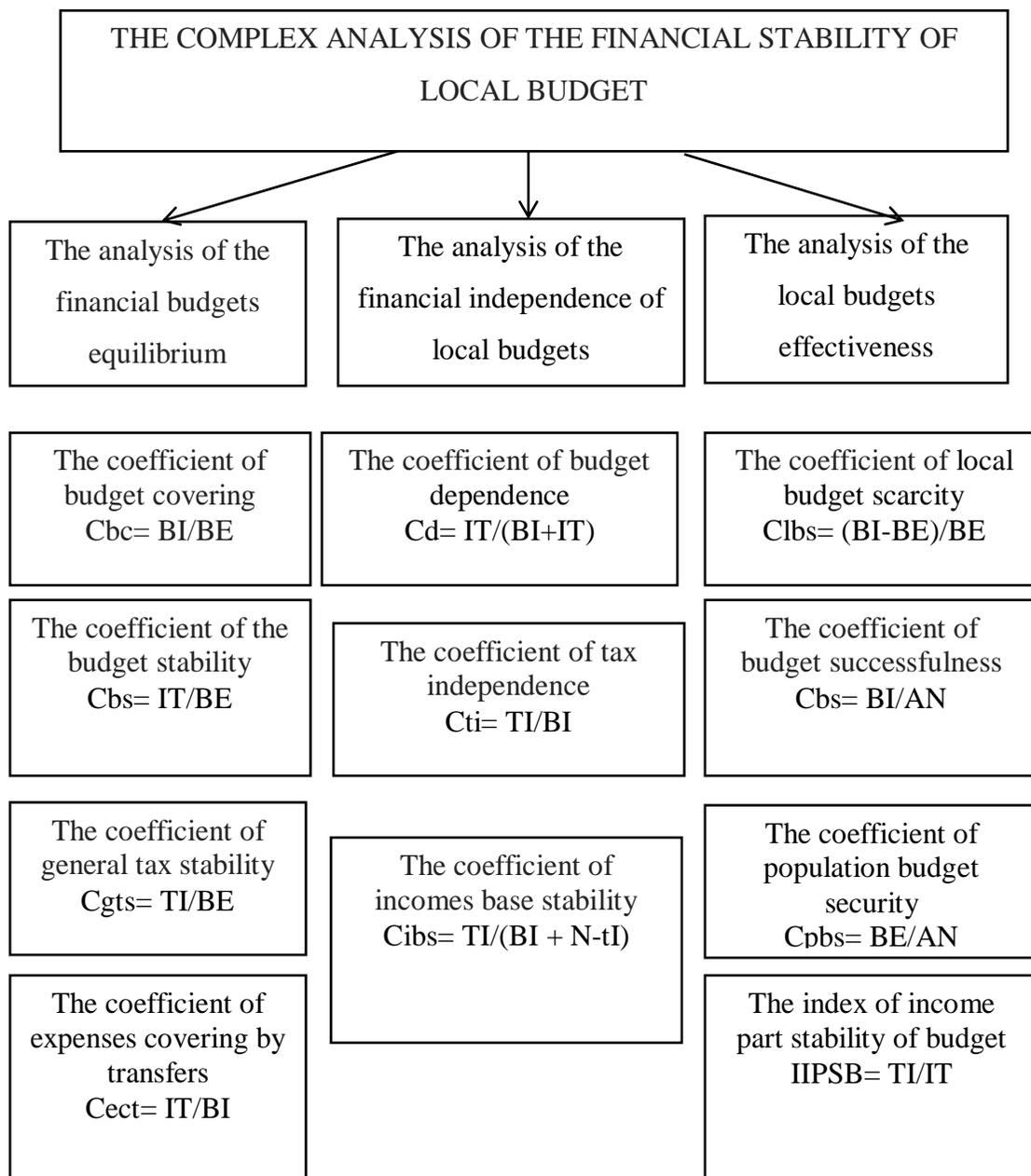


Fig 2. Trends and the system of indices for comprehensive analysis of the financial stability of local budget

Source: improved by authors using [10]

Notes: *BI* – budget incomes; *BE* – budget expenses; *IT* – interbudget transfers from state budget; *TI* – tax incomes; *N-tI* – Non-tax incomes; *AN* – an average number of population per a year

The analysis of local budget equilibrium characterizes the degree of expenses covering by different incomes resources: tax, non-tax incomes, interbudget transfers, and an average amount of incomes.

The analysis of financial independence allows to evaluate the level of budget system decentralization and the achievement of one of the aims for the regulation of interbudget relations – the enhancement of financial independence of local budgets. Thus, it is obligatory to compare the level of financial independence of local budgets before and after levelling, as well as the research of its changes in dynamics.

The analysis of independence is considered to be the strategic guideline for the formation of financial policy of central authorities. Such parts of analysis as the analysis of the financial equilibrium and budget effectiveness are proclaimed as the reason to use the system of stimuli and penalties for municipal authorities.

The level of present budget stability can be evaluated by the planed execution of present payments to a budget, as well as the size of credit debt. The most crucial indices of financial independence and stability are as following: the structure of incomes (the part of own, regulated, tax, not-tax incomes), the provision of the necessary budget expenses by revenues from own sources.

Consequently, the long-term budget stability should be characterized by positive dynamics of real and predicted characteristics of its main parameters.

Based on the analysis of scientific researches scientists have determined the most optimal model to evaluate the local budget capacity to provide social-economic development of the territories [11]. The content of the mentioned model occupies several stages.

The first stage refers to the formation of the system of indices groups as trends in investigating the financial capacity of local budgets: financial sufficiency, active capacity and stability.

The second stage is characterized by the indices standardization with the purpose to evaluate the influence of stimulators and nonstimulators on social-economic development of regions.

The third stage is crucial to calculate preferential evaluation of local budgets by trends in financial sufficiency, active capacity and stability in every group.

The fourth stage is obligatory to determine the financial sufficiency, active capacity and stability of local budget.

The fifth stage begins when determining the integral index of financial capacity of local budget.

The regions grouping by the degree of financial capacity of local budgets is made on the sixth stage, while graphic interpretation of financial capacity of local budgets can be evaluated on the seventh stage.

The evaluation of the financial stability of local budget needs the use of the set of indices that will characterize thoroughly the financial stability on different levels. Thus, it provides the examination of dynamic information area of statistic data related to quantitate and qualitative evaluation of the financial resources structure.

Budget, tax and municipal authorities reforms initiated in Ukraine in 2014, as well as the transformations in economics of regions under the influence of Euro and international processes determined changes of theoretical and methodological bases for the formation, analysis and management by regional budget resources. The aforementioned factors provoked the necessity to provide the objective evaluation of the independence degree, equilibrium, self-sufficiency, as well as the stability of regional budget systems. On the base of such an evaluation, it is easy to conclude about the budget policy validity of municipal authorities [12].

It is obvious that the level of financial stability of local budgets is connected with their financial independence; it also depends on the funds of the higher level of authorities. This problem is connected with the evaluation of the financial potential of municipal authorities as well as the formation of mechanism for the financial support. Nowadays municipal authorities do not have sufficient financial stability as a result of the intensification of the local budgets dependence on the state one.

Taking into consideration the determined content characteristics, the stability of local budgets means their capacity to resist destabilized factors of social-economic development based on providing sufficient amount of financial resources, their optimal division and the effective usage keeping such a structure of financing resources that will provide the stable development of a town in short- and long-term prospects. The stability of local budgets can also be determined as the capacity of a budget to do social-economic tasks and simultaneously create conditions for the development; to stimulate the recovery of the economic activities, to promote the enhancement of social goods, the infrastructure improvement based on the possibilities of budget management by incomes and expenses by principles of sufficiency, effectiveness, as well as financial independence [1].

Thus, the stability of the town budget can be examined in two aspects. Firstly, as a result of sufficient, effective and steady financial security of the town development. Secondly, as a reason to provide the social-economic development.

The main tasks of strategic guidelines of providing financial stability of local budgets are as following:

- determining and improving their budget potential for ensuring all needs of the territory, the steady social-economic development using own and consolidated sources;
- the sufficiency of incomes part of local budgets and its correspondence to expenses correspondence;
- the most effective and successful use of the budget potential of local budgets.

After the classification of scientific researches on this problem, as well as taking into consideration the appropriateness and necessity to enhance the level of the financial capacity of regions the problems to develop the new and to improve the existing methodological set of instruments for evaluating the budget security of regions are of quite importance. The mentioned set of instruments would fully characterize budget capacities of a region as the determinant idea for the level of the territory development, the base for the realization of social-economic programs and projects, as well as it would meet demands of municipal authorities.

The budget decentralization made possible to enlarge the power of municipal authorities and it influenced the incomes base of local budgets, provided not only the independence in the financial area but also created conditions for further development of administrative-territorial units in the light of providing stimuli for the increase of social-economic indicators and supporting the welfare of local communities.

The important aspect of finding the effective ways to enhance the stability of local budgets is the quantitative evaluation of the amount of financial security of social-economic development. It is crucial to mention that modern economic researches emphasize on the set of methodological approaches where researchers propose different systems of indices, trends, criteria that are necessary when choosing indicators of the territorial development.

Based on the generalization of the existing methodological approaches it is reasonable to use the following evaluation of the social-economic development of territories: - the formation of the set of indices of social-economic development of the territorial system, their motivation should be implemented according to the purpose of the

investigation; - the choice of the method of substantial statistic data processing and classifying them into groups according to the trends of development; - the calculation of integral evaluation of the territorial development; - the summarizing of the gotten results [13].

Table 1

The international experience to evaluate the financial condition of local budgets

Country	Indices to evaluate the budget expenses and incomes	Financial coefficients to evaluate the financial condition of local budgets
Australia (federal states)	<ol style="list-style-type: none"> 1. Aggregate expenses/incomes in comparison to the planned ones in budget. 2. The constituents of expenses/incomes in comparison to the planned ones in budget. 3. More improved evaluation of the State expenses and financial accountability. 	<ul style="list-style-type: none"> - the coefficients of liquidity - the coefficients of debts - the coefficients of covering - the coefficients of effectiveness - the coefficients of financial condition
United Kingdom	<ol style="list-style-type: none"> 1. Aggregate expenses/incomes in comparison to the planned ones in a budget. 2. The constituents of expenses/incomes in comparison to the planned ones in a budget 3. More improved evaluation of the State expenses and financial accountability. 	<ul style="list-style-type: none"> - the coefficients of liquidity - the coefficients of debts - the coefficients of covering - the coefficients of financial condition
USA	<ol style="list-style-type: none"> 1. Aggregate expenses/incomes in comparison to the planned ones in a budget. 2. The constituents of expenses/incomes in comparison to the planned ones in a budget. 3. More improved evaluation of the State expenses and financial accountability. 	<ul style="list-style-type: none"> - the coefficients of liquidity - the coefficients of debts - the coefficients of covering - the coefficients of effectiveness - the coefficients of financial condition - the coefficients of vital capacity of economics - the coefficients of financial independence and flexibility - the coefficients of the productiveness of local government
France	<ol style="list-style-type: none"> 1. Aggregate expenses/incomes in comparison to the planned ones in a budget. 2. The constituents of expenses/incomes in comparison to the planned ones in a budget. 3. More improved evaluation of PEFA. 	<ul style="list-style-type: none"> -- the coefficients of liquidity - the coefficients of debts - the coefficients of financial condition

Source: [10]

The international experience also proves the necessity to analyze the financial condition of local budgets (Table 1). The results of such an experience are used for the purpose of the needs of the Parliament, society, Government (President, authorities that are responsible for budget or planning) or the program management for recommending the way to enhance the effectiveness of municipal authorities activities [14, P. 200].

Having examined the Table 1, it is easy to conclude about the diversity of methodological approaches expected to use different methods: the coefficient, matrix, grade and regressive evaluation studied in scientific researches. The existing methodologies are basically oriented on one-sided evaluation of financial stability by different indices.

To conclude the aforementioned facts, it is crucial to mention that in the process of the government decentralization the problem to determine the financial condition of local budgets with the help of the objective evaluation of their budget potential is of vital importance. Consequently, different subjects of market relations are interested in the objective determination of budget stability. Moreover, the real evaluation of budget capacities of local self-government allows to determine objectively the real needs in the financial help, to choose properly the financial strategy of social-economic development, to enhance the financial independence when using its budget potential.

The effectiveness of the Ukrainian financial system can be reached on condition of providing the financial capacity and financial independence of a territory, as well as the government decentralization, as well as the adequate division of power, responsibilities between the center and regions.

Having examined the methodological approaches and international experience of evaluating the financial stability of local budgets, we determine the following main points: generally, the budget stability characterizes the capacity of municipal authorities to mobilize the financial resources for performing tasks of social-economic development of the appropriate administrative-territorial foundation and satisfying the needs of a local community. It proves the approach to the evaluation of the financial stability that takes into the consideration the aggregate influence of integral evaluation by the determined parts of analysis: equilibrium, financial independence, budget effectiveness.

During the government decentralization, the problem to clarify the financial condition of local budgets with the help of the objective evaluation of their financial stability is of vital importance. The real evaluation of the budget capacities of local self-government allows to determine objectively the needs in financial help and to choose properly the financial strategy of social-economic development.

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2.4. Small business activity in the context of local budget revenues

Small business - a completely independent and the most typical form of organization of economic life of society with its particularities, advantages, disadvantages and laws of development. Small businesses makes a significant impact on socio-economic development in countries with developed economies. Thus, small businesses represents 97% of all business entities in countries-members of the Organization for Economic Cooperation and Development, small business creates 50-60% of GDP and provides job for 70% of the employed population [3, p. 1535]. Due to the considerable number, even with relatively small scale of production (services accomplishment), small business provides a high level of competition and introduces the main attribute of a market economy development.

Coupled with the performing of socio-economic functions, in consequence of small business activities as a business entity, it pays national and local taxes and fees, which ensures that it performing another function - budget-making. In the context of this research, the aspect of local budget revenues formation based on the activities of small business will be considered.

The exploration of the definition and characteristics of entrepreneurship as an element of the system of financial and economic relations, as well as social phenomena, keeps timeliness until today.

Small business is a global phenomenon that should be considered at the national level, but its role in the economic activity of the country is more clearly shown at the regional level:

- providing a supply of both general use and exclusive goods and services, which are unprofitable for serial production for large enterprises, which increases the level of competition and promotes the most effective formation of market prices;

- taking into account the specifics of the development of regions where enterprises are created. It ensures the ability to satisfy the public needs of the population of specific administrative and territorial units;

- providing jobs for the population, making opportunities for the creative development of business owners and employees.

Despite of a significant number of individual enterprises and small sales volume of small businesses, compared with large corporations, the small business is the driving

force of economic development due to the number of economic units and the quality of their activity.

Among the advantages of small business, it is possible to mark the following:

- Ukraine's integration to the EU involves business adapting to European standards, which is a rather complicated process for large factories, but due to small business mobility and rapid adaptation to market conditions, it can become a powerful engine for accelerating the process of Ukraine adaptation to the requirements of the European market;

- simple mechanism of entering the market, the ability to produce products (to provide services) with the presence of insignificant production capacity, the opportunity of conducting simplified accounting;

- a small number of employees, which simplifies the processes of making managerial decisions and communicative connections, and, therefore, increasing the operating efficiency.

The obstacles to small business economic activity are its weak points:

- imperfect mechanism of small businesses *вигзціккк* with start-up capital to start their own business;

- insignificant production capacities determine a small volume production of serial products that limits the ability to satisfy market needs and creates conditions for unfair competition from large enterprises;

- low level of legal, financial and economic literacy, absence of competent specialists in the staff who are capable of protecting the interests of the enterprise from the executive authorities.

Making the development assessment of small business in Ukraine, it is also appropriate to carry out an analysis of the distribution of the number of its subjects and the portion of its sales volume in the context of regions (Figures 1-2). It has been shown that the largest number of small enterprises is concentrated in the Dnipropetrovsk region (without taking into account the indicators of Kyiv).

There is Kharkiv region in the second position according to the number of small business entities and its portion in the volume of GDP, Odessa region is on the third position among the top three in 2016. In connection with the influence of geopolitical factors, the recent “industrial engine” of the country - Donetsk region, has considerably decreased its position in the statistical rankings. It means that the geography of the

concentration of small enterprises tends to the East of the country – to industrial regions.

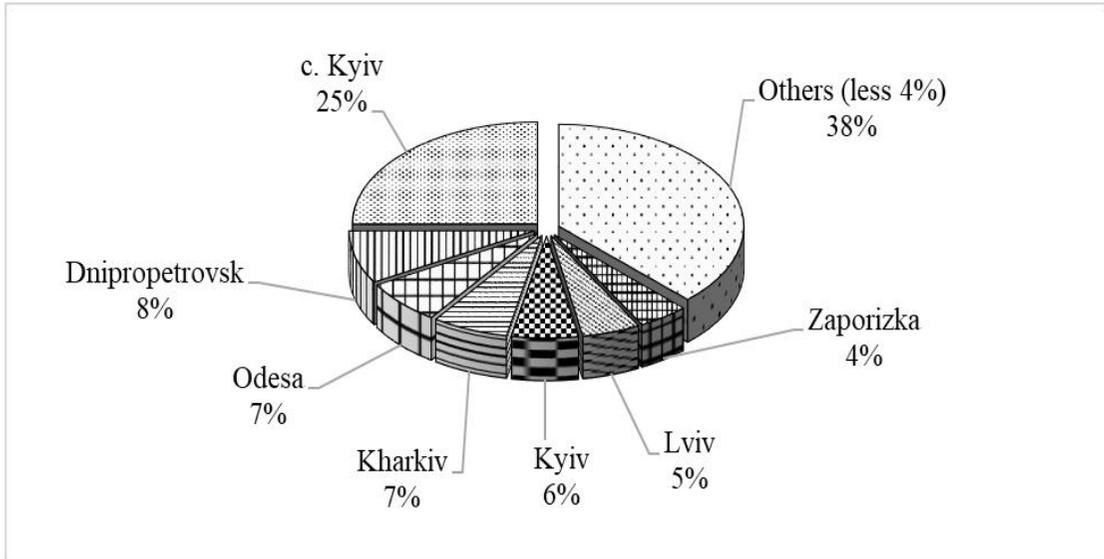


Fig. 1. The structure of the number of small business entities by regions of Ukraine in 2016

Source: developed by the authors based on [10]

In 2016 the smallest number of small business entities - legal entities have been acting in Chernivtsi region – 3 345 (1.1%), which provided only 0.7% of the sales volume of small business in Ukraine.

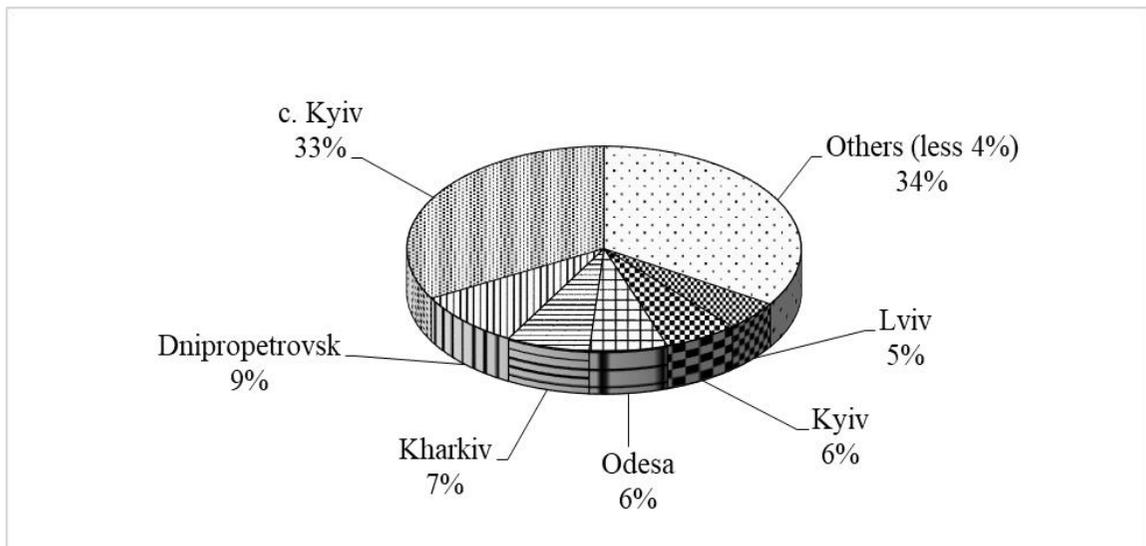


Fig. 2. The structure of sales volume of small business by regions of Ukraine in 2016

Source: developed by the authors based on [10]

For a more detailed analysis of the small business development at the regional level,

we will consider these trends on the example of Dnipropetrovsk region, because it has the highest indicators of the small business progress, and the structure of its production repeats the proportions of the distribution of GDP of Ukraine.

Let's consider how far the number of small business entities is represented in each type of economic activity in Ukraine in general and in Dnipropetrovsk region in particular (Figure 3).

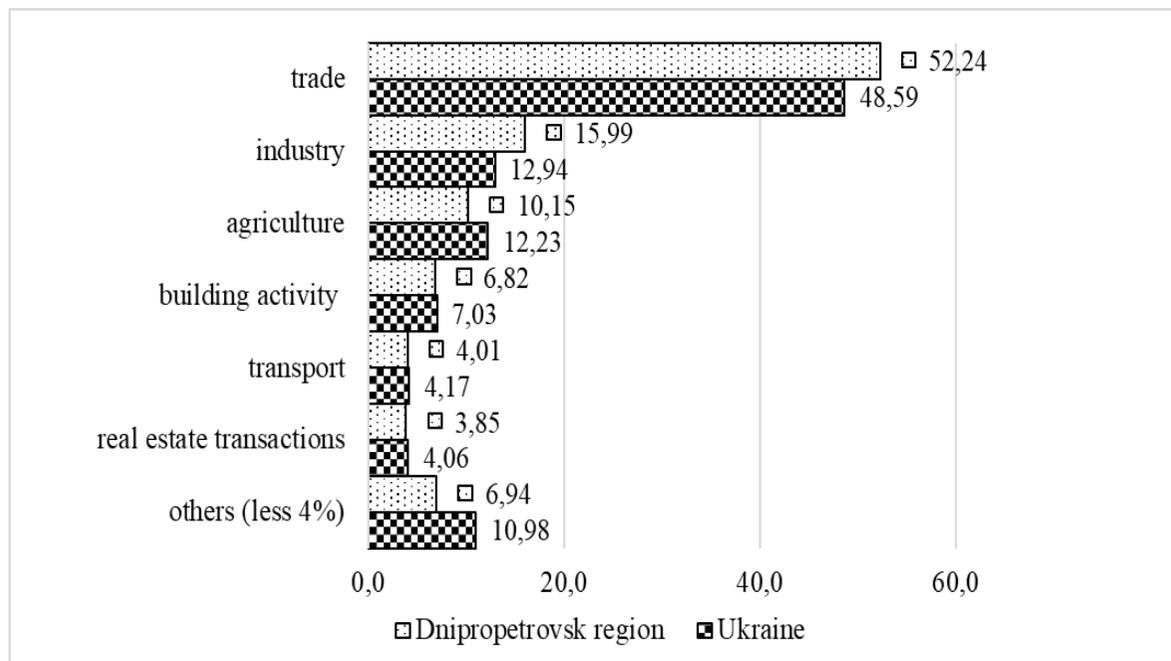


Fig. 3. The structure of sales volume of small business by types of economic activity in Ukraine and in Dnipropetrovsk region in 2016

Source: developed by the authors based on [10; 11]

The analysis of the structure of sales volume of small business by types of economic activity makes it possible to find that the Dnipropetrovsk region repeats the trends that are typical for the industrial distribution of small businesses in Ukraine. Thus, in Ukraine 48.6% of sales volume of small business is made in the wholesale and retail trade, which is less than the indicator of Dnipropetrovsk region (52.2%). 12.2% of sales volume of small business in Ukraine entities were made in agriculture, forestry and fisheries of Ukraine, which exceeds the sales volume of the region - 10.1%. This is not extraordinary, since Dnipropetrovsk region has always had industrial status. The portion of small business in building activity is 7.0% in Ukraine in general and 6.8% in Dnipropetrovsk region.

Regarding to the role of small business in formation of local budget revenues, the

following should be noted.

As well as other business entities, small business entities are payers of national and local taxes and fees. Among them a special role belongs to the taxes on the financial result - the income tax and the single tax, as they characterize the development of small business and the direct impact of its operating efficiency on the local budgets income (Figure 4).

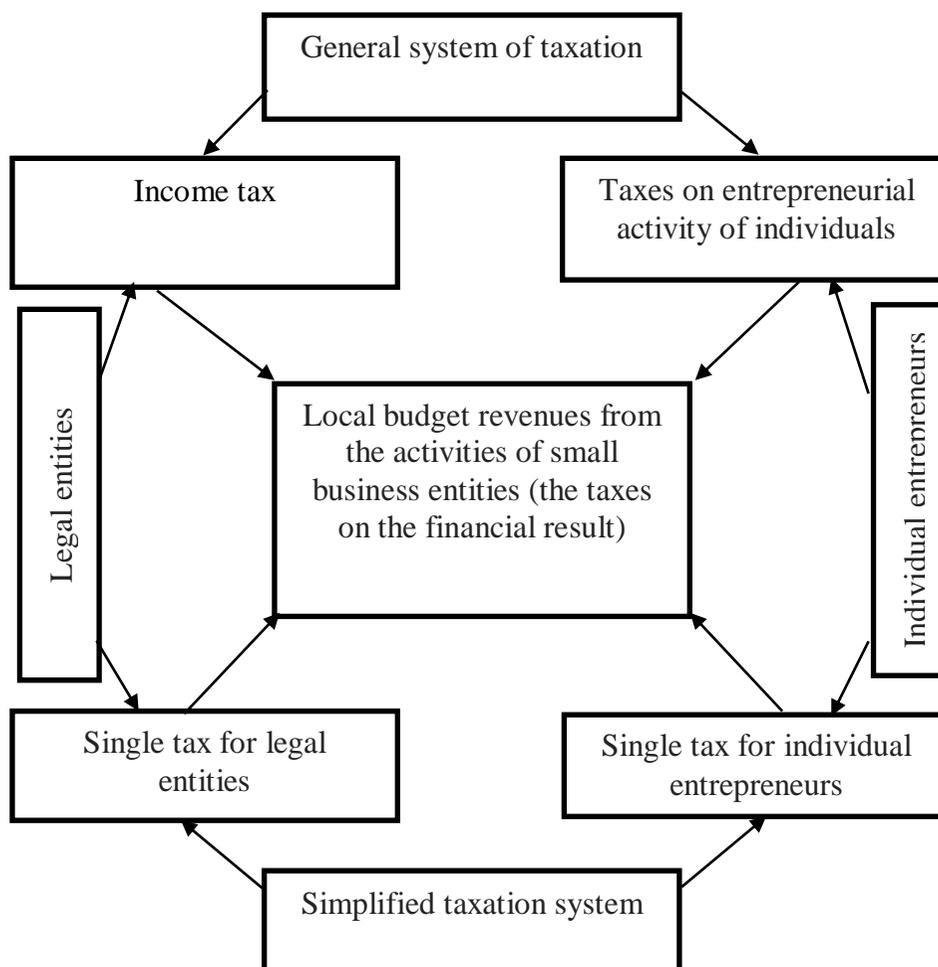


Fig. 4. Local budget revenues from the activities of small business entities at the cost of taxes on the financial result

Source: developed by the authors based on [2; 5]

Thus, small business entities (legal entities and individuals) can make an influence on the local budgets income. Today they use two systems of taxation - general and simplified, according to which taxes on the financial result of activity are paid to local budgets.

Narrowing the circle of the research, it should be determined that the most striking

effect of small business on local budget revenues formation makes a single tax, since it can be paid only by small business entities.

The development of small business and its single tax payments has a great fiscal importance, especially taking into account the fact that before the adoption of the Laws of Ukraine "On Introduction of Amendments to the Budget Code of Ukraine on the Reform of Intergovernmental Fiscal Relations" [6] and "On Introduction of Amendments to the Tax Code of Ukraine and Some Legislative Acts of Ukraine on Tax Reform" [7], it was fully departed to the budget of development, and after adoption - to the general fund of local government budgets [1].

Another tax that needs attention as an element of the impact of small businesses on the formation of local budget revenues is the profit tax. In the context of the chosen topic, the interest to this type of revenues appears in connection with the changes to the Budget Code of Ukraine, which provide the inclusion of 10 percent of the tax to the general fund of the budget of Kyiv and regional budgets.

Individual entrepreneurs who carry out economic activities and use the general system of taxation also make an impact on the formation of local budget revenues by the taxpaying the personal income tax.

There is no separate finance reporting on taxes and fees revenues received from small businesses.

To the basis of our research is was put the taxes, which can be paid almost only by small business entities.

Consequently, the profitability of local budget revenues from the small businesses taxation is shown by single tax the most brightly, since it can be paid by small business entities only.

Since 2011, the specified tax is included to local taxes and fees, therefore, it is completely kept at the local level. Therefore, it is necessary to consider what effect was made by the inclusion of a single tax to local budget revenues (Fig. 5).

So, after the adoption of the Tax Code and the introduction of changes into the list of local taxes and fees, their portion increased in the revenues of local budgets.

Due to the reform of the simplified taxation system in 2011, the portion of the single tax in local budget revenues increased from 2.3% in 2011 to 10.1% in 2016, and due to its inclusion to local taxes and fees, the portion of the local taxes and fees in own revenues of local budgets of Ukraine increased from 2.9% in 2011 to 24.8% in 2016.

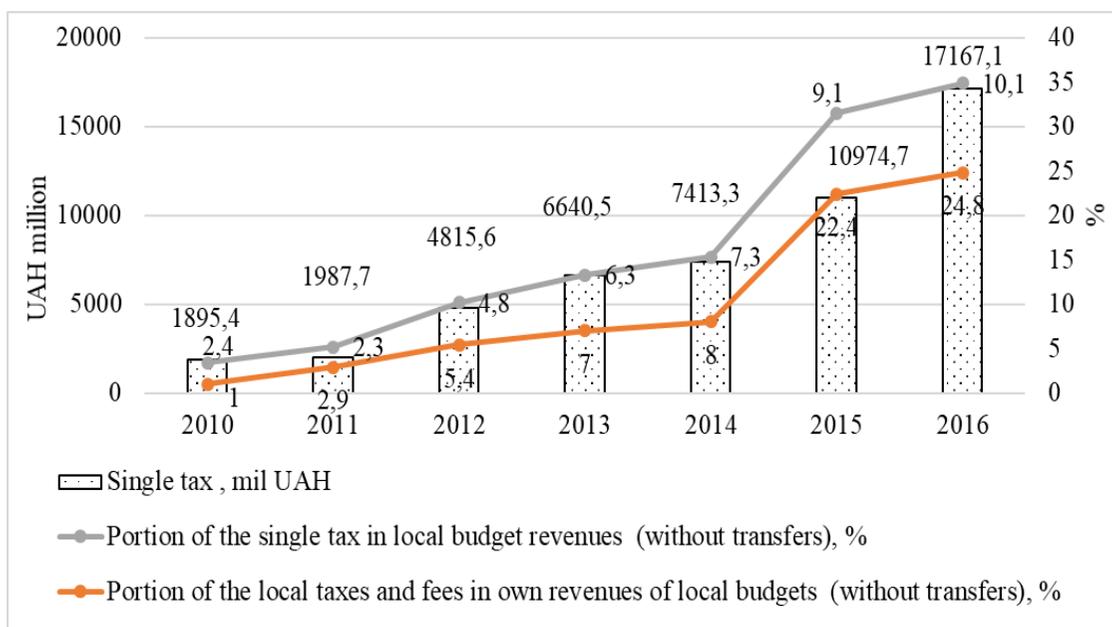


Fig. 5. The dynamics of single tax revenues to the local budgets of Ukraine in 2010-2016

Source: developed by the authors based on [2]

The analysis of the dynamics and structure of single tax revenues received from the legal entities and individual entrepreneurs is presented in Figure 6.

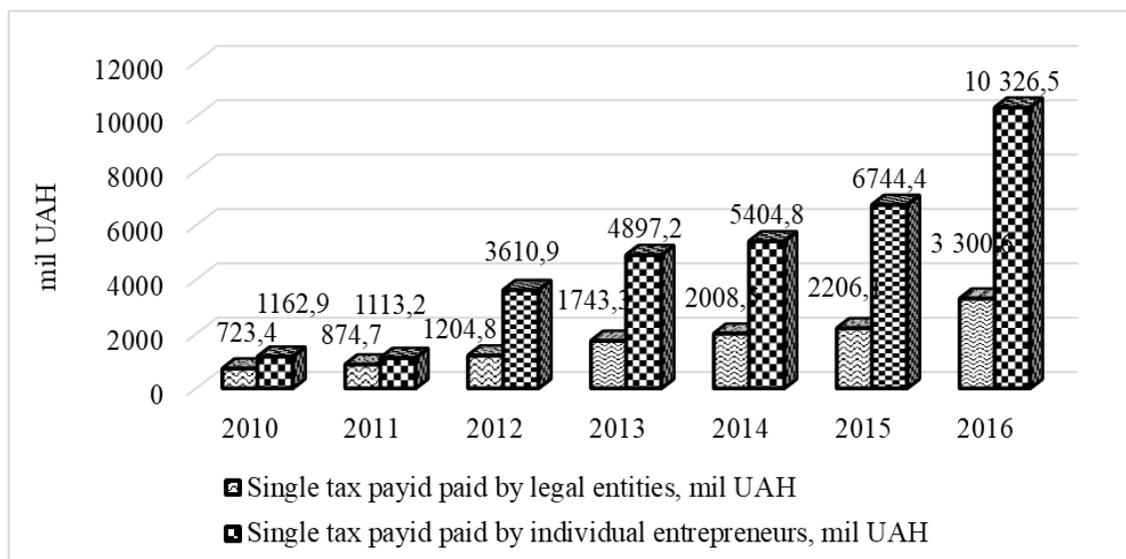


Fig. 6. The dynamics of single tax revenues, received from the legal entities and individual entrepreneurs, to the local budgets of Ukraine in 2010-2016

Source: developed by the authors based on [2]

During the period under review, the income of a single tax from individuals has been exceeded the amount of tax revenues, received from legal entities, which is due to a

large number of the first category of taxpayers. Before the introduction of the tax reform in 2011, the difference between revenues was not noticeable, and starting from 2012 due to changes in the simplified taxation system, the income of a single tax from individuals exceeds the income from legal entities by 3 times.

By reason of increasing the income threshold as a criterion for staying on a simplified taxation system and, accordingly, an increasing in the number of payers. But despite the fact that the number of individuals - single tax payers far exceeds the number of legal entities, the amount of revenues per one payer, it turns out that individuals are significantly inferior to legal entities. It should be noted that the reduction of the threshold for staying on a simplified system for individuals and legal entities - payers of the III group from UAH 20 million to UAH 5 million since 01.01.2016 (according to the Law of Ukraine, dated December 24, 2015 № 909-VIII [8]), can make a negative impact on the number of payers in the future, and therefore, on the amount of revenues of the single tax.

As already noted, there are two systems of taxation for small business today: common and simplified. It is difficult to not agree with O. Nepohatenko's position that "the preferential tax treatment of small businesses, represented by a single tax, has always been a significant lever of state regulation of entrepreneurs and small business, that use the simplified system of taxation, accounting. In addition, due to the payments of the single tax by small business entities are continue to be a source of local budget revenues, since it stays in budgets at the local level" [4, p. 82].

Another tax that indirectly characterizes the financial results of small business activity is a profit tax, 10% of its revenues is sent to region budgets. As of the beginning of 2016, half of the small enterprises used the general system of taxation. In the context of this, let's consider the potential tax revenues to local budgets of Ukraine, provided by 50% of small business - legal entities – who use the general tax system (Table 1).

Consequently, in the event of including 10% of the income tax to the local budgets of Ukraine, the budgets could receive additional revenues during 2010-2014. Of course, the income calculations for 2015-2016, even taking into account the inflation index, far exceed the potential revenues of the previous years due to advance payments of legal entities.

The calculations are hypothetical because the tax base is not known exactly, but in any case, the inclusion of 10% of the mentioned tax into local budgets revenues will contribute to the process of decentralization reform.

Table 1

Potential revenues of the income tax from small business - legal entities, who use the general taxation system, to the local budgets of Ukraine

Indicators	2010	2011	2012	2013	2014	2015	2016
Financial result before taxation of profit-making enterprises, UAH million	27770,0	36975,6	39794,1	39640,9	49156,1	95471,7	107312,5
Revenues, received from 50% of payers in the general system of taxation, UAH million	13885	18487,8	19897,1	19820,5	24578,1	47735,9	53656,4
Income tax rate, %	25	23	21	19	18	18	18
Income tax, UAH million	3 471,3	4 252,2	4 178,4	3 765,9	4 424,0	8592,5	9658,1
Potential income tax revenues to the region budgets (10%), UAH million	347,1	425,2	417,8	376,6	442,4	859,2	965,8
Inflation index	109,1	104,6	99,8	100,5	124,9	143,3	112,4
Potential income tax revenues to the region budgets in view of inflation index, UAH million	318,2	406,5	418,7	374,7	354,2	599,6	859,3

Source: calculated by the authors based on [2]

The general system of taxation is also used by individual entrepreneurs. In this case they pay the personal income tax, which is counted on the base of difference between the total taxable income and documented expenses related to economic activity. The revenues

from the entrepreneurial activity of individuals to local budgets of Ukraine are presented in Figure 7.

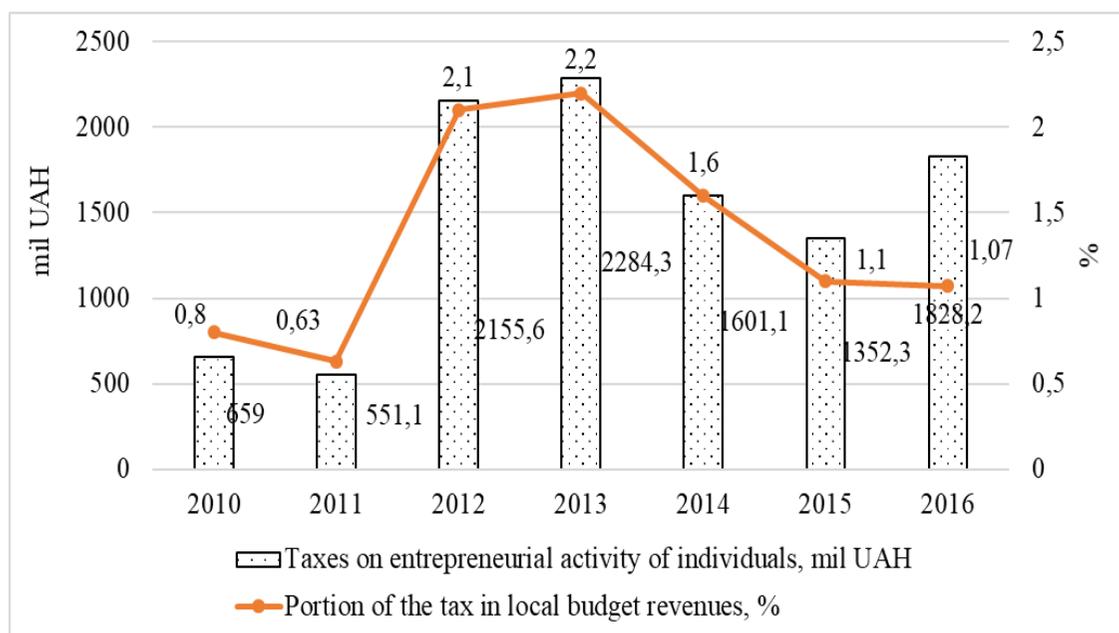


Fig. 7. The revenues of taxes on entrepreneurial activity of individuals to local budgets of Ukraine in 2010-2016

Source: developed by the authors based on [9]

During 2011-2013 the revenues amount of personal income tax paid by individual entrepreneurs on the basis of annual declaration, fixed income tax on entrepreneurial activity (counted up to January 1, 2011) and personal income tax from other types of activities had a tendency to increase as well as the portion of this type of revenues in the structure of own revenues of local budgets of Ukraine. taking into consideration the exacerbation of crisis processes in the country, in 2014 the amount of such revenues reduced in terms of money and by weight. The trend towards a reduction in 2015 is explained by the budget reform - the changes in the distribution of tax between budgets of different levels, which continued in 2016.

Increasing the revenues from taxpayers, who use a simplified system, has definitely more significant motivation for local authorities, than the increasing of income tax revenues, which were forwarded exclusively to the state budget for a long time. Nevertheless, since 2015, local budgets have received additional incentives to increase revenues from income tax [6]. Conclusions. Evaluating the role of small business in the formation of the local budgets revenues, it is found that the small business entities, as well as other business entities, are payers of national and local taxes and fees.

Among other taxes and fees, the special role belongs to taxes on financial result. The receipt of these taxes depends on the development of small business and the effectiveness of its activities. The most striking effect of small business in formation of local budget revenues makes a single tax, since it can be paid only by small business entities.

One of the problems, which inhibit the small business development as a source of local budget revenues, is the insufficient balanced policy of its support, which is necessarily connected with direct or indirect budgetary costs and tax losses.

At the same time, the task of looking for a balance between the necessity to increase the budgets revenues of different levels and epy arrangement of conditions for reducing tax pressure on business entities in order to stimulate entrepreneurial activity becomes more important.

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2.5. Features of process-oriented expenditure management in insurance companies

The financial crisis in Ukraine for 2014-2015 was marked by a sharp drop in the domestic insurance market and a significant manifestation of such phenomena as the risk of placing insurance reserves (in particular, the non-leasing securities) by the majority of insurance companies; insurance payments on account of received insurance payments; the excess of the level of payments over the level of growth of net insurance payments, and, consequently, the deficit of the balance of payments and the performance of activities on the brink of profitability. There was a bankruptcy in many insurance companies, the introduction of temperate administrations as the state regulator of financial services markets in Ukraine. As of March 31, 2017 compared to the similar date of 2016, the number of insurance companies decreased to 45 [1].

At the moment, in connection with the adaptation of national insurance legislation to the international standards of financial reporting Solvency (I, II), the insurance market of Ukraine is characterized by the following features of financial regulation by insurance companies:

- strengthening the legislative control over the presentation of insurance reserves;
- increasing the transparency of insurers' activity and reporting;
- absence of regulated and legally-established norms for conducting business and their control by the state.

At the same time, at the financial management local level, many insurance companies have common problems with the following content:

- a widespread "accounting approach" to managing the finances of an insurance company (budgeting on the basis of the budget of income and expenditure, budget of funds, forecast balance);
- absence of actuarially substantiated insurance tariffs;
- special conditions for cooperation with financial and credit institutions and unreasonably large amounts of commissions;
- growth of standards of expenses for conducting business;
- impairment of insurance reserves at the level of responsibility due to high inflation and rising prices.

An important operational problem of the financial content of all insurers is the significant increase in the cost of doing business, due to rising prices of external counterparties, in particular the increase in the cost of repairs of motor vehicles, rising prices for medicines, rising prices for technical assistance services, etc. In 2016, the volume of gross insurance payments (reimbursements) compared to 2015 increased by 739,0 million UAH. (9.1%), net insurance payments increased by UAH 958,2 million. (12.6%). Growth of gross insurance premiums for 2016 took place in most major system-generating types of insurance, in particular, insurance of loans (increase of gross insurance payments by 799,1 million UAH or 264.1%), motor insurance (increase of gross insurance payments by 681,1 million UAH for 21.4%), cargo and luggage insurance (increase of gross insurance payments by 276,4 million UAH for 237.5%), medical insurance (increase of gross insurance payments by 142,9 million UAH) UAH or 11.9%) [2, p.1].

At the same time, the cost of actions, according to various sources (official information is not available), is from 35% to 60% of the income received and exceeds the level of spending in western and central Europe almost two or three times. It shows that the sum of the level of payments for the costs of those actions on indicative indicators is as the following one: for auto insurance - from 94, 58% to 199, 58%, for mandatory insurance of civil liability of owners of land vehicles - from 86,96% to 11, 96%, for voluntary medical insurance - from 89, 56% to 114, 56% [3, p.20].

In order to ensure the profitability of insurance activities and adherence to established regulatory ratios of liquidity and solvency, it is necessary to search for cost reduction reserves through the use of modern methods of planning financial resources, in particular, the introduction of a process approach to cost management and process-oriented budgeting. In this aspect, the substantiation of theoretical approaches and the development of a mathematical algorithm for calculating the cost of business processes by the method of functional-cost analysis, which takes into account the process approach to cost management and the specifics of insurance activity, are relevant.

At present, the following methods of cost management are used in practice:

1. Method of normative cost accounting (Standard - costing).
2. Cost reduction methods:
 - ABC (Activity Based Costing) - calculation of costs for business processes;

- ABM (Activity Based Management) - process-oriented management (including costs);

- ABB (Activity Based Budgeting) - process-oriented budgeting;

- Target-costing - method of calculating the target cost;

- Kaizen-costing - a continuous improvement method.

3. Strategic Cost Management Concepts:

- Value chain analysis - value chain analysis;

- Strategic positioning analysis - strategic positioning;

- Cost driver analysis - analysis of the cost of creating factors.

The choice of the method of cost management is determined by the specifics of the enterprise. Unlike other types of activities, it's impossible to determine in advance the cost of an insurance service in insurance because the real costs of the insurer are known only after the conclusion of insurance and reinsurance contracts entered into during the reporting period and after the closure of recourse claims under contracts. In addition, in some cases, the payment of insurance claims may take several years, for example, in maritime and aviation insurance. This specificity makes it necessary, before the beginning of each reporting year, to carry out an analysis of the dynamic range of losses for each activity over the past periods (not less than 5 years, and preferably even for a longer period of time) and the implementation of the forecast based on its sustainability of the basic values of the rates of insurance premiums. Accordingly to the specifics of insurance activity there is the need, on the one hand, to take into account the stochastic (probabilistic) nature of the main performance indicators of the insurance company, and on the other hand there is the necessity to provide a functional link between the articles of income and expenditure.

Taking into account all of the above, for insurance companies, where the proportion of indirect costs exceeds the share of direct costs, are the most useful in cost management is the ABC method. Process-oriented cost management (Activity-Based Costing) is a cost accounting model that focuses on costs within specific functions (processes, jobs, tasks, etc.), rather than organizational unit costs. Process-oriented cost management provides more accurate information on the cost and effectiveness of manufacturing specific goods and services than the traditional cost accounting system does [4]. The essence of the ABC method is the allocations, calculation, control and planning of overhead on business processes of the enterprise. The object of cost accounting is the type of activity (process)

necessary for the production and sale of the finished product (service). The basis of the ABC method is the assumption that the company produces products (or renders services) as a result of a certain set of business processes, each of which requires some costs [5].

This method is aimed at identifying the most productive activities, the feasibility of which is economically justified. The use of the ABC method in an insurance company allows you to solve the following tasks:

- calculate the cost of each business process with a given level of detalization;
- define the cost structure in the context of each business process;
- identify types of costs that need to be optimized;
- Identify real profit centers that will allow adjusting the network of branches and sales centers of the insurer;
- evaluate the effectiveness of each business process, the cause of costs; analyze the bottlenecks and the least efficient processes;
- optimize the business processes in time and cost indicators, resource requirements;
- form the budgets of the structural divisions of the company.

The introduction of the process-oriented cost management method requires the implementation of a set of measures based on the current model of process-oriented management, which is associated with the strategic card of the insurance company. As James A. Brimson, who is the founder and the head of the Institute of process-oriented management, notes, the main idea of a process-oriented approach is to study the types of activities of the enterprise and their relationship with the achievement of its strategic objectives. At the same time, the method of cost calculation, which is used coming out on the specifics of products and services, is based on the identification of variations in processes caused by the characteristics of individual products and services. Understanding such features helps the company to minimize these variations, which results in costs becoming more predictable and manageable [6].

The essence of process-oriented management is that all processes are divided according to the technological features into separate stages, which are called "chains" or individual subprocesses of a holistic operational process of manufacturing a product (service), each of which has a time dimension and the owner (responsible) for process on input and output from a separate technological cycle. This approach is also inherent in the quality management system ISO 9001: 2000 according to international standards, when the quality of management is provided at each of the technological stages on the basis of

drawing up and observance of production cards for the product. According to the standards of ISO 9000: 2000, the process is a steady, focused set of interrelated activities, which, according to certain technology, transforms inputs into outputs that are of value to the consumer [7].

In accordance with the above, the insurance company must have a proper basis for the introduction of process-oriented cost management, in particular, the business processes and benchmarks have been recorded, the system for collecting statistics and analytics has been provided, the accounting of working time has been automated, the business accounting processes and financial control have been automated, the necessary hardware and software for the implementation of processes and the implementation of calculations and analysis of their indicators have been installed.

The methodology of business process modeling distinguishes the following types of processes of organization:

- the main processes (processes directly related to the creation of the product, bring added value, oriented to meet the needs of the individual client);
- processes of providing activity (processes that create the infrastructure of the organization and serve the main processes);
- control processes [8, p.37].

In accordance with this methodology, ARIS business process modeling software system processes are modeled on several levels:

- top-level processes - describe the main processes, processes of security and processes of management of the company;
- processes groups - describe each process as a group of subprocesses;
- matrix of the process - describes the possible scenarios of the process;
- processes activity chain - describes the sequence of functional steps (actions) within a single business process performed by organizational units and allows you to establish a relationship between organizational and functional models;
- model of the environment of the function - describes the resources needed to complete the process [9].

Taking into account all of the above, we will present a methodology for calculating the cost of the process

"Ensuring the safety of activities", which is based on the practical experience of the author in the insurance company (author's development).

Table 1

Processes of the top level of the insurance company

Main processes	Providing processes	Managing processes
Sale of insurance products	Providing of accounting	Planning
Support of insurance products	Marketing support	Organization
Development of insurance products	Financial support	Analysis
Insurance risk management	Legal support	Decision-making
	Ensuring safety of activities	
	Administrative and economic support	
	Personnel support	
	Reference support and case management	
	Monitoring of indicators	
	Financial monitoring	

Table 1 and Figures 1 - 5 describe the business process of ensuring the safety of an insurance company (to the level: the matrix of the process).

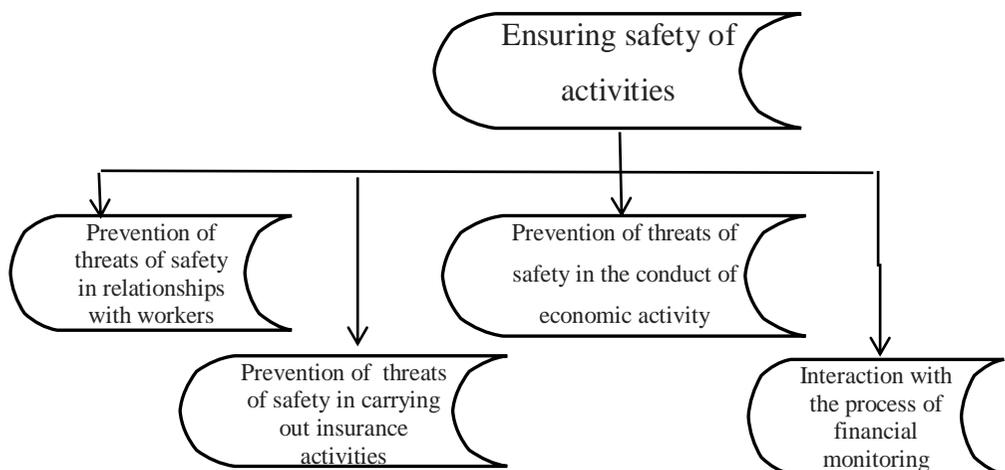


Fig. 2. A group of subprocesses of the process "Ensuring the safety of activities".

The calculation of the cost of the process scenario is based on the principles of ABC analysis and probability of theory elements with adaptation to ARIS business process modeling software.

The methodology of calculation involves determining the value for each individual procedure and further measuring their value for probability of execution in the scenario of the process.

Table 2

Matrix of process scenarios: Preventing threats of safety relating to the employees

	Main process	Scenario	Scenario	Scenario	Scenario
Scenario	Preventing threats of safety in relation to employees	Checking the candidate for employment	Conducting briefings and training activities with employees	Carrying out the internal service inspections	Provision of overpass and internal mode
procedures	Obtaining information and preparing for the implementation of measures to prevent threats of safety of activities relating to the employee	Getting information and preparing a candidate for employment	Receiving information and conducting briefings and training activities with employees	Getting information and preparing for conducting the internal official inspections	Getting information and preparing for provision of overpass and internal mode
procedures	Implement measures to prevent threats of safety of activities relating to the employee	Implementation of the candidate for employment checks	Conducting briefings and training activities with employees	Carrying out the internal service inspections	Implementation provision of overpass and internal mode
procedures	Conducting an interview with an employee	Conducting an interview with the candidate for employment	-	-	-
procedures	Interaction with security units	-	-	-	Interaction with security units to ensure interurban and internal regime
procedures	Information on the results of the prevention of work-safety threats relating to the employee	Informing about the results of the candidate's checking for employment and putting it into the statistics	Control over the employee's compliance with the rules for instruction and training activities	Informing about carrying out the internal official inspections	Collecting statistics on provision of overpass and internal mode

This approach to the calculation allows:

- to model options for calculating the cost of the process under different scenarios of its development (negative, positive);
- to allocate the cost of procedures related to the transfer of information between separate structural units (estimation of the cost of information breaks);
- to identify features that have the highest value for the company, the least likely to be executed, etc;
- to estimate the time and amount of direct labor costs as part of the analyzed process.

Table 3

Matrix of process scenarios: Prevention of implementation threats of safety of insurance activity

	Main process	Scenario	Scenario	Scenario	Scenario	Scenario
Scenario	Prevention of threats of insurance activities safety	Warning the threats of safety when entering into insurance contracts	Departure to an event that has signs of an insured event	Interaction with subjects of law in cases with signs of insurance	Verification of cases and documents in cases with indications of insurance	Carrying out additional inspections and investigations in cases with signs of insurance
procedures	Exchange of messages about regarding events occurring with signs of insured events	-	-	Exchange of messages with subjects of law in the event of occurrence of signs of insurance	-	-
procedures	Receiving information and preparing for the prevention of threats of safety in the conduct of insurance activities	Obtaining information and preparing for the examiners and documentation	Receiving information and preparing for departure to the place of the event that has signs of an insured event	-	Obtaining information and preparing for the inspection of cases and documents in cases with signs of insurance	Obtaining information and preparing for additional inspections and investigations in cases with signs of insurance
procedures	Implementation of measures for the prevention of threats of safety	Executing checkers and documentation	Exit to the place of the event that has signs of an insured event	-	Verification of cases and documents for cases with signs of insurance	Implementation of additional inspections
procedures	Getting more information	Getting more information about the individuals and the insurance contract	-	Obtaining additional information on cases with signs of insurance from subjects of law	-	Getting more information for the event of additional inspections and investigations in cases with signs

procedures	Analysis of collected information	Analysis of the results of examiners and documentation	Analysis of information received at the scene of an event that has signs of an insured event	Analysis of additional information on cases with signs of insurance received from subjects of law	Analysis of results, checks, cases and documents for cases with signs of insurance	Analysis of information obtained as a result of additional inspections and investigations in cases with signs of insurance
procedures	Information on the results of the prevention of threats of safety in the conduct of insurance activities	Informing the initiator of the inspection and making the statistics of the results of examiners and documentation	Informing the managers on the results of the departure to the place of the event, which has signs of the insured event	Bringing managers to the results of interaction with the subjects of law in cases with signs of insurance	Information on the results of inspections of cases and documents for cases with signs of insurance	Informing the management about the results of holding additional inspections and investigations in cases with signs of insurance

Table 4

The process scenario matrix: Preventing threats of safety during implemented business activity

Scenario	Main process	Scenario	Scenario
		Prevention of threats of safety in the conduct of economic activity	Prevention of threats of safety in the conclusion of economic contracts - verification of counterparties
Procedures	Obtaining information and preparing for the prevention of threats of safety in the conduct of economic activity	Obtaining information and preparing for the verification of counterparties	Obtaining information and preparing for the examination of commercial contracts
Procedures	Verification during preventing security threats when conducting business	Verification of counterparties	Verification of commercial contracts
Procedures	Analysis of test results	Analysis of the results of checking counterparties Informing on the results of checking counterparties	Analysis of test results of economic contracts
Procedures	Information on the results of the inspection	Prevention of threats of safety in the conclusion of economic contracts - verification of counterparties	Information on the results of the examination of commercial contracts

Table 5

Matrix of process scenarios: Interaction with the process of financial monitoring

Scenario	Main process	Scenario	Scenario
		Interaction with the process of financial monitoring	Interaction on the implementation of financial transactions
Procedures	Assist in the process of collecting information	Assist in the process of collecting information for financial transactions	Assist in the process of collecting information for the identification of individuals and legal entities

The calculation of the cost of the process scenario is carried out according to the following parameters (table 6).

Table 6

Methodology for calculating the cost of a scenario of a process [9]

Parameter	Define the parameter	Parameter calculation
Time of execution of procedure, TEP	Time in minutes (or minutes to the time) used by the artist (s) to complete the procedure.	The TEP is involved into expert procedures based on the company's statistics on the timing of operations.
Average coefficient of cyclicity of the procedure, CCP	A ratio that shows the average number of retries in the process scenario	The CCP is calculated expertly.
Factor (probability) of procedure use, FPU	The coefficient indicating how often the procedure is performed in the process scenario and taking into account the probability of performing the previous procedures in the process scenario	The FPU is defined as the number of repetitions of cycle per process. For example: the procedure is repeated on average 2 times on 10 executed processes. CCP is 0.2 (determined by dividing by two by ten). The FPU is included in all the functions that are between cyclic events.
Weighted average cost of the resource (business roles), AWR	AWR shows the average weighted cost of using labor in the process, as well as economic costs (rent) that are related to the business role (in UAH per minute).	AWR consists of personnel costs and business expenses that are calculated automatically. $AWR = \sum (CWoe \times (KP 100))$ where: AWR is the average weighted cost of a business role in a minute; CWoe - the cost of wages and rent per employee; KP is the percentage of process instances per unit of time (per month) performed by an employee.
Cost of procedure, CP	This is the product of the average weighted cost of the resource (AWR) and the time of execution of the procedure	$CP = AWR \times TEP$
Cost of the scenario of the process, CS	This is the sum of the cost of the procedures, the average coefficient of cyclicity of the procedure and the factor of the use of the procedure	$CS = \sum (CP \times FPU \times (1 + KP))$

Based on of this methodology, the calculation of the cost of the process "Ensuring the safety of activities", tables 7 - 10 (author's development, carried out on the basis of practical experience and statistics of the insurance company) will be presented.

Table 7

Calculation of the scenario cost: Prevention of threats in relation to workers

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS,hrn
Getting information and preparing the candidate for employment	10	1,12	11,2	0	1	11,2
Verification of the candidate for employment	40	0,79	31,6	0	1	31,6
Conducting an interview with the candidate for employment	30	1,12	33,6	0	0,06	2,02
Informing about the results of checking the candidate for employment and making it into the statistics	15	0,82	12,3	0	1	12,3
Total cost of the process scenario						57,12

Cost of the scenario: Conducting briefings and training activities with employees.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Receiving information and preparing for conducting briefings and training activities with employees	10	1,12	11,2	0	1	11,2
Conducting briefings and training activities with employees	60	1,05	63	0	1	63
Control over compliance by staff with instructions for instruction and training activities	30	0,89	26,7	0	1	26,7
Total cost of the process scenario						100,9

Cost of the scenario: Carrying out internal official inspections.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Receiving information and preparing for internal official inspections	30	1,12	33,6	0	1	33,6
Carrying out internal official inspections	110	0,79	86,9	0	1	86,9
Informing about the results of internal official inspections	10	1,12	11,2	0	1	11,2
Total cost of the process scenario						131,7

Cost of the scenario: Provision of interurban and internal mode.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Receiving information and preparing for the interurban and internal mode	15	1,12	16,8	0	1	16,8
Implementation of interurban and internal mode	60	0,79	47,4	0	1	47,4
Interaction with security units to ensure interurban and internal mode	30	0,79	23,7	0	1	23,7
Collection of statistics on provision of interurban and internal mode	60	0,81	48,6	0	1	48,6
Total cost of the process scenario						136,5

Table 8

Calculation of the cost of the scenario: Prevention of threats of safety when carrying out insurance activities

Cost of the scenario: Prevention of threats of safety when entering into insurance contracts.

Procedure name	TEP, min.	AWR, hrn/min.	CP, hrn.	KP	FPU	CS, hrn.
Obtaining information and preparing for the screening of applicants and documentation	15	1,12	16,8	0	1	16,8
Executing checkers and documentation	30	0,79	23,7	0,25	1	29,62
Getting more information about the individuals and the insurance contract	15	0,79	11,85	0	0,25	2,96
Analysis of the results of the checking of the participants and documentation	10	0,79	7,9	0	1	7,9
Informing the initiator of the inspection and making the statistics of the results of the examination of the participants and documentation	10	0,96	9,6	0	1	9,6
Total cost of the process scenario						66,88

Cost of the scenario: Departure to the place of the event, which has signs of the insured event.

Procedure name	TEP, min.	AWR, hrn/min.	CP, hrn.	KP	FPU	CS, hrn.
Receiving information and preparing for departure to the place of the event that has signs of an insured event	10	1,12	11,2	0	1	11,2
Exit to the place of the event that has signs of an insured event	250	1,91	477,5	0	1	477,5
Analysis of information obtained at departure to the place of the event, which has signs of an insured event	50	0,96	48	0	1	48
Informing the head of the results of the departure to the place of the event, which has signs of the insured event	10	1,12	11,2	0	1	11,2
Total cost of the process scenario						547,9

Cost of the scenario: Departure to the place of the event, which has signs of the insured event.

Procedure name	TEP, min.	AWR, hrn/min.	CP, hrn.	KP	FPU	CS, hrn.
Exchange of messages with subjects of law in the event of occurrence of signs of insurance	30	0,96	28,8	0	1	28,8
Obtaining additional information on cases with signs of insurance from subjects of law	120	0,79	94,8	0	1	94,8
Analysis of additional information on cases with signs of insurance received from subjects of law	10	0,79	7,9	0	1	7,9
Bringing the leader of the results of interaction with the subjects of law in cases with signs of insurance	10	0,96	9,6	0	1	9,6
Total cost of the process scenario						141,1

Cost of the scenario: Departure to the place of the event, which has indications of the event.

Procedure name	TEP, min.	AWR, hrn/min.	CP, hrn.	KP	FPU	CS, hrn.
Obtaining information and preparing for the inspection of cases and documents in cases with signs of insurance	10	1,12	11,2	0	1	11,2
Inspection of cases and documents in cases with signs of insurance	30	0,79	23,7	0	1	23,7
Analysis of results of examination of cases and documents on cases with signs of insurance	10	0,79	7,9	0	1	7,9
Information on the results of the examination of cases and documents in cases with indications of insurance	10	0,89	8,9	0	1	8,9
Total cost of the process scenario						51,7

Cost of the scenario: Carrying out additional inspections and investigations on cases with insurance characteristics.

Procedure name	TEP, min.	AWR, hrn/min.	CP, hrn.	KP	FPU	CS, hrn.
Receiving information and preparing for additional inspections and investigations on cases with insurance characteristics	10	1,12	11,2	0	1	11,2
Execution of additional inspections and investigations on cases with signs of insurance characteristics	270	1,58	426,6	3	1	1706
Receive additional information for additional inspections and investigations on cases with insurance characteristics	10	1,58	15,8	2	0,75	35,55
Analysis of information obtained for additional inspections and investigations in cases of insurance characteristics	60	1,58	94,8	0	1	94,8
Information on the results of additional inspections and investigations on cases with signs of insurance characteristics	10	1,91	19,1	0	1	19,1
Total cost of the process scenario					1867,05	

Based on the received calculations, the total cost of this process, which is taken into account when developing the budget of the insurance company, is determined. Practice shows that the most cost effective justification is to base the insurance company's cost management model on the insurance company's budget, which will include the construction of a budget option based on multivariate calculations that meet specific values of random variables (or use statistical estimates instead). According to the method-oriented budgeting, a budget that consists of a quantitative and cost estimate of the resources consumed in this process is being developed. Resources for this approach are described in the form of cost items taken from the traditional budgeting approach. Describing the resources of the process by article, it is important to remember that the next step is to calculate the total value of the resources of a particular process for a certain period [10].

Table 9

Calculation of the cost of the scenario: Prevention of threats of safety when conducting of economic activity.

Cost of the scenario: Prevention of threats of safety at the conclusion of economic contracts - verification of counterparties.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Obtaining information and preparing for the verification of counterparties	15	1,12	16,8	0	1	16,8
Controlling counterparties	30	0,79	23,7	0	1	23,7
Analysis of the results of checking counterparties	10	0,79	7,9	0	1	7,9
Informing on the results of checking counterparties	10	0,96	9,6	0	1	9,6
Total cost of the process scenario						58

Cost of the scenario: Prevention of threats of safety at the conclusion of economic contracts - verification of contracts.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Obtaining information and preparing for the examination of commercial contracts	15	1,12	16,8	0	1	16,8
Verification of commercial contracts	30	1,12	33,6	0	1	33,6
Analysis of the results of examination of commercial contracts	10	1,12	11,2	0	1	11,2
Information on the results of the examination of commercial contracts	10	1,12	11,2	0	1	11,2
Total cost of the process scenario						72,8

Table 10

Calculation of the cost of the scenario: Interaction with the process of financial monitoring

Cost of the scenario: Interaction on the implementation of financial transactions.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Providing assistance in the process of collecting information for financial transactions	30	0,89	26,7	0	1	26,7
Total cost of the process scenario						26,7

Cost of the scenario: Interaction on identification of individuals and legal entities.

Procedure name	TEP, min.	AWR, hrn/min	CP, hrn.	KP	FPU	CS, hrn.
Providing assistance in the process of collecting information for the identification of individuals and legal entities	30	0,89	26,7	0	1	26,7
Total cost of the process scenario						26,7

The combination of budget and process approaches in managing the costs of the insurer allows us to synchronize financial, technological and economic processes of the business processes of the company, to coordinate the actions of the heads of the units that are participants in the processes and to achieve real efficiency indicators in each chain of processes of the company.

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2.6. European standards of life insurance as guidelines for the Ukrainian market

In recent years, the issue of development of the insurance market in general and its segments, in particular, has been becoming more and more topical. Usually, the insurance is associated with compensation for losses and concerns the protection of property and improvement of the person's material security. However, the truth, that the most valuable thing is the life but not property, was understood in developed countries decades ago. That is why so much attention is paid to the protection of not only property but also of the life.

Exploring the dynamics of the development of life insurance market according to the quantitative and qualitative indicators, one can single out the key trends and patterns that for the recent years resulted in the situation that we have today. The features of the development of the insurance market of Ukraine in general and life insurance market, in particular, can be defined on the bases of the data of table 1 that represents the dynamics of both quantitative and fundamental qualitative indicators of insurance companies' activities for the last seven years.

Table 1

Dynamics of insurance companies and insurance premiums in Ukraine in 2010-2016

Indicators	Years							Absolute deviation
	2010	2011	2012	2013	2014	2015	2016	2016 - 2010.
Number of companies dealing with non-life insurance	389	378	352	345	325	312	271	- 118
Number of life insurance companies	67	64	62	62	57	49	39	-28
Total of insurance companies	456	442	414	407	382	361	310	- 146
Share of life insurance companies, %	14,7	14,5	15,0	15,2	14,9	13,6	12,6	-2,1
Gross insurance premiums, million UAH.	23 081,7	22 693,5	21 508,2	28 661,9	26 767,3	29 736,0	35 170,3	12088,6

Growth rate of gross insurance premiums, %	112,9	98,3	94,8	133,3	93,4	111,1	118,3	-
Gross insurance premiums from life insurance, million UAH.	906,5	1 346,4	1 809,5	2 476,7	2 159,8	2 186,6	2 756,1	1849,6
Growth rate of gross premiums for life insurance, %	109,6	148,5	134,4	136,9	87,2	101,2	126,0	-
Share of insurance premiums for life insurance within gross premiums, %	3,9	5,9	8,4	8,6	8,1	7,4	7,8	3,9

Compiled by the author independently according to the [1]

During recent years, Ukraine has observed the reduction of the number of non-life insurance companies and life insurance companies. If in 2010, in Ukraine there were 456 insurers, then during the period under consideration their number decreased by 146, and in 2016 was equal to 310 subjects of economic activity. The decrease of the total number of insurers took place due to the termination of activity of both insurers dealing with non-life insurance (their number decreased by 118 companies) and life insurance companies (the number of which for the last seven years decreased by 28 companies).

It should be noted that the decrease in the number of life insurance companies was observed every year, however, only for the last two years (2015 and 2016), their number decreased by 18 companies, compared to 10 companies for the five previous years (2010 – 2014).

Among all the plethora of insurance companies operating on the insurance market of Ukraine during the whole period of study, the share of life insurance companies had been varying at the level of 15% with negligible deviation over 2010-2014. Given the fact that in 2015 8 life insurance companies left the market, and in 2016, ten companies, and the number of non-life insurance companies decreased by 13 and 41 companies respectively, this resulted in decreasing the share of companies for life insurance within the total number of insurers to 13.6% in 2015, and 12, 6% in 2016.

At first glance, taking into account only the quantitative indicators of the functioning of the insurance market in the as for its subject composition, we can observe a

consistently negative trend in 2010-2016. It is characterized by a decrease in the number of insurers in the market as such that are engaged in insurance risk types and those engaged in life insurance.

However, the analysis of such indicators as gross insurance premiums as a whole, and life insurance in particular, allows us to determine the fundamentally opposite tendency of the development of the insurance market of Ukraine for the recent years. During the investigated, period in Ukraine there was a constant increase in gross insurance premiums for life insurance during 2010 – 2013. The incoming insurance premiums grew each year by 9.6%, 48.5 %, 34.4%, and 36.9% respectively. The only exception is 2014, and this is really rather an exception than a pattern, associated with political instability in the country and the beginning of the anti-terrorist operation. As a result, the life insurance premiums in 2014 decreased by 12.8% compared to 2013. However, the insurance market quite quickly adapted to the situation in the country, and already in 2015, we observe its stabilization in the part of such a segment as life insurance (the increase of gross premiums for life insurance reached 1.2% compared to 2014). In 2016, the life insurance company, despite the quantitative decrease, however, began to build up their facilities, which eventually contributed to the involvement of a larger range of potential clients, which ensured the increase of revenues from gross premiums by 26% compared to revenues of the year 2015.

In order to obtain a comprehensive and coherent picture of the state of the insurance market in Ukraine as a whole and of life insurance in particular, it is required to combine the analysis of both quantitative and qualitative indicators, which will enable to discover a real trend or pattern. In this context, it should be noted that the negative tendency characterized by a decrease in the number of life insurance companies is actually a positive factor in the functioning of the market as a whole, since the constant decrease in the number of life insurance companies in the Ukrainian insurance market was offset by a steady increase in their gross premiums. That is, we can suggest that the capacity of life insurance companies is growing, as the increase in the prizes involved is, on the other hand, the evidence of a growing trust towards them from the part among broader strata of the population due to increasing quality of services provided by them.

Peculiar tendencies and certain regularities are observed in the dynamics of quantitative and qualitative indicators of the development of the insurance market in Poland (Table 2).

Table 2

Dynamics of insurance companies and insurance premiums in Poland in 2010-2016

Indicators	Years							Absolute deviation
	2010	2011	2012	2013	2014	2015	2016	2016 - 2010
Number of insurance companies dealing with risk types of insurance	33	33	31	31	30	30	34	1
Number of life insurance companies	30	28	28	27	26	27	27	-3
Total of insurance companies	63	61	59	58	56	57	61	-2
Share of life insurance companies, %	47,62	45,90	47,46	46,55	46,43	47,37	44,26	-3,36
Gross insurance premiums, thousand PLN	54 162 650	57 149 635	62 642 601	57 862 686	54 920 648	54 801 625	56 039 183	1 876 533
Growth rate of gross insurance premiums, %	105,50	105,51	109,61	92,37	94,92	99,78	102,26	-
Gross insurance premiums for life insurance, thousand PLN	31 422 040	31 848 613	36 377 397	31 263 874	28 667 406	27 525 201	23 856 696	-7 565 344
Growth rate of gross insurance premiums from life insurance, %	103,8	101,4	114,2	85,9	91,7	96,0	86,7	-
Share of insurance premiums for life insurance within gross premiums, %	58,01	55,73	58,07	54,03	52,20	50,23	42,57	-15,44

Compiled by the author independently according to [2-8]

Based on the data obtained from Table 2, we note the fact that the formation of the insurance market in Poland has been practically completed. This can be confirmed by the fact that for the last seven years the number of insurers in the whole market decreased by only two companies.

However, examining their dynamics regarding types of insurers and by years, we note the following aspects:

- the decrease in the number of companies engaged in risk types of insurance was observed in 2012 (2 companies less than in 2011), in 2014 (one company is less than in 2013), but in 2016 four new companies of the mentioned kind started their operation in Poland;

- the number of life insurance companies throughout the studied period practically did not change. Only in 2011 their number decreased by two companies, one company suspended its activity in 2013 and another one, in 2014, but in 2015 a new company started to operate in the market.

While in Poland in 2016 there were three life insurance companies fewer than 2010, in Ukraine during the same period their number decreased by 28 companies. This is yet another factor proving that the Ukrainian market still undergoes a period of competition and the conquest of certain segments of the market, while the Polish market relies on the companies that at one time withstood fierce competition and occupied a certain niche in the market.

The clearly evident difference between the Polish and Ukrainian insurance markets is that in 2010-2016 the life insurance companies accounted for 45-47% of the total number of insurance companies. This is a kind of evidence that the services of these companies in Poland are in demand, as the population of the country are concerned not only with their own property and material values, but also with the life as a whole.

Also, the amount of gross insurance premiums collected by Polish insurers remained practically at the same level in 2010, 2011 and 2014. In 2016, the volume of gross premiums reached practically the level of 2011. The largest inflow of insurance premiums from all insurers in Poland was observed in 2012 and 2013.

2012 was also characterized by the largest amount of insurance premiums received by insurers of Poland for life insurance. The following four years Poland saw a decrease in these types of insurance premiums. Thus, in 2013 the collection of gross insurance premiums for life insurance decreased by 14.1% compared to 2012, and in 2014 and 2015 the reduction was 8.3% and 4% respectively.

It is also worth paying attention to the deterioration of the qualitative indicators of the life insurance companies in Poland during the last two years of the investigated period. While in 2015 27 life insurance companies received 27,525,201 thousand PLN,

which was 96% compared to 2014, in 2016 the same companies collected only 23,856,696 PLN, or 86.7% the premiums collected in 2015.

Nevertheless, we consider the fact that in 2010-2015 more than half of all gross insurance premiums were the life insurance premiums, to be a positive aspect of Poland's insurance market. The only exception was 2016 when their share was only 42.57%. This evidences that anyway Polish citizens are more prone to insuring their lives than property or other material assets.

The regularity and effectiveness of activity was shown at one time by the life insurance companies in Germany (Table 3).

Table 3

Dynamics of insurance companies and insurance premiums in Germany in 2010-2016

Indicators	Years							Absolute deviation 2016 - 2010
	2010	2011	2012	2013	2014	2015	2016	
The number of insurance companies engaged in types of insurance other than life insurance	295	297	292	287	283	280	276	-19
Number of life insurance companies	95	94	93	90	87	84	84	-11
Total of insurance companies	390	391	385	377	370	364	360	-30
Share of life insurance companies, %	24,4	24,0	24,2	23,9	23,5	23,1	23,3	-1,0
Gross insurance premiums, billion euros	178,8	178,1	181,6	187,4	192,6	193,8	194,2	+ 15,4
Growth rate of gross insurance premiums, %	104,3	96,0	100,6	104,0	103,2	98,9	100,2	-
Gross insurance premiums for life insurance, billion euros	90,4	86,8	87,3	90,8	93,7	92,7	90,7	+ 0,3
Growth rate of gross insurance premiums from life insurance, %	106,0	96,0	100,6	104,0	103,2	98,9	97,9	-
Share of insurance premiums for life insurance within gross premiums, %	50,5	48,7	48,1	48,5	48,6	47,8	46,7	- 3,8

Compiled by the author independently according to [9-11]

The results of the study, as reflected in Table 3, clearly confirm the fact that the German population better than anyone understand the need for life insurance. Almost half

of the insurance payments collected by insurance companies in Germany are payments for life insurance. Unlike Ukraine, the population of both Germany and Poland are well aware of the value of life, rather than material wealth. This is, to a certain extent because the population of different countries in different ways are aware of the need for financial protection of their future, as well as readiness to be independently involved in it.

At the same time, it is worth noting that the detected pattern requires a detailed study to clarify the relationship between the level of awareness of the population and the development of life insurance as a segment of the insurance market. To do this, we will analyze the coverage of the active population of the studied countries by life insurance in 2010-2016. (Table 4)

Table 4

Dynamics of population size and concluded contracts
in Ukraine, Poland, and Germany in 2010-2016

Indicators	Years						
	2010	2011	2012	2013	2014	2015	2016
Ukraine							
Population, persons	45870700	45706100	45593300	45489600	45271947	45154029	45004645
Population aged between 15 and 64, persons	32174115	32028605	31984034	31946443	31746590	31502247	31170477
Share of the population aged 15-64,%	70,1	70,1	70,2	70,2	70,1	69,8	69,3
Number of life insurance contracts, mil	0,567	0,949	0,340	0,357	0,481	1,087	0,846
The number of contracts per each person aged between 15 and 64	0,02	0,03	0,01	0,01	0,02	0,03	0,03
Poland							
Population, persons	38516600	38538400	38533300	38495700	38478600	38454600	38426800
Population aged between 15 and 64, persons	27462336	27394340	27248955	27051600	26840500	26728300	26480000
Share of the population aged 15-64,%	71,3	71,1	70,7	70,3	69,8	69,5	68,9
Number of life insurance contracts, mil	20151437	21225395	22323708	21682857	26540072	29970050	34113647
The number of contracts per each person aged between 15 and 64	0,7	0,8	0,8	0,8	1,0	1,1	1,3

Germany							
Population, persons	81776930	80274983	80425823	80645605	80982500	81686611	80682351
Population aged between 15 and 64, persons	53869452	52872400	53005176	53189274	53409966	53809849	52766257
Share of the population aged 15-64,%	65,9	65,9	65,9	66,0	66,0	65,9	65,4
Number of life insurance contracts, millions	94,2	93,6	93	91,8	92,4	91	89,4
The number of contracts per each person aged between 15 and 64	1,7	1,8	1,8	1,7	1,7	1,7	1,7

Compiled by the author independently according to [12-23]

Analyzing the data of table 4, we observe the similarity of the age structure of the population in the studied countries. Thus, the studied countries differ from one another in terms of population. However, the proportion of the active population (aged 15-64) in Ukraine and Poland has been almost the same for the last seven years, while in Germany the share of the active population within the structure of the population is only 4-5% lower, than in Ukraine and Poland. That is, we can assert that the age structure of the population in the countries studied has the same potential for the development of life insurance.

Given the fact that all the same, the population of the countries is quite different when all other conditions are equal, and in the presence of the same size of the insurance premium, life insurance will develop at increasing rates where the population is bigger. It is obvious that the larger the population, the greater is the amount of insurance premiums collected by insurers. Therefore, in order to clarify the relationship between the population and the development of life insurance, we will use, as a relative indicator, the number of contracts of life insurance per person aged between 15 and 64. Analysing this figure, a rather interesting regularity can be observed: the more developed the country is, the more there are contracts of life insurance per a single resident aged 15-64 years in this country.

If in Ukraine in 2010, there was only one contract of life insurance concluded per 50 persons, in 2016, there was already one contract per 30 people. It should be noted that during the period in consideration the population showed more activity regarding the contracts of life insurance. However, the rate of activation is very low. If we compare the

performance of the observed indexes in Poland, then while in 2010 three persons accounted for two contracts of life insurance, in 2016, each citizen aged from 15 to 64 had more than one contract, and for every 30 people in Poland, there were 39 signed contracts. As we can see, the population's awareness of the need for life insurance in Poland for the studied period was higher, which led to greater activation of the population regarding the contracts of life insurance.

The best situation is observed in Germany, where it can be described as stable. During the entire studied period, every person in Germany had between 1.7 and 1.8 contracts. That is, on average every 30 people in Germany conclude 51 life insurance contracts. This is a rather high indicator, and it shows that not only the state but also every citizen is aware of their place, role and their personal contribution to the formation of a proper level and the quality of life by applying in practice all the advantages of the life insurance mechanism.

Again, we stress the cause-and-effect relationship: due to the fact that the country is developed, the population has the opportunity to independently take care of their financial independence, creating additional financial capital through life insurance, or vice versa: one of the secrets of success and development of the country is the fact that the population is aware of the need for finding additional sources of self-financing during the active phase of their labour activity, as well as for ensuring their financial stability and a decent standard of living at the advanced age.

One of the aspects that will make it possible to determine the level of population's awareness of the need for life insurance is the willingness to allocate a part of their earnings for insurance payments. To do this, we will analyze the ratio of gross premiums for life insurance per capita per year and average yearly earnings in Ukraine, Poland, and Germany (Table 5).

According to Table 5, it is developed countries that are more likely to direct a part of their earnings to insurance payments for life insurance. Thus, throughout the entire period of the study, there was a stable trend concerning the fact that German citizens allocate on average three percent of their annual earnings for life insurance. The residents of Germany do not allocate for the insurance less than one thousand per year. The largest amount (on average 1157 EUR per year) was allocated for insurance in 2014, which was 3.1% of average annual wage, the minimum amount of insurance payments was in 2011, where the average annual size of insurance payments per capita was 1081.28 EUR, i.e.,

3% of earnings. In 2016, only 2.9% of earnings were directed to insurance payments, but, given the fact that the size of the average annual wage increased to 38301.96 EUR, the absolute amount of the average annual insurance payment remained unchanged!

Table 5

The ratio of gross premiums for life insurance per capita per year to average yearly earnings in Ukraine, Poland, and Germany in 2010-2016.

Indicators	Years						
	2010	2011	2012	2013	2014	2015	2016
Ukraine							
average annual earnings, UAH	27000	31776	36492	39384	41760	50340	62196
gross life insurance premiums per capita per year, UAH	19,76	29,46	39,69	54,45	47,71	48,43	61,24
share of gross premiums in earnings, %	0,07	0,09	0,11	0,14	0,11	0,10	0,10
Poland							
average annual earnings, PLN	38699,76	40794,24	42260,04	43800,72	45401,52	46797,36	48566,52
gross life insurance premiums per capita per year, PLN	1406,22	1482,93	1625,67	1503,09	1427,30	1425,10	1458,34
share of gross premiums in earnings, %	3,6	3,6	3,8	3,4	3,1	3,0	3,0
Germany							
average annual earnings, EUR	35091,96	35547,96	36081,96	36462	36942,96	37823,04	38301,96
gross life insurance premiums per capita per year, EUR	1105,45	1081,28	1085,47	1125,91	1157,04	1134,82	1124,16
share of gross premiums in earnings, %	3,2	3,0	3,0	3,1	3,1	3,0	2,9

Compiled by the author independently according to [24-27]

The residents of Poland did not allocate for life insurance either less than a thousand PLN per year, which in its turn was also at least 3% of their average annual earnings.

The undertaken study provides an opportunity to prove the fact that life insurance is a norm of an economically developed country and is as a component that helps the state to maintain an adequate level of social security of the society. The population of such countries is aware of the importance of and need for their own participation in the formation of their prosperity at the proper level. They start thinking of this issue at the beginning of the active phase of his labour activity, accumulating a minor amount of their earnings as insurance payments for the desired, though long, period. In the case of Ukraine, the attention should be focused on what trends are observed in the development of life insurance in countries like Poland and Germany, as well as on the correct priority setting in their lives.

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2.7. Functional purpose of transnational bank capital in financial globalization conditions

The essential load and depth of any economic phenomenon is realized through its functions, which also fully apply to bank capital. The term "function" (from the Latin function - execution, implementation) means activity, duty, work; external manifestation of the properties of a particular object in a given system of relations; a role performed by a particular object or process relative to the whole thing.

Exploring the functional purpose of bank capital in general and transnational bank capital in particular, we shall note that:

firstly, the functions of bank capital are determined by the goals and objectives of banking activity;

secondly, the completeness of the implementation of such functions depends on the objective financial, economic, legal and other conditions of the functioning of banks;

thirdly, the functions have a specific content and are implemented through the specific methods of managing the bank capital.

Thus, the functionality of bank capital to a certain extent ensures the performance of the functions of banks themselves.

It should be noted that the only or steady approach in order to determine the functions of the capital of a banking institution in modern economic science is still not formed. So, most domestic and foreign scientists, including M. Alekseenko, O. Dzyubluk, E. Reed and R. Kotter, distinguish the traditional triad of functions of bank capital: protective, operational and regulatory functions. In this case, the interpretation of the protective function of capital is to provide the solvency and support the liquidity of the banking institution through the formation of reserves in the event of financial losses or unanticipated losses. Such losses are covered, first of all, at the expense of the bank's current revenues, and even in the case of the latter's lack of funds - due to the corresponding reserves, and, possibly, at the expense of the share capital.

It is well-known that in banking practice there is such a component of the bank's capital as equity which is considered to be the amount within which the bank's liability for its obligations is guaranteed. That is why, in our opinion, equity can legitimately be considered as an instrument for protecting the interests of depositors and lenders of the bank, whose funds are financed by a significant part of bank assets. In addition, it cannot

be offset that capital adequacy reduces the risk of insolvency of the bank when it becomes necessary to make compensatory payments to depositors at the expense of the Fund of Guaranteeing Individuals Deposits.

Thus, it is legitimate and logical to conclude that a protective property or a protective function of capital manifests itself in providing a reserve of strength in the process of functioning of a banking institution according to the level of the entrepreneurial risk. At the same time, the certain limitations are characterized by the approach to understanding the content of the protective function only through the creation of capital to protect the bank and its owners from losses, and creditors from the risk of non-return of invested funds.

The next function of bank capital - the operational one, - indicates that it acts as a source of formation and development of the material base, absolutely necessary for the effective functioning of the bank (for example, the purchase or rental of premises, equipment, vehicles, etc.). We should note that in the event of an unforeseen occurrence of certain crisis situations, the assets of the bank in which the invested capital can be realized, and the funds received, in turn, are directed at financing the urgent needs.

The economic characteristic of the regulatory function of bank capital is to understand the interconnectedness of the size of capital and the scale of the bank's activities. This is due to the fact that a large number of standards is calculated relatively to the bank's capital and its size, which in turn determines the input barriers of positioning in the banking services market, namely the existence of requirements for the minimum amount of equity capital of a bank to obtain a license for certain types activity, permission to open branches and so on. We find it extremely important to recognize that the regulation of capital by the central bank of a country is an actual instrument for limiting the risk that a bank may meet. This allows not only the formation and maintenance of customer confidence, but also protects the banking system from serious financial losses. Taking into account the availability of processes of international financial integration, it can be testified that the regulatory function is manifested not only in the micro and macro levels of banking relations, but also at the international level.

From the scientific point of view, an approach that is presented by such scientists as D.K. Crowley, Dzh.N. Kirk [], as well as I.G. Nevin and H.A. Benton. They identify the four functions of the capital of banking institutions:

1. Protection of an uninsured depositor in the event of insolvency and liquidation of the bank or in other words defensive.

2. Compensation for unforeseen expenses in order to maintain confidence in the bank in the event that the latter was in difficult circumstances that would prevent its further normal development, that is, compensatory.

3. Purchase of premises and their material and technical furnishings for the purpose of quality provision of banking services.

4. Application as a regulatory limiter for unjustified increase in assets.

Consequently, the scientists differentiate the protective and compensatory functions, which in our opinion are not justified, since compensation for unpredictable losses protects depositors from insolvency of the bank. That is, the security of the depositor is the result, which is achieved at the expense of compensation of losses. If the bank's own reserves are not sufficient to cover losses, then, in the absence of the possibility of raising funds from other sources, the bank will not be able to avoid insolvency, then the financial interests of depositors will not be protected. Consequently, the researchers presented the function of a logical reduction to the above three functions - the protective, the operational and the regulatory. What is more, an addition is also required, which in the broad sense is a protective property inherent in all of the listed functions of capital. In particular, the protection of the interests of depositors is the presence of capital invested in assets to ensure the current activities of the banking institution (operational function) and requirements for the implementation of bank standards (regulatory function). At the same time, the protection of the interests of creditors manifests itself beyond the normal activities of the bank, when its inability to manifest itself. Under the normal course of events, that is, in the normal course of banking capital (own and borrowed), the protection of the interests of bank lenders is ensured by the continuity of such turnover. In other words, a protective property acts as a result of performing other, more specific functions of the bank's capital or as one of its inherent features.

According to the minds of V.I. Mishchenko and S.V. Naumenkova, instead of the operational function, it is necessary to allocate an operational function, which presupposes maintaining the volumes, nature and direction of banking operations in accordance with the specified tasks of the banking institution. Thus, the scientists emphasize the content of the operational activities of the bank, which provides for the implementation of banking operations, provided by the law and banking license.

Obviously, the economists describe the functional purpose of the bank's capital, based on its broad understanding - as a set of own and borrowed resources that are involved in the turnover in the banking business. We agree with modern scholars that the bank's capital creates the opportunities for banking operations. That is, the larger the bank's capital, the wider the proposed set of banking operations for real and potential customers. Therefore, the principles of the banking institution's activity are logical, which requires parallel and roughly the same growth in the volume of loans and other risky assets of the bank against the background of a similar increase in the value of its capital, which should be proportional to the growth of the risk of losses. So, we hence the legitimate conclusion: by increasing or reducing capital, the banking institution receives the possibility of conducting a more risky or larger-scale lending policy.

According to Ukrainian scientists A.O. Yepifanova and M.I. Krupki, in addition to the traditional (protective, operational and regulatory) functions, it is worth to highlight the indicative function. The essence of such a function is presented by scholars as maintaining the credibility of the bank by depositors and creditors. It is worth to accept that one of the aspects of building confidence in the bank is the magnitude of its capital, since the phrase "too big to fail" is quite well-known. Therefore, if the volume of the capital of a separate bank is large, comparing to other banking institutions, this will, in a certain way, strengthen the level of confidence of depositors in such a bank. At the same time, if the volume of the bank's capital is insignificant, it will not promote the formation of a customer's trust in a particular bank. From this it can be concluded that the capital does not automatically perform the function of maintaining trust in the bank.

In our opinion, the content of the indicative function of the bank's capital can be disclosed in a slightly different way. The term "indicative" means "recommended, desirable". The implementation of the indicative function of capital allows to control the movement in terms of achieving the indicative indicators of banking activity through an expanded reproduction of the advance advanced in the activities of the capital bank.

A.M. Kosoy is convinced that capital is formed notwithstanding the possibility of bankruptcy and indemnification of the bank, but in order to successfully operate and develop the banking institution. Therefore, the main function of the bank's capital is a turnover function, the essence of which is to advance to the bank's circulation of assets capable of generating profits. Due to this function, the bank's capital can be used as a credit resource and generate revenue or create additional value.

In addition to the turning function, A.M. Kosoy offers to allocate the reserve capital function instead of the protective one. According to the researcher, the coverage of losses is carried out through its other function, which has a reserve nature. It is the reserve function that ensures the functioning of bank capital, despite the fact that certain assets have become losses. As a counterargument to such a judgment, let us cite the possibility of a situation when the reserves will not be sufficient to cover losses, and as a consequence, it is possible to use the part of the equity capital. Therefore, we believe that it is more acceptable to isolate the protective, but not the backup function.

At the same time, based on the content of the turnover and reserve functions, it can be noted that the bank's equity is, on the one hand, is a source of weighted or expected risks (working capital), and, on the other hand, is a source of losses, that is, unforeseen, unpredictable risks. In the Ukrainian practice S.M. Savluk received the approach of widespread and scientific perception regarding the allocation of bank's capital functions and their characteristic description. Behind him, a functional outline of the bank's capital is presented in such a representation (Table 1).

Table 1

List and characteristics of bank's capital functions according to S.M. Savluk

Function name	Characteristics
Resource	capital provides the intra-bank investment and satisfies the long-term customer demand for loan and investment resources.
Stimulating	capital encourages owners and managers of the bank to maintain the risk-management at a level that eliminates bankruptcy.
Guaranteeing	capital serves as protection of the interests of depositors and creditors against losses in the event of a bank bankruptcy.
Stabilization	the amount of capital is reduced to a level that is adequate to the scale of the bank's activities. It provides an opportunity for internal balancing of the main aspects of the bank's activity: capital volume, asset volumes, level of riskiness, liquidity levels, level of return on capital, etc.
Redistributable	the influence of banks' equity on the regional, sectoral, structural redistribution of loan capital is revealed.

Source: by the author

In our opinion, the original, in our opinion, is the approach of Z. Vasilchenko, which, in addition to traditional functions, distinguishes between "a function for which bank capital works - the appropriation of the maximum profits". However, in our opinion,

the profit maximization is the purpose of the banking activity, not the function of capital, because as a result of its operation, not only profits, but also losses can be obtained.

A bit broader and authoritative statement is the statement of A. Vozzhova. In his monographic study, he argues and describes: 1) the starting function, as a primary capital; 2) resource-potential function, as the property of the capital "to attract" the financial resources at the expense of client's borrowed and lended funds; 3) the administrative and distributive function of the bank capital, the existence of which is due to the fact that the share of authorized capital, as the main part of the bank's capital, belongs to its members. This determines the possibility of the last to participate in the management of the bank (the regulatory aspect of the function) and in obtaining a portion of the profit in proportion to the share in the authorized capital in the distribution of dividends (the distributive aspect of the function).

How legitimate is the allocation of the start function? In our opinion, such a vision is not entirely correct, as functions should be inherent in equity at any stage of the banking institution's operation. And talking about the "start resource", we realize the property of the bank's capital, which manifests itself only at the stage of its creation. Moreover, if you return to the circulating function, then just when creating a bank, equity plays a starting role, since at the expense of the share capital, shareholders or other shareholders of the bank will acquire the necessary premises, equipment, and even staff, and placing part of the funds in profitable assets, have the opportunity to get the first income in the form of capital gains.

A bit non-standard approach to the vision of the functional filling of the bank's capital is represented by other scholars. Famous American economist P.S. Rose defines such functions of bank capital as "black day money" from bankruptcy protection, provision of funds for the creation, organization and functioning of the bank, confirmation of trust in the bank's clients, bank growth regulator, provision of organizational growth facilities for the development of new services. According to K. Isaeva, the functions of bank capital should be divided by the degree of significance to the basic (protective, operational, pricing) and derivative (registration, issue, regulating). In this case, the basic functions of capital are more closely associated with the realization of the interests of the owners of the banking institution.

By R.H. Bagdalov, there are the following main functions of the bank's capital, reflecting its essence, such as: reversible and insurance (instead of protective) functions,

as well as additional - valuation and regulatory, which are the basis of the management of the bank. The researcher explains that it is more correct to talk about the insurance function of equity, rather than about the protective one, because the certain risk protection is put into pricing on banking products or expressed in additional conditions and requirements for active operations. In addition, each bank uses a risk management system that includes various instruments, including diversification and hedging. Accordingly to it, the bank should protect against the unforeseen risks not only through their absorption or coverage at the expense of capital, but also by creating a banking business system that could function well in case of such risks. Thus, the equity capital serves as a certain insurance reserve.

In our opinion, taking everything into the account that equity is the value of banking business, it is possible to allocate in addition to the main functions - working and insurance, and also an estimated function of capital. The last is expressed in the fact that with the help of equity, one can estimate: firstly, the consumer and market value of the banking institution; secondly, the scale of banking activity; thirdly, prospects for the development of banking business; fourthly, the level of entrepreneurial risk; and then, the profitability of the banking business. Talking about the regulatory function, it is necessary to focus attention on the possibilities based on valuation indicators by reducing or increasing capital, as well as changing its structure, modifying the scope and profile of banking activity both from the point of view of external regulation and control, and from the position of the internal banking management.

In turn, O.O. Barkova considers that the financial capital is inherent in "natural" (creation of value, ensuring the continuity of the production process, etc.) and "historically acquired" functions (redistribution of income received in the economy, control, coordination, emission- founding, mediation of speculative operations, asset and risk management, risk insurance, etc.). "Natural" functions of financial capital due to its nature, the existence of an all-public form of capital, and "historically acquired" - are formed in the process of expanded reproduction of financial capital.

At the same time, K. Azizbayev emphasizes the modification and function variability. According to his opinion, the functions of the bank's capital are not clearly defined during different periods of the bank's operation. Depending on the point of view of the capital of the bank, its functions will be different. So, from a socially significant point of view, the main function of the bank capital is protective, while from the point of

view of private entrepreneurship it is commercial. In most cases, the bank's capital is viewed from a broad, socially significant point of view, as a buffer against losses and losses. From here it is clear that the bank's capital is interpreted differently, as well as its assessment. This, on the one hand, emphasizes the adequacy of capital, the adequacy of its adopted risks (protective function), and, on the other hand, emphasis on the return on capital, obtaining the additional income.

S.V. Mocherny, in addition to the protective, operational and regulatory functions of the bank's capital, distinguishes the function of control over industrial and commercial organizations (enterprises, firms and companies) in the process of merging with them within the financial capital; as well as the function of exploitation of hired employees of the bank, on the one hand, and borrowers of bank loans in the case of setting excessively high interest - on the other.

Among the various approaches of scientists the approach of V.V. Fosyat distinguishes a bit. She finds 12 current functions and 6 strategic functions of the bank capital. These functions are defined into:

- current - the specifics of the implementation of bank capital, from the stage of its accumulation and ending with the reproduction in the practical conduct of banking activities;

- strategic - the priority and strategic features of bank capital in the functioning of both a separate bank and the banking system as a whole.

We can not agree with the approach of V.V. Fostyak about the detailed functionality presented. On the one hand, the scholar offers the author's interpretation of the traditional functions of bank capital; in particular, the protective function delimits the insurance, guarantee and preventive functions, the operational function narrows to the investment function, the regulatory function - to the normative function. As for other current functions, allocated by V.V. Fostyak, we note that there is a substitution of the functional purpose of capital for the tasks faced by the banking management in relation to the management of the banking capital, in particular, the receipt of income, the implementation of innovative banking products, the assessment of the market value of banking business, the accumulation of funds of individuals and legal entities for further targeting turn and so on. We also believe that non-capital contributes to the definition of the owners of a banking institution, determines the ownership right to use it (coordinating function), allows us to determine the degree of participation of a shareholder in the

management of a public company (control function), and vice versa, the right to ownership of capital determines the right to manage it, or to receive the income from it.

To all of the above it should be added that in the economic literature are considered and other specific functions of capital: the image function related to the size of the bank's capital as an indicator of the image; the registration function associated with the creation of a bank and obtaining a license for banking; An estimation function based on determining the value of a bank's capital, for example, in the process of bank reorganization.

Summarizing the results of the critical analysis of the views of scientists on the list of functions of bank capital, we propose to reveal the functional purpose of bank capital depending on the level of its formation (Fig. 1).

Yes, we believe that at the micro level (at the level of an individual bank), the functioning of the capital is directed at ensuring the operational activity of the bank, realizing the interests of the owners of the bank, creating the reserves for covering the unpredictable losses. Accordingly, at this level, the capital performs the following functions: operational, cost growth, reserve. At the macro level (levels of the banking system of a particular state), the functioning of the bank capital is an integral part of the processes of circulation of financial resources in the economy, which is due to the accumulation by banks of temporarily free funds of depositors and their focus on lending to the economy. In addition, at the macro level, the problem of securing the banking system from the negative consequences of implementing the systemic risks through the financing of the Guarantee Fund for individuals' deposits and maintaining the financial stability of the banking system is actualized. All this determines the importance of the capital, turnover, guarantee and regulatory functions.

At the transnational (international) level investment-innovative, speculative and migration functions of transnational bank capital are emerging. Thus, the need to maintain the competitiveness of the bank necessitates the investment in the latest technologies, the development of innovative products and services. International financial markets open up new opportunities for banks both for obtaining speculative profits and for protecting against risks by diversifying sources of formation in the direction of placement of capital. This level is characterized by the processes of transnational migration of capital - the movement of the capital between states in the form of its export, import, as well as the processes of its operation outside the country of the base of a transnational bank.

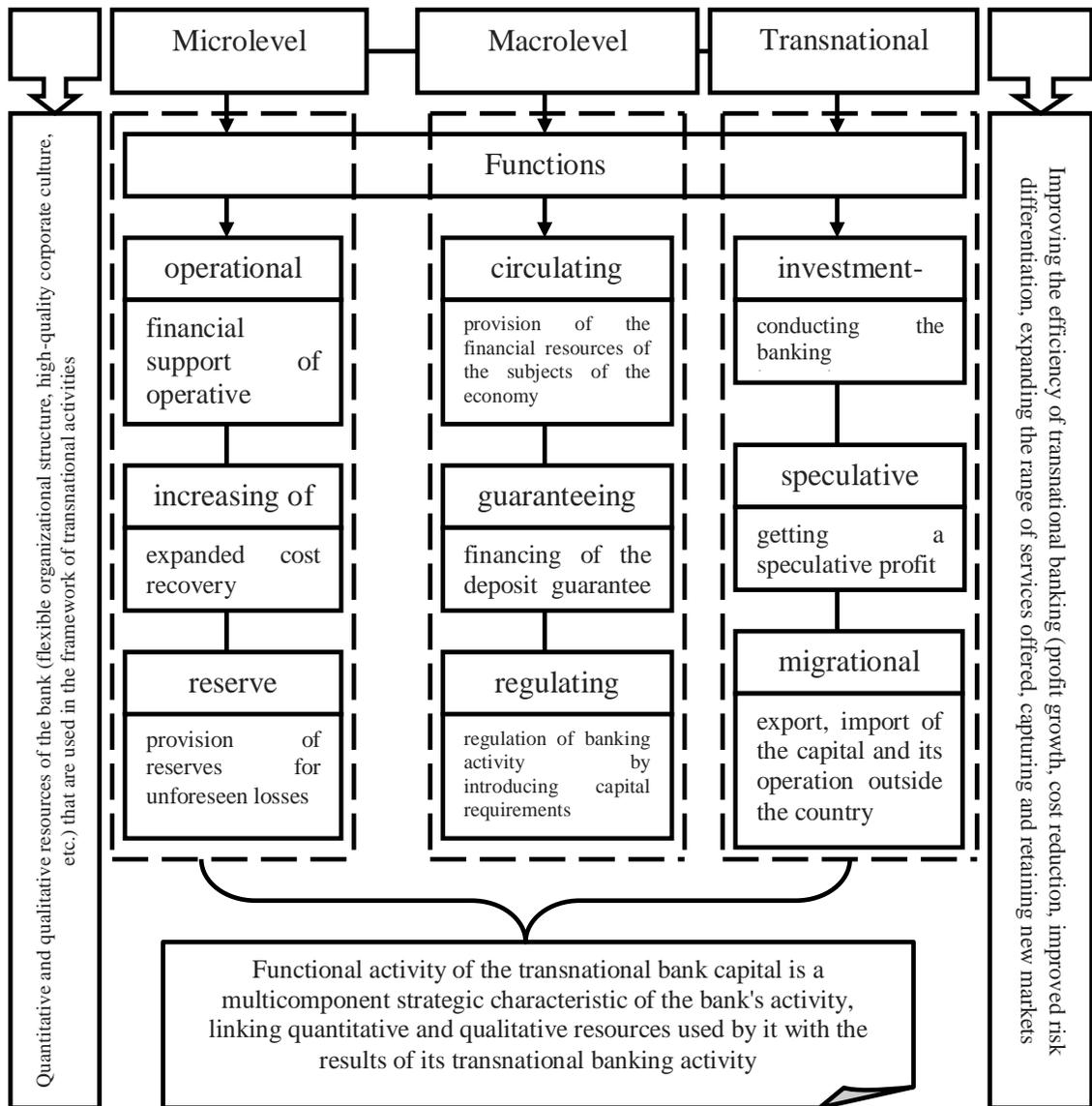


Fig. 1. Author's interpretation of the functions of the transnational bank capital

According to our belief, the capital migration is an objectively existing economic process in which monetary resources are shifted between the states, enabling their owners to receive an additional income in the destination country. Each of the presented functions, according to our considerations, is potentially inherent in capital, but in the real process of its use, such functions either manifest themselves or not, or appear to a greater or lesser extent. The degree of implementation of these functions depends on a significant number of external and internal factors, among which the special significance belongs to the socio-economic and legal conditions of the functioning of the banking sector, the quality of corporate governance development and risk management of the bank.

As O. Kulikova notes, the functions of any socio-economic institute are objective, while the legal and regulatory mechanism of their implementation in practice is subjective, since its content reflects the imperative will of the state in the person of its executive and legislative power . All this affects the socioeconomic value of bank capital in general and transnational bank capital in particular.

It is obvious that not all banking institutions have the opportunity to actively develop transnational banking business in practice, as most banks focus on solving the current problems and tactical tasks. In this regard, it is necessary to take into account the functional activity of the transnational bank capital. In our opinion, such an activity should be interpreted as a multicomponent strategic description of the bank's activity, linking quantitative and qualitative resources used by it with the results of its transnational banking activity, and also positioning the degree of participation of the bank in the international capital market.

The functional activity of transnational bank capital, above all, depends on such factors as: how well the bank meets the requirements of global financial markets; what is the spectrum and geography of the provision by the bank of international banking services to its clients, including international currency and deposit-lending operations, operations on the international securities market; participation in international investment projects; cooperation with international financial organizations; participation in insurance projects, financial and tax consulting.

In addition, the complexity of the factors of external and internal environments affects the functional activity of the transnational bank capital. Thus, the external environment includes such factors as: the world economic macro environment; the level of development of the financial market; social, economic, political, technological and institutional environment of the deployment states and the presence of transnational banks; the state of the real economy of these countries; economic activity of the population; investment climate; level and forms of state regulation; the refinancing rate and the inflation rate.

In order to assess how transnational banking capital is functionally active, we suggest using Fig 2.

Figure shows seven groups of functional activity of transnational bank capital. The evaluative characteristics of such groups are systematized in Table 2.

As a result of the consideration of the evaluation characteristics of the functional

activity of the transnational bank capital, it can be concluded that the bank's capital is of primary importance for ensuring the financial stability and the financial efficiency of its work. As in the initial periods, equity in the form of equity (share) capital is absolutely necessary for the conduct of activities, and in the future - expansion of the bank's activities, growth of its active operations - there is a direct dependence on the amount of its equity capital. As a result, the capital forms the basis for the growth of active operations of the bank, serving as providing the financial basis for its operation.

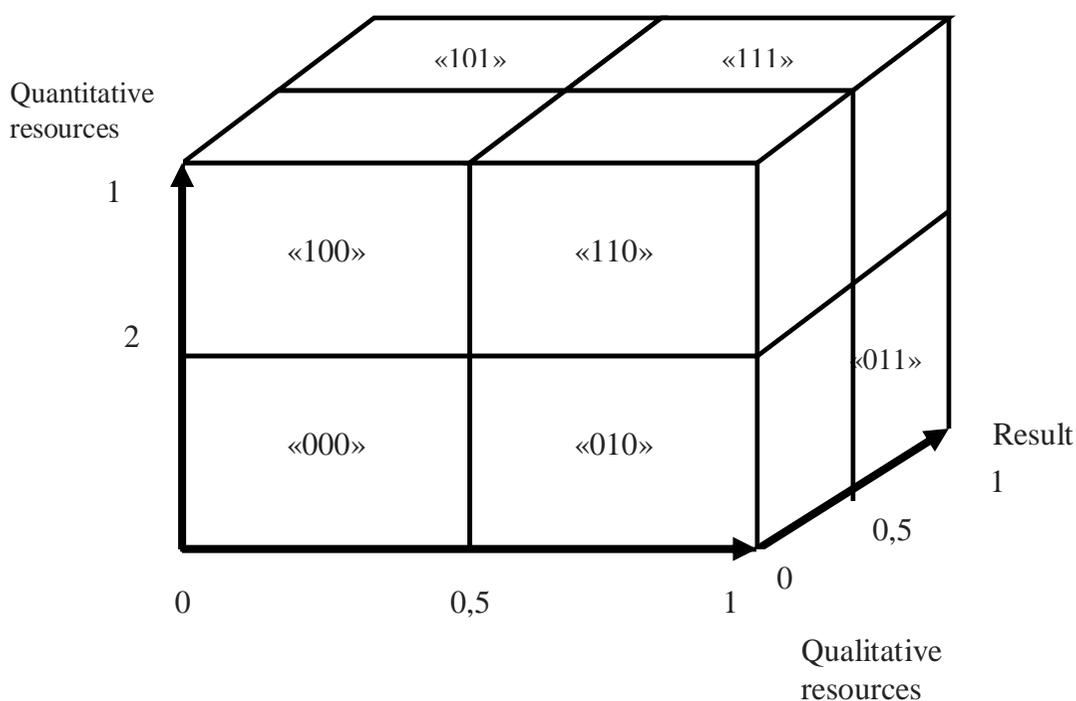


Fig. 2. Cube "Quantitative Resource - Qualitative Resource - Result"

Source: based on author

As a result of the expansion of the transnational bank capital, the transfer of a significant part of banks' assets abroad, the provision of services outside the country of banking services, the establishment of local long-term links between industrial companies and banks of the same country abroad, the transfer of information, new technologies, banking experience, which promotes the economic stability of the bank, absorption of possible losses and attraction of economic activity of the bank to the processes of convergence of the national economy.

The countries of origin are interested in the development of the transnational banks, as it gives them some advantages in international competition, therefore the

activities of such banks are used to increase the influence on other countries and increase the international authority. Thus, the transnationalization of banking activities contributes to accelerating the turnover of capital, increasing the scope of foreign trade, disseminating scientific and technological advances, advanced banking technologies, balancing the balance of payments of the countries, and attracting additional financial resources to the country. Transnational banks contribute to the expansion of the activities of the largest corporations in emerging markets, extending the standard credit-calculated culture to developed countries and, thus, participating in the formation of a global economic culture.

Table 2

The estimated characteristics of the functional activity groups of transnational bank capital

Groups of functional activity	Group characteristics	Measures to enhance functional activity
«000» «100» «010»	the lack of sufficient capital in the volumes necessary for active transnational activities and / or low susceptibility to best banking practices; weak technical equipment; not the optimality of the organizational structure impedes the functional activity of capital	the growth of both quantitative and qualitative components of the resource component
«110»	despite the adequacy of the qualitative and quantitative components of the bank's resource availability, the efficiency of transnational banking activities is low	change in the strategy for the development of transnational activities
«101»	the efficiency of transnational banking activity is largely ensured by a significant amount of quantitative resources used	improvement of the quality component of the resource component
«011»	the availability of technical, technological, information resources, the quality of the organization of processes against the background of economical use of quantitative resources (financial, human) ensures the efficiency of the transnational activities of the bank	increase in the quantitative component of the resource component
«111»	the provision of quantitative and qualitative resources contributes to the high efficiency of banking activities	maintaining the achieved level of functional capital activity

Source: based on author

Instead, the situation with receiving transnational banks by countries is rather ambiguous. On the one hand, the host country benefits from the inflow of investments, the emergence of additional jobs, the adoption of advanced banking technologies by national banks. The population is associated with foreign banks with higher reliability. Foreign affiliates of transnational banks help to overcome distrust in the commercial banking system, which helps to attract citizens into the banking system, extending the average terms of bank deposits and further reducing the rates on term deposits of individuals. In turn, these developments create a prerequisite for the growth of investment lending, strengthening of liquidity of banks, which positively affects the national economy.

On the other hand, the "selfishness" of transnational capital is manifested in the fact that banks mobilize funds where the cost of their involvement is minimal, and placed where they can earn maximum benefit. Therefore, the interests of the host countries for TNB secondary and in the event of loss of profit, the capital can be expeditiously withdrawn from the country. Thus, the multinational banks can both support economic growth and violate financial stability in the country.

By accumulating and redistributing huge amounts of money between the countries, the TNB affects the increase of its volume and direction of the intergovernmental movement, the dynamics of exchange rates and other financial assets. The role of transnational banks is manifested in promoting globalization of the economy, the impact on the liquidity and financial stability of the banking system, the formation of a single cultural and economic space.

Thus, TNB significantly affect the state and development of the entire system of international economic and monetary and financial relations.

Thus, the interpretation of the function of the transnational bank capital has improved, which, unlike the other, involves the identification of functions of the transnational bank capital depending on the level of its functioning: 1) operative, increase of value, reserve functions - at the microlevel; 2) turnover, guarantee, regulating functions - at the macrolevel, 3) investment-innovational level. Also, this approach involves evaluating the functional activity of the transnational bank capital depending on the ratio of the quantitative, qualitative component of the bank's resource availability and the results of the transnational banking activities.

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2.8. Management of investment potential of banks, as an important precondition for development of economy under globalization conditions

The activities of banks in the field of implementation of international investment strategies and meeting the investment needs of economic entities will contribute to the competitiveness of the country, its foreign economic sector and will meet the promising challenges of structural transformation, modernization and increase the efficiency of the national economy. That is why the study of opportunities for managing and using the investment potential of banks in the conditions of globalization, as an important precondition for the development of the economy, is getting more and more important

In the process of managing the investment potential of banks an important aspect is the research of the essence and the place of investment potential of the banks. The theoretical aspects of the essence of the potential are studied in many sciences and, therefore, there are various types of potential. At present, the category of potential in the economy is the most researched in relation to the real sector of the economy. For the activities of banking institutions, the economic potential is important because it serves as a generalizing concept that contains other bank notes and is the basis for making important decisions in the credit and investment sector, and serves as the basis for efficient management of modern banking activities.

Research of the economic potential of banks should be carried out, based on the essence of banks, their role and purpose in the socio-economic system of the state and the world economy. However, modern economic development involves refining the notion of economic potential, an interesting approach is the one used by O.F. Balatsky, who defines the economic potential as "the aggregate opportunities of society to formulate and maximally meet the needs of goods and services on the basis of optimal use of economic resources available in the context of specific social and economic relations" [21, p. 531], and the economic potential of the enterprise - as "the company's aggregate capabilities to identify, form and maximize customer satisfaction in goods and services in the process of optimal interaction with the environment and the rational use of economic resources" [21, p. 532].

In our opinion, it is possible to take into account the concept of "potential of the enterprise" as the basis for justifying the term "economic potential of the bank". The enterprise as a subject of the economy has a lot to do with the bank, but there are

differences, so it is necessary to establish the place of banks in the socio-economic system of the state, to disclose their difference from other subjects of entrepreneurial activity.

A modern bank is a specific financial institution, which operates on the basis of laws and regulations of the state, and performs a number of special functions related to the movement of monetary (financial) flows, monetary, investment, currency and other financial transactions and services, as well as ensures the interests of owners, the state and its customers through the formation and use of assets, obtaining a positive financial result (profit) and fulfilling their obligations to the state and clients [6, p.37].

Determining the essence of the modern bank provides all we need for disclosing the place of the banks in the modern national and world economy. The banks as the specific financial institutions provide the movement of cash (financial) flows and link the economy of the country with the world economic system. In turn, the movement of cash flows and resource base is the basis of the economic potential of banks.

To highlight the essence of the investment potential, special attention should be paid to those that are used in the economy and which can be applied to the bank. In their works, the authors O.M. Zhdan and V. I. Khomyakov are trying to fully cover the concept of the bank's potential. In particular, V. I. Khomyakov interprets the potential as sources, opportunities, means, stocks that can be put into action are used to solve problems, achieve a certain goal, the ability of an individual, society, state, enterprises in certain industries [20, p. 11].

In turn, O.M. Zhdan narrowly describes the potential of a separate enterprise, as to aggregate ability to carry out economic, production and financial activities, aimed at achieving the maximum possible result, provided for the alternatives to the development of the enterprise system in the external environment, to provide a high degree of financial stability and solvency [7, p. 139].

We agree with the opinion of O.I. Vorobyova, concerning the need to separate the individual components to determine the essence of the economic potential of banks, to which the author attributes [6, p. 39]:

1) objective - a set of monetary (financial) flows that are carried out or can be carried out by banks, providing the interests of owners, creditors, customers, state and local authorities, foreign states and their residents, international and world organizations;

2) objective - the available equity capital of the banks, their resource base, material, labor, informational, technical, innovative and other opportunities, as well as the level of banking security that is involved or may be involved in the banking process;

3) subjective - the professional abilities of banking personnel, entrepreneurial skills of senior executives of banks, their integrity, level of support and interest from owners, which allows to use the resources and internal capabilities more efficient in order to ensure the smooth flow of cash (financial) flows and the implementation of strategic and tactical tasks of banking.

However, it needs to be clarified, relating to the first component, since the first component takes into account the interests of a large number of stakeholders, it must also take into account the element of subjectivity.

Taking into account all what is mentioned above, the essence of the notion of banking potential - as the bank's ability to conduct its activities - may be formed, in relation to customer service, the attraction and placement of financial resources in order to achieve the stated goals and objectives, maintaining liquidity and solvency of the bank.

The next step in recognizing the essence of the bank's investment potential is the analysis of the bank's types of potentials, the distribution of which is also appropriate to begin with conducting analogies with a variety of potential enterprises. All these components in one or another way can be attributed to the economic potential of the bank. However, for a bank characterized by special types of potential that occur only in banking activities, such is, in particular, the credit potential, while the investment potential of the bank has a different meaning for the bank than for the enterprise.

Thus, based on the definition, the potential components must have the characteristics necessary to achieve the goals, generate profit, manage, make decisions, produce banking services and effectively use the resources.

Therefore, under the economic potential of the bank we should understand a set of economic characteristics that determine the existing and hidden possibilities of existing capital, financial, material, technical, labor, information and other resources (existing and those that can be mobilized) that can be used and will provide production financial intermediary and other banking products and services in quantity and quality, necessary for maximum achievement of the purpose of the state, shareholders and clients of the bank, taking into account the external and internal conditions for its functioning.

The authors I.M. Matiev and V. I. Kushniryuk divided all the components of economic potential into two groups using a functional approach [16]. The first group is the resource component: the financial potential; personnel; informative; technical; innovative; organizational and managerial. The financial potential of banks in this approach is treated in terms of equity and financial resources that form banks by opening deposits to domestic individuals and legal entities, as well as attracting various loans. The personnel potential of banks is characterized by both quantitative and qualitative parameters, in particular the level of professionalism of staff and top managers, their integrity. The information potential of banks is characterized by the volumes and extent of information held by bank employees, the ability to use it timely, formulating on its basis relevant banking decisions. The organizational and managerial potential of banks characterized by the ability of the management system to ensure a stable, reliable and efficient functioning of the bank in the banking market.

In the second group, according to the functional component of the authors, there were the following: the settlement and payment potential; the credit potential; the investment potential; the emission potential; the currency potential; the potential of intermediary and commission services; the potential of consulting services. The general scheme of this approach is shown in Fig. 1.

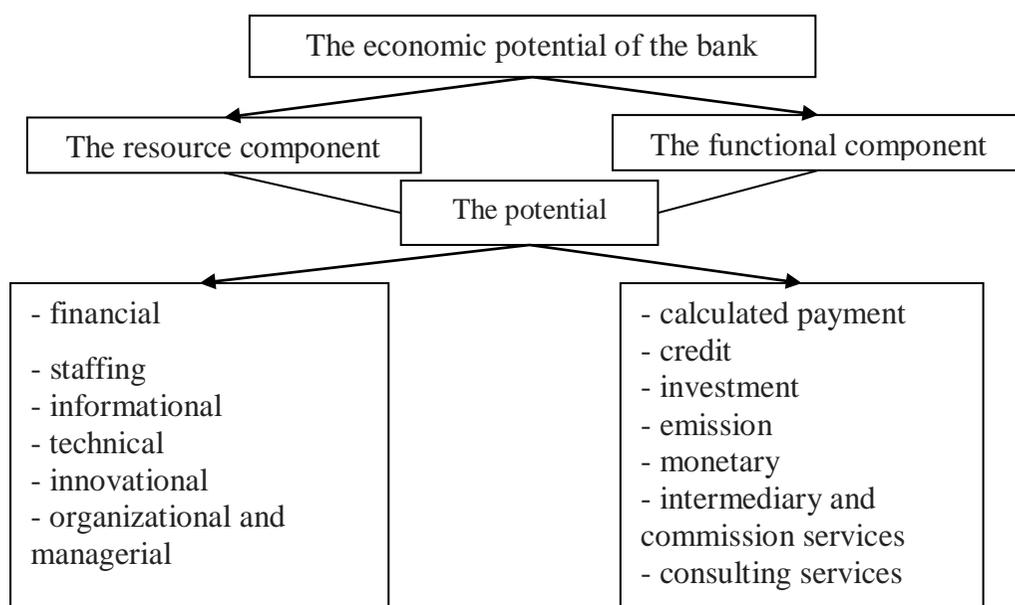


Fig. 1. The scheme of the components of the investment potential of commercial banks, taking into account the resource and functional component

Source: by the author based on [16].

According to this approach, the investment potential is a part of the functional component. However, the concept of financial potential needs to be clarified as there are approaches according to which the bank's investment potential relates to financial potential.

Taking into account the mass and the variety of phenomena that are described by the notion of the financial potential, there may be given a large number of definitions that deal with its aspects. In this regard, it is possible to identify the main differences in approach to the financial potential of banks: resourceful, productive, factual, mixed [18]. A common approach is that according to the financial potential of the bank, one understands the system of realized and unrealized capacities and capabilities of the bank that arise in the process of economic relations with other entities, in order to maximally efficiently attract and allocate financial resources to achieve the goal of the bank and obtain the maximum financial result of a defective management system, taking into account the internal and external conditions of its activities [9].

In general, understanding of the financial potential of the bank is reduced by the authors to determine the totality of resources, stocks, assets and performance of commercial banks as the capital, ensuring the growth of value, the income, the achievement of socio-economic effects and the development of both individual economic subjects and the country as a whole at the immediate and long-term prospects [18].

It is also necessary to take into account the specifics of the financial potential of banks in the composition of the financial potential of the country, which is conditioned by the function of redistribution from certain spheres of the types of circulation and the use in other non-transition critical boundaries, threats, deaths, destruction. The redistribution is that the financial resources released at individual stages of the reproduction process, with the help of the banking system, are diverted to other sectors of the economic system, which accelerates the circulation of capital, promotes the progressive adjustment of the entire structure of production, creates opportunities for the introduction of advanced technologies [2, p. 7], thus contributes to the development of other subjects of the economy, and, consequently, the overall development of the economy.

At the same time, the essence of the investment potential of the bank is studied in a variety of ways, due to the wide range of issues that it covers. The investment potential of banks indicates the possibility of capital investment by the banking system.

Determination of investment potential is required mainly for making a decision on further strategic development of the banking sector, the formation of its investment policy.

At the same time, in separate scientific works, we are talking about adjacent categories. Thus, some scholars identify the credit and the financial potential of the banking system as a set of real sources for lending and investment of the two-tier banking system of the country as a whole, the main components of which are cash in circulation (in the central bank) and cashless funds, as well as the bank capital (in the banking system the second level).

There are approaches that focus on outlining the activities of specialized investment banks and the formation of their investment potential, leaving out the role of the central bank and other commercial banks in the mechanism of formation and effective use of the investment potential of the banking system. In this case, the investment potential of the bank shows the degree of probability of investing in long-term assets, as well as the ability to develop and implement the bank's investment services by improving the organizational structure of the bank's management, increasing its competitiveness in the market and creating investment resources, which allows to obtain a lasting positive effect in their use.

It should be noted that the essence of the investment potential of the banking system is twofold: on the one hand, it characterizes the system of economic relations arising from the use of the banking system of those investment resources that pass through it; on the other hand, it is one of the sources of the extended reproduction for the economy.

On this basis, the impact of the investment potential of banks on economic growth is bi-directional: on the one hand, the growth of the investment potential of banks stimulates the processes of expanded reproduction and actually stimulates the economic growth. The investment potential of banks is determined by the level of accumulation of funds, on which the efficiency of the process of accumulation of capital in the mechanism of social reproduction, that is, the level of savings depends.

Consequently, on the basis of the previously highlighted, the investment potential of banks is a collection of available banks own and borrowed resources, their optimal structure and rational use for the implementation of the needs of management and the goal. This statement takes into account the fulfillment of the main functions of banks, namely the attraction and accumulation of free resources from business entities and the satisfaction of the investment needs of the real economy sector.

The size of the investment potential of banks depends on the availability of their internal investment resources (own funds, attracted by the resource), taking into account the possibilities of attracting the external sources of investment resources [3]. The main sources of the investment potential of commercial banks are [19] the following: profit, authorized capital, special purpose funds, reserve fund, stable part of deposits of individuals and legal entities, balances on accounts of legal entities, proceeds from issuance of own securities, interbank loans, etc.

Also, some authors identify the investment potential with an investment portfolio, which does not completely reveal the essence of investment potential, in particular, Lyakhova O.O. determines the investment portfolio of the bank as a purposefully formed set of financial and / or real investment objects intended to implement a pre-designed strategy that defines the investment objective of the bank [14].

However, the bank's investment potential should also be understood as a set of available investment resources, which is in the system unity, due to their ability of banks to mobilize at a certain time interval of the internal and external investment resources for the implementation of strategic and tactical goals of stimulating economic growth, as well as the readiness of the economy to perceive investments, adequate response to them.

The implementation of a systematic approach to the study of the problem of the formation and the use of the investment potential of banks requires the existence of a certain system of principles. The main ones, to our mind, are the following:

- optimality - the investment potential of banks should take into account all the possible directions of investment use together with the potential opportunities and the risks;

- accessibility - the maximum exclusion of restrictions on the banks' activities regarding the use of investment resources in the market, within the framework of the current legislation;

- purposefulness - all elements of the bank's investment potential serve the general purpose of stimulating the bank's economic growth and the economy;

- interchangeability, alternative of elements of the investment potential of the banking system;

- flexibility, qualitative and quantitative interconnection and interaction of elements of the investment potential of banks;

- the ability of the investment potential of the banking system to develop through the direct and systematic use of new ideas, the ability to perceive the latest advances in banking.

In addition to mobilizing free money that are available in the economy and generating the demand for investment resources, banks form effective incentives for their accumulation (price of financial resources, protection of depositors, observance of legislation, etc.), what allows to maintain the necessary level of the investment potential in the future; on the other hand, the existing state of reproductive processes in the economy and the current economic growth rates significantly affect the investment potential of banking institutions and determine their role and place in socioeconomic processes.

An important issue is the definition of the components that would enable us to assess the investment potential of the bank. In particular, I. Boyko refers to such components: own capital of banks (statutory and balance capital), structure of attracted resources, profit and structure of the bank's loan and investment portfolio [3]. Based on the economic essence of the investment potential as an opportunity to carry out investment activity, in our opinion, this definition of the components of the investment potential of banks is not entirely correct. It is impossible to use the structure of attracted funds and the loan and investment portfolio for active investment operations. Before that, it is not necessary to separately allocate profit, since it is a component of balance capital.

O. Zaslavskaya, G. Koval [8] note that the implementation of banking institutions investment activities should be related to the adoption of specific decisions in the area of increasing the volume of banking investment resources. The extent to which banks will pay the attention to the formation of these resources depends on their ability to carry out active investment operations. Therefore, it is necessary to divide the investment potential of the bank into its own and the involved one. The bank's own investment potential forms its authorized capital, reserve capital, bank income, etc., and the attracted investment potential is money held in deposits, bank notes and so on. We believe that more attention should be paid to its own investment potential and statutory capital as a component of it and to the attraction of long-term funds.

Thus, the analysis of approaches to determining the essence of the investment potential of the bank points to the ambiguity of both its direct interpretation and the bases

of its management and use. What needs to be considered in detail is the key threats and risks that affect the formation and use of the investment potential of banks.

First of all, to determine the consideration of key threats and risks that affect the state of formation and use of investment potential of banks, it is necessary to determine the basic principles of the formation of a system of indicators for evaluating the formation and use of investment potential. The analysis of scientific literature allows us to draw conclusions about the lack of a unified approach to the solution of this issue. However, scientists are trying to group these principles, in particular Kwasnitsa R.S. proposes to distinguish the following groups of principles [10, p. 1073]: principles defining the methodological principles for assessing the effectiveness of the formation and use of investment potential; principles defining the organizational and functional principles of constructing a system of indicators for assessing the effectiveness of the formation and use of investment potential; principles defining qualitative characteristics of the methodical principles for assessing the effectiveness of the formation and use of investment potential.

It is the complex accounting of the specified principles that will allow more clearly manage the investment potential of banks. An important point is also the study of a set of factors, the impact of which can lead to a change in the level of investment potential itself.

It is possible to distinguish some aspects, the division of factors on which the level of investment potential depends: by sources of origin: external (exogenous) and internal (endogenous) factors [4, p. 60]; factors of the microenvironment (internal components) and macroenvironment (external components) [15, p. 41]; on qualitative characteristics of their influence: factor-stimulants and factor-stimulators [5, p. 43].

Endogenous factors are caused by the development and level of efficiency of using other partial potential of the bank - financial, personnel, information, etc. Actually, this leads to the expediency of considering the investment potential in close relationship with them, because ignoring the latter (that is, considering only from the standpoint of the resource approach) will mean understanding of the investment potential only as a set of financial resources for investment. Exogenous factors are caused by the state and characteristics of the macro-environment in which the bank functions, which necessitates the following group of factors.

In general, this ranking is limited to the division of factors by the sources of

occurrence on the external and internal, which are also differently grouped by scientists. The best way, in our opinion, is to divide the factors by the hierarchical levels of the economy into the one, proposed by Kwasnytska R.G. [10, c. 1075]. Thus, the author refers to factors of the external environment influencing the investment potential, which cannot be predicted and which cannot be influenced by macro-factors, reflecting the impact of the conditions of the functioning of international and national economies; mesolevel factors, which reflect the impact of the conditions of the region and / or industry in which the bank operates. The internal factors of influence on the investment potential are the factors of the micro level that the bank can directly control, and influence their effect.

In turn, there are approaches to the formation of groups of factors without their delineation at hierarchical levels, and are considered as a whole as the circumstances of external and internal influence. In particular, O.V. Arefyeva and T.V. Kharchuk include economics to a group of external factors, social, political, legal conditions that arise under the influence of restrictive or stimulating measures of state bodies, banks, investment companies, political forces, etc. [1, p. 72]. However, this approach, in our opinion, reduces the possibility of studying the impact of the environment on the national and regional levels. No attention is paid to the factors of mesoforming, which is a conductor between the state and banks; therefore the opportunity to achieve more effective formation and use of investment potential is precisely because of the low level of interaction between bank-investors and the state.

In our opinion, taking into account the above data, the main external factors of the macro level are the following:

- political factors: the formation of a favorable investment climate in the state, stability of the political sphere, etc.;
- legal factors: the level of bureaucracy, the level of legislative support for investment activity and the consideration of international legal standards for regulation of investment activities, etc.;
- economic factors: trends of economic development of the state; tax policy; the development of the currency market; inflation rate; the availability of solvent demand and savings in the population, etc.;
- socio-cultural factors: differentiation of incomes; the average wage in the state; unemployment rate; trust of owners of investment resources to banks; the mentality of the

population, etc.

Also, given the active development of the global economy and the deepening of globalization processes, particular attention should be paid to this aspect of the impact on investment potential. In particular, S.V. Leonov singles out a number of reasons that influencing the economy also affect the activities of banks and their investment potential, the main of the following reasons [12]:

- active development of multinational corporations and their affiliates around the world, which determines the growing need for banking services;
- development of unconventional banking services and the use of electronic technologies;
- orientation not only on the national economy, but also to change the economic situation around the world in determining the overall strategy of the bank;
- strengthening the unification of rules governing the internal and external business operations of banks and business entities;
- banks are increasingly focusing on the quantity and quality of information services provided to their customers as an important factor in ensuring competitiveness;
- if the domestic banking system serves primarily for the accumulation and redistribution of financial resources between regions at the national level, then the international capital market becomes an independent factor in the development of the world economy;
- the national economy can not be completely closed to foreign bank capital.

These reasons predetermine the risks inherent in the globalization processes for banks.

We agree with Kwasnitsa R.S. [10, c. 1076], which defines the main factors of the mesolevel:

- economic factors: trends in the economic development of the region and / or industry; local tax policy; development of regional financial market infrastructure; financial condition of competitors; financial position of counterparties in the financial market in the region; the availability of solvent demand and savings in the population of the region, etc .;
- social factors: the population of the region; average salary in the region; the unemployment rate in the region, cultural traditions in the region, etc.

Among the factors of the micro level, that is, internal factors of influence on the investment potential and the possibility of its formation and development, it is possible to distinguish such as: the existing volume of investment resources and the volume and structure of financial resources that can potentially form investment resources; quality and availability of labor resources; financial literacy of the population regarding the bank's investment prospects.

It is also important to analyze the incentive and disinfecting factors of investment potential. Factors-stimulators include factors whose high values indicate favorable conditions for the formation and use of investment potential and, accordingly, the factors where stimulants have the opposite direction. The division of factors into factor-stimulators and factor-de-stimulators makes it possible to forecast trends in the level of investment potential and make adjustments to its investment activity.

A very important fact, to which S.V. Leonov pays much attention, is a bi-directional influence of the investment potential of the banking system, which can be attributed to banks, on economic growth [12]: on the one hand, the growth of the investment potential of the banking system stimulates the processes of expanded reproduction and actually stimulates economic growth. In addition to mobilizing free money available in the economy and generating demand for investment resources, banks form effective incentives for their accumulation (price of money, legal guarantees, protection of depositors from possible losses in the bank's bankruptcy, etc.), which allows to maintain the necessary level of investment potential in future; on the other hand, the current state of reproductive processes in the economy and the current economic growth rates significantly affect the investment potential of banking institutions and determine their role and place in the public economic processes. The investment potential of the banking system is determined by the level of accumulation of funds, on which the efficiency of the process of accumulation of the capital in the mechanism of social reproduction depends, that is, the level of savings.

Nowadays, there is no generally accepted methodology for assessing the investment potential of banks. The existing scientific and methodological approaches to assessing the effectiveness of using individual components of this potential do not allow to identify key areas for increasing bank stability, forming its investment potential, and forming directions for its strengthening.

As for the assessment of the level of investment potential of banks, it is worth considering the investment potential at the current time (actual) and in perspective:

- the actual investment potential of banks, that is, the volume of investment resources, and the level of available opportunities for their effective use, which exist in the current conditions of the bank and the economy;
- the promising investment potential of banks that covers the maximum possible amount of investment resources, including those that are not involved for certain reasons yet but are already characterized by a real opportunity to be attracted and accumulated by banks.

To determine the role and place of the investment potential of banks in the development of the economy, it is important to reveal the role of banks in the investment processes. First of all, it should be noted that due to their participation, the transfer of the cash capital from some subjects of the investment relations to others is ensured, which contributes to the uniform distribution of the financial resources between different spheres of entrepreneurial activity. Particularly important is their role in moving household savings to the turnover of enterprises. This is due to the fact that these savings are one of the important sources of loans and investments in the economy.

We support the approach of the authors as L.D. Lebedinskaya and L.M. Remnyova concerning the division of banks' influence on investment processes on direct and indirect. With regard to the direct influence of banking institutions on the investment processes, it is to mobilize the savings of the population and direct them to investing through the use of the credit mechanism and the market of securities, as well as in investing in the investment projects own and borrowed resources. The indirect impact is the maintenance of the flow of funds owned by client-investors and intended for investment purposes, as well as the implementation of a range of the intermediary functions [11, p. 93].

There is a fairly tight correlation between the level of development of the financial sector, including the banking, sector and the growth rates of the economy, due to a number of reasons: the deepening of globalization in the financial sector, the processes of unification and interpenetration of banking, industrial and trading capital, a significant need the real economy in the financial and credit and investment resources, the expansion of the points of the conclusion of bank capital, etc. [13].

In the face of the outflow of the investment capital, given the lack of security guarantees for the investor and the high degree of risk, the global trend of reducing the bank lending is an additional factor inhibiting the economic development of the regions. Therefore, an important role should be given to banking investments in the system of reproduction and increase of the economic potential of the economy, and, therefore, ensuring the high rates of the economic growth.

In general, the importance of using the bank's investment potential for the development of the region should be considered in a complex, both at the level of the bank and at the level of the region. This approach involves taking into account the interests of the main subjects of economic relations at the state level and contributes to increasing the international community's confidence in our financial system and attracting foreign funds.

For the effective implementation of this process, the investment activities of commercial banks should be based on the following principles [19]:

- compliance with the strategic objectives of the bank, orientation to the needs of the market;
- creation of products and services that can facilitate the bank's access to cheap and sustainable sources of resources forming on the market;
- compliance with terms of sources of resource formation and directions of their use;
- diversification of sources of bank resources, which will increase the sustainability of the bank's resource base as a whole;
- taking into account the external and internal factors of the bank environment, minimizing the impact of bank risks;
- organization of work of a branch network of the bank concerning attraction of resources;
- use of modern technical base, computer technology and technologies for economic substantiation of decisions.

The need for investment activities of commercial banks is due to the interdependence of the development of the banking system and the economy as a whole. On the one hand, banking institutions are interested in a stable economic environment, which is a prerequisite for their activities, and on the other hand, the stability of economic

development depends largely on the high degree of reliability of the banking system and its effective functioning [17].

Given the significant needs for investment resources and the limited capacity of banks, this should include the investment activities of banks, if possible within the consortium. Because this kind of investment will allow banks to generate significant amounts of financial resources, distribute risks and diversify their activities.

In general, the importance of using the bank's investment potential, as an important precondition for economic development, should be considered in a complex manner, both at macro- and microeconomic levels.

This approach involves taking into account the interests of the main subjects of economic relations at the state level and contributes to increasing the international community's confidence in our financial system and attracting the foreign funds.

In today's conditions for the development of the economy it is important to attract the investment potential of banks. As the support of banking institutions will expand opportunities for economic development. Using the investment potential of a commercial bank will diversify the risks and increase the profitability and credibility of the banking business.

This, in its turn, will create conditions for improving the level of financing of the economy through the internal and external sources and will contribute to the overall development of the economics.

So, in conclusion with all of the above, we can conclude that investment potential is an important component of the financial potential of banks, which in its turn actively influences the state of financial potential of the country. This interpretation provides an opportunity to comprehensively explore the formation, functioning and use of both the investment potential of commercial banks and its role and significance for economic development.

It should also be emphasized that in the context of globalization, the particular attention should be paid to the banking sector, in particular to the efficient use of its capabilities, including the active attraction of the investment potential of the banks. Ensuring the unified approach, the clear strategy and the legal basis in this area may be an important prerequisite not only for the effective operation of the banking sector of the economy, but also for the development of the economics as a whole.

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2.9. Financial policy as an instrument for ensuring socio-economic development of the country

The development of social relations requires coordinated actions of all branches of power within the country, a harmonious combination of economic mechanisms and the improvement of social processes, ensuring their effective functioning in order to achieve strategic goals. The financial policy of the state, which is the embodiment of the interests of the population, business entities, investors, authorities of all levels, etc., plays a key role in this path.

The state, when formulating and implementing financial policies, focuses on the subjects of management, first of all, on the creation of financial resources, their effective allocation and use. The implementation of the financial policy of the state is aimed at ensuring a high level of socio-economic development. This policy is a key element of the national economic policy. It determines the sources of filling financial resources, directions of their use in accordance with the priorities of economic development and creates a system of effective financial management for stimulation through financial instruments of socio-economic processes [1].

The experience of developed countries shows that effective financial policy is a powerful instrument for ensuring the country's social and economic development. The lack of well-grounded tactical measures and the lack of a clear strategy for development, the separation of financial policy from the actual state of affairs in the economy and the social sphere testify its inconsistency with modern realities. The search of the most effective tools and mechanisms for the formation of an effective financial policy becomes a priority challenge in the conditions of constant volatility of the external environment that is taking place in the domestic economy.

The research of theoretical and practical aspects of financial policy was reflected in the works of such domestic scientists as: O. Vasilik, V. Gayts, I. Zapatrina, I. Lyuty [2], V. Fedosov, I. Chugunov [3], S. Yuriy and other.

State fiscal policy cannot be determined once and forever. On the contrary, at the current stage of development of the domestic economy, it must be flexible and adjusted in response to changes in external and internal factors.

The purpose of the study is to analyze trends in the development of Ukraine's financial policy in the context of the institutional economy and to identify the priority

directions of its development. The basis of the current stage of economic development in Ukraine is an effective financial policy, which comes out directly of the model of economic development of the state. Modern models used in countries with a transformational and developed economy are the foundation that determines the peculiarities of their economic policies and the distribution and redistribution of financial resources at macro and micro levels.

Financial policy is a dynamic phenomenon. As P. Yukhymenko noted, from the standpoint of modern criteria of analysis, the entire historical process of its formation and change cannot be unequivocally presented - as development on the ascending or as a development of cyclic nature. It has a more complex character, due to the changes in the objectives of economic policy, the influence of external conditions and factors that threaten the change in the geopolitical position of Ukraine [4, p. 102].

Financial policy is a special field of activity aimed at mobilizing financial resources, their rational distribution and their use to ensure sustainable development of the country. The main tasks of financial policy are the search for new opportunities for the formation and efficient allocation of financial resources, the organization of regulation and stimulation of economic and social processes by financial methods, the formation of an effective mechanism of financial management. The purpose of financial policy is to ensure the level of optimization of GDP distribution, which would contribute to the growth of the economy and the improvement of the citizens' welfare. That means that this policy always has a clear vector of action in the classical sense, and its realization is a compromise between the possibilities and needs of the national economy.

The priority measures of the state financial policy that are implemented in the developed countries in the transformational economy are increasing fiscal efficiency of the tax system, improving the system of public finance management, increasing the effectiveness of the mechanism of medium-term budget planning and forecasting, reducing the structural budget deficit and public debt, optimizing the expenditure part of the budget [5].

Modern financial policy is a set of targeted state measures for the formation and efficient use of financial resources of the country, which includes the resources of its separate regions, sectors of economy, enterprises and households, in order to ensure stable social and economic development, using the appropriate financial and monetary levers, and creating an appropriate institutional environment that contributes to this policy [6].

Only if the financial policy is directed at ensuring conditions for economic development and increasing the financial resources of the country, it is possible to meet the growing needs of the social sphere and public administration, prosperity of the country in the future.

At the current stage of development of the economic system, the mechanism for the formation of a balanced and efficient financial policy is in the process of institutional transformation, which is conditioned by the necessity to address the main issues of socio-economic development of the country.

Domestic financial policy is characterized by the structural improvements in the institutional system and the adaptation to the internal and external trends of the transformational economic environment.

The basis of fiscal policy is the fiscal policy, which is primarily related to the formation and implementation of budgets of all levels. Economic instability and a decline in production negatively may affect the formation of revenues and the financing of budget expenditures [7].

To determine the direction of the influence of public expenditures on economic growth in economic theory, there is Wagner's law used, which takes the following meaning in modern terms: the growth of the gross domestic product is accompanied by accelerated growth of public expenditures [8, p. 6]. Consequently, the main indicator, which reflects the importance of public expenditure as a factor for economic growth, is the share of corresponding expenditures in GDP.

The fact that the share of government expenditures in GDP and their structure in different countries varies considerably reflects the importance of fulfilling the functions entrusted to the state. The specific weight of government expenditures in the gross domestic product in countries with a developed and transformational economy is given in Table. 1.

As it can be seen from the data presented in the Table. 1, the share of the average public expenditure in the GDP of the European Union countries ranges from 31.0 (2008 to Switzerland) to 58.3% (2016 in Finland), which indicates a high level of centralization of government expenditures.

The dominant here are social expenditures, which are the result of a social reorientation of the economic system of countries with a developed and transformational economy.

Table 1

Share of government expenditures in the gross domestic product in developed and transformational economies of 2007-2016, %

Country	Years									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Belgium	48,4	48,2	50,3	54,1	53,3	54,4	55,8	55,6	55,1	53,9
Bulgaria	33,7	37,4	36,9	39,5	36,7	34,1	34,7	37,6	42,1	40,2
Great Britain	42,9	42,8	46,6	49,6	48,8	46,9	46,8	45	43,9	43,2
Greece	45,1	47,1	50,8	54,1	52,5	54,2	55,3	62,1	50,7	55,3
Denmark	49,8	49,6	50,5	56,8	57,1	56,8	58,3	56,5	56	55,7
Spain	38,3	38,9	41,1	45,8	45,6	45,8	48	45,1	44,5	43,3
Italy	47,6	46,8	47,8	51,2	49,9	49,1	50,8	51	51,2	50,5
Estonia	33,6	34,1	39,7	46,1	40,5	37,4	39,1	38,3	38	39,5
Latvia	36,2	34,1	37,3	43,7	44,8	39,1	37,2	37	37,5	37,2
Lithuania	34,3	35,3	38,1	44,9	42,3	42,5	36,1	35,6	34,8	35,1
Netherlands	43	42,5	43,6	48,2	48,2	47	47,1	46,4	46,2	44,9
Germany	44,7	42,8	43,6	47,6	47,3	44,7	44,5	44,5	44,3	43,9
Norway	40,8	41,4	40,2	46,1	45	43,8	42,9	44	45,6	48,5
Poland	44,8	43,1	44,5	45,3	45,6	43,6	42,6	42,4	42,2	41,5
Romania	35,2	38,2	38,8	40,9	39,6	39,1	37,1	35,2	34,3	35,5
Ukraine	17,98	19,24	19,74	20,86	18,12	19,25	19,77	19,44	20,35	24,21
Finland	48,3	46,8	48,3	54,8	54,8	54,4	56,2	57,5	58,1	58,3
Switzerland	32,2	31	31,2	33,1	32,9	32,9	33,3	34	33,7	33,6
Sweden	51,3	49,7	50,3	53,1	51,2	50,5	51,7	52,4	51,7	50,4

Source: [based on the data 9; 10]

According to the Table 1, the share of expenditures of the state budget of Ukraine in the gross domestic product is the lowest among countries with a transformational and developed economy, therefore, the structure of state expenditures does not have a positive impact on the socio-economic development of Ukraine, as there is an inverse relationship between macroeconomic indicators. For Ukraine the negative impact of the growth of government expenditures on the dynamics of economic growth is characterized by an

economic increase: the government expenditures are accompanied with 1% by a reduction in GDP (with a 1% increase in public expenditures, the GDP is reduced by 0.09%).

The problem of optimizing public expenditures is one of the main for modern economic theory and practice, since the change in volumes and structure of public expenditures leads to a change in aggregate demand in the economy and significantly affects the informative characteristics of the economic system (competition, efficiency, degree of implementation of market mechanisms, etc.). Thus, the growth of the expenditure part of the state budget of Ukraine as a whole contributes to the increase of economic activity, as it is a financial source of its service, but only to a certain extent. Economically unwarranted high levels of government spending are too burdensome for our country's economy.

The state budget is an important tool for financial regulation of the economy, and the balance and duration of economic cycles may be called the necessary prerequisites for maintaining sustainable economic growth [11, p. 54].

Budget policy, as it is stated in Article 10 of the Economic Code of Ukraine, when acting as part of the main directions of economic policy defined by the state, is aimed at optimization and rationalization of the formation of incomes and use of state financial resources, increase of efficiency of state investments in the economy, harmonization of national and local interests in the field of inter-budgetary relations, regulation of public debt and ensuring social justice in the redistribution of national income [12].

The process of forming the expenditure part of the budget, which is one of the main elements of the system of budgetary regulation, is influenced by the revenue part of the budget and the deficit (budget surplus) indicator. The tasks of the state in the conditions of the economic downturn are not only the maintenance of public expenditures at a constant level, but, if possible, their increase. The main purpose of the system of state revenues is to create a reliable financial base for ensuring the financial activity of the state.

The dynamics of incomes and expenditures of the consolidated budget of Ukraine in the gross domestic product for the period 1996-2016 is shown in the Picture 1.

A complicated and important task for the formation of an effective financial policy is to ensure the principle of a balanced budget, according to which the authority to implement budget expenditures must correspond to the amount of budget revenues for the relevant budget period. As in Ukraine during 1996-2016 budget expenditures are

predominantly higher than incomes, as a consequence, the share of state and guaranteed public debt in the gross domestic product is increasing (Table 2). The effectiveness of the budget process influences the success of the implementation of government functions of the state.

Table 2

The share of state and guaranteed public debt in gross domestic product
of 2007-2016, %

Year	State debt	State internal debt	State external debt	Guaranteed state debt	Guaranteed state internal debt	Guaranteed state external debt	Total
2007	9,9	2,5	7,4	2,4	0,1	2,3	12,3
2008	13,8	4,7	9,1	6,2	0,2	6	20
2009	11,9	10	1,9	9,8	1,5	8,3	21,7
2010	29,9	13,1	16,8	10,1	1,3	8,8	40
2011	27,4	12,4	15	8,9	0,9	8	36,3
2012	28,3	13,5	14,8	8,2	7,1	1,1	36,5
2013	33,1	17,7	15,4	7,2	1,9	5,3	40,3
2014	60,4	29,4	31	9,8	1,8	8	70,2
2015	67,4	25,7	41,7	12	1,1	10,9	79,4
2016	69,2	28,1	41,1	11,7	0,8	10,9	80,9
2007-2016	35,13	15,71	19,42	8,63	1,67	6,96	43,76

Source: [based on data from the Ministry of Finance of Ukraine; 13]

One of the important tasks of strengthening the qualitative level of using the state budget resources and improving efficiency is the implementation of measures to change priorities of financing, namely: the optimization of expenditures for the maintenance of state authorities and administration, the rationalization of expenditures on social sphere and the use of budget funds for implementation of infrastructure projects, science-intensive developments. The level of budget expenditures for public administration should be in line with the quality of public service provision to society, which will ensure a high level of social protection and a sufficient level of welfare of the population.

As regularity, we can note the growth of debt levels during periods of crisis and its reduction in periods of stability. Thus, the highest growth was observed in 2009 (58.9%), 2014 (36%) and 2015 (22.45%). In general, in the dynamics of a guaranteed public debt, the following periods can be distinguished: a significant growth period - 2009; the period of post-crisis deceleration of growth - 2011-2013; the period of the new economic crisis - 2014-2016 years.

Thus, the state and state guaranteed debt of Ukraine for the period of 2007-2016 has a steady upward trend. The years of the most intense debt growth can be called 2009 and 2014-2015, which are characterized by the consequences of exacerbation of the country's economic instability due to high currency borrowing risks and significant debt burden on the budget.

The problem of filling the revenue part of the state budget of Ukraine today is one of the most actual economic problems in Ukraine. On the basis of the analysis it can be concluded that the aggregate influx of factors on the formation of revenues of the state budget of Ukraine is negative. There is a number of problems combined with factors influencing the budget formation, and with the hence the financial policy in Ukraine: the rapid growth of the negative balance of foreign trade in goods, the deterioration of domestic financial entities, the annual reduction of GDP, the growth of external debt, inefficiency of the current tax system.

One of the main problems of the implementation of financial policy is the lack of high efficiency of using budget funds in order to achieve better indicators of socio-economic development. The imperfect budget mechanism has a negative impact on financial policy, and therefore constrains the economic policy of the state as a whole. The solution of this problem is seen in the definition of clear priorities in the development of the economy, the social sphere and the strengthening of the responsibility of the funds' managers for their purposeful and effective use.

The state as the main subject of financial policy should more strongly apply financial methods of planning, management, control, as well as financial levers of norms, sanctions and incentives in order to ensure financial stability and improve people's living standards [1, p. 26].

The financial policy of the current institutional stage of development is based on the requirements of the financial strategy and by taking into account the prevailing economic conditions. It involves overcoming the crisis situation in which today's finances

are present. The crisis in the financial sector is a huge deficit of the state budget; growth of internal and, especially, external public debt; the presence of a large number of loss-making and unprofitable enterprises. Crisis phenomena may be manifested both in the sphere of public finances and in the sphere of finances of business entities.

The main problems of financial policy are the problems of ensuring the dynamics of growth, competitiveness of the Ukrainian economy, the establishment of an updated model of financial development. It is this approach that will allow Ukraine to preserve and make the most effective use of available scientific and technical potential for structural changes and to take the right place in the world.

In order to address the mentioned problems, it is necessary to concrete actions of a long-term and current nature that will stabilize the country's economy, stimulate production and promote its expansion, lead to lower tax pressure and provide effective economic development that will promote a high level of social protection and ensure the welfare of the population.

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