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COMPLEX ANALYSIS OF UKRAINIAN STATE FINANCIAL SECURITY IN PRESENT CONDITIONS

КОМПЛЕКСНИЙ АНАЛІЗ ДЕРЖАВНОЇ ФІНАНСОВОЇ БЕЗПЕКИ УКРАЇНИ В СУЧАСНИХ УМОВАХ

The complex analysis of Ukrainian financial security in present conditions is given in the article. In particular, estimation of external and internal threats of state financial security was carried out in work. Besides, the analysis of standard-legal and organizational maintenance of state financial security providing in Ukraine was done. Also the ways of improvement of national financial security were developed.

Keywords: *state financial security, analysis, threats, standard-legal and organizational maintenance, state financial security system.*

У статті представлено комплексний аналіз фінансової безпеки України в сучасних умовах. Зокрема, в роботі було виконано оцінку зовнішніх і внутрішніх погроз фінансовій безпеці держави. Крім того, проведено аналіз нормативно-правового й організаційного забезпечення державної фінансової безпеки в Україні. Також було розроблено шляхи вдосконалення системи національної фінансової безпеки.

Ключові слова: *державна фінансова безпека, аналіз, погрози, нормативно-правове й організаційне забезпечення, система фінансової безпеки держави.*

Problem setting. Economic security is fundamental basis of economically effective country in general. Financial security is the most important component of economic security in the current market economy conditions.

Power and national security of a state as guarantees of country's independence and also conditions of society's activity stability and efficiency are characterized, first of all, by features of its economy and security from financial security threats. Proceeding from it, it is possible to claim that the work subject will never lose its relevance.

Recent research and publications analysis. The scientific works of such scientists as O. I. Baranovsky [1], E. M. Gazanfarov [2], M. M. Ermoshenko [3] etc. are devoted to questions of state financial security providing. However, the complex analysis of Ukrainian state financial security in present conditions is absent in these works.

Paper objective. The purpose of work is to analyze Ukrainian financial security in present conditions. It is necessary to solve the following problems for

achievement of the given purpose:

- To analyze concept of financial security and to define its place in system of Ukrainian economic security;
- To analyze of financial security threats and indicators;
- To define standard-legal bases and public authorities of Ukrainian financial security providing;
- To develop ways of national financial security system's improvement.

Paper main body. State financial security is the component of state finance and financial institutions at which the guaranteed protection of the following directions is carried out:

- National economic interests, harmonious and socially directed development of national economy, financial system and financial relations in the state;
- Readiness and ability of financial institutions to create mechanisms of realization and protection of interests of national finances development;
- Support of social and political stability of society.

Also the necessary and sufficient economic potential and financial conditions for saving of integrity and unity of a financial system even at the most adverse variants of development of internal and external processes and successful opposition to internal and external threats of financial security must be provided.

The system of financial security assumes creation of such operating conditions of financial system under which possibility of redirection of financial streams to spheres of their use which are not fixed by legislative regulations is rather small. Besides, possibility of obvious abuse of financial assets is lowered to a minimum.

Threats of Ukrainian financial security (the factors interfering or creating danger of realization of national financial and economic interests) can be subdivided on internal and external level. Internal threats generally arise in inadequate financial and economic policy conditions. They are caused by elementary miscalculations of authorities; mistakes, abuses and other deviations (mismanagement, paperwork, various economic crimes, etc.) in management of state's financial system [3].

The special role is played by external threats of financial security in present conditions. It is necessary to refer internationalization and globalization of the world economy to external threats of financial security. They reflect the increasing intensity of economic relations and also change of financial streams' content that complicates an equivalent exchange.

The analysis of financial security internal and external threats is important from a position of their prevention and forecasting, and also from a position of financial security strategy development. Providing of financial security in the sphere of foreign economic activity objectively assumes development of its limiting values at national and regional levels, registration of the concrete indicators promoting risks' decrease, and also external and internal threats of financial security [2].

Two groups of the limiting values developed on the basis of macroeconom-

ic indicators reflecting the main, basic national interests have been approved at the level of Ukrainian Government and Ministry of Economic Development and Trade.

The system of financial security indicators allows to determine the level of future risks and threats, and also to reveal the centers of their distribution. In this regard there is an opportunity to develop and realize a complex of the anticipatory actions directed on decrease of level of threats in the financial sphere and also on increase of its stability and efficiency that is the basis of competitiveness.

The order of limiting values use is the following. Annually executive authorities led by the Ministry of Economic Development and Trade of Ukraine develop forecasts of Ukrainian social and economic development for the future year, and Ministry of Finance of Ukraine forms the draft of the state budget. These documents contain indicators characterizing the degree of economic security of the country.

The detailed regulation of questions concerning providing of financial security can be understood in the following contexts:

- As the most important condition of stable functioning of state’s financial system;
- As necessary condition of effective functioning of state mechanism of financial security providing [2].

It is necessary to allocate some levels in standard-legal maintenance of Ukrainian financial security.

First of all, it is the Constitution of Ukraine which has installed not only the system of public authorities providing financial security of the country, but also a number of their powers and the relations. The laws are also very significant. This subsystem of standard-legal bases in turn should be divided into four groups (tab. 1) [3].

Table 1

The structure of national laws concerning financial security providing

Number of the group	Characteristic features
First	Includes laws regulating functioning of subjects of economic activity and financial system of the state in general
Second	Includes laws regulating an order of organization, activity and power of public authorities and institutes providing financial security
Third	Includes laws which are directly regulating questions of organization of financial security
Forth	Includes laws establishing responsibility for violation of the legislation in the sphere of financial security in Ukraine

Especially the following standard-legal acts must be noted:

- Decree of President of Ukraine “About the decision of the National Security and Defense Council of Ukraine of May 5, 2015 “About Strategy of national

security of Ukraine”;

– Order of Cabinet of Ministers of Ukraine “About approval of the Concept of national security providing in the financial sphere” [5].

Besides, the following phenomena and factors can lead to creation of internal threats of national security in the financial sphere:

– Instability and imperfection of standard-legal regulation in the financial sphere;

– Unstable distribution of tax burden of managing subjects which predetermines evasion of taxes and capital outflow abroad;

– Capital outflow abroad as a result of deterioration of investment climate;

– Low level of budgetary discipline and imbalance of the budgetary system;

– Increase of public debt volume;

– Economy tenization;

– Insufficient level of gold and foreign exchange reserves;

– Considerable level of economy dollarization;

– Essential fluctuations of national currency exchange rate which aren't caused by macroeconomic factors action;

– Poor development of stock market, in particular, regarding use of mechanisms of account and transition of the property rights on securities, and also providing of protection of investors' rights in stock market;

– Insufficient level of financial system capitalization [1–3].

International contracts and agreements of Ukraine are also an important source of financial security providing. The main part of norms containing in international standard-legal acts is formulated in such a way that it can't directly be applied for regulation of the relations in this sphere.

The state standard-legal mechanism of financial security providing is the legislatively fixed system of public authorities and institutes directed on creation of conditions for stable functioning and sustainable development of state's financial system and also identification, prevention and counteraction to its threats.

This mechanism contains the following components (tab. 2) [1].

Table 2

Components of the state standard-legal mechanism of financial security providing

Name of the component	Characteristic features
Legal	Set of standard-legal acts in the field of financial security providing
Institutional	System of public authorities and institutes providing financial security of the state
Instrumental	Set of ways and methods of financial security providing

In general the system of public authorities providing financial security of the state includes two levels: national and regional ones, and also corresponding instruments of financial security providing on each of them.

In particular, national level is presented by President of Ukraine, Parliament, ministries.

Owing to special legal status President of Ukraine performs management of financial activity, in particular, by signing of laws or application of procedure of the veto; appoints chairmen of local public administrations and stops their powers at these positions; appoints a half of National Security and Defense Council of Ukraine members and proposes the candidacy for a position of the National Security and Defense Council of Ukraine head [4].

Cabinet of Ministers of Ukraine is allocated with considerable powers in the sphere of financial activity and is the supreme public authority in system of executive authorities. The government is responsible before Parliament in questions of financial activity in the limits provided by Constitution of Ukraine. Cabinet of Ministers of Ukraine provides:

- Economic independence of Ukraine, realization of domestic and foreign financial policy of the state;
- Carrying out of financial, price, investment and tax policy, policy in spheres of work and employment of the population, social protection, education, science and culture, ecological security and environmental management;
- Developing of Ukrainian State budget draft and providing its performance.

At the same time financial activity of the state is carried out through special public authorities, which realize it according to the conferred powers. Unlike the public authorities, which provide the strategic, general management of finance, they provide the organization of operational management. First of all, it is necessary to put here specialized public authorities, which structure is predetermined by a level of development and requirements of national economy, its political system and historical development of the country in the whole.

Public authorities, which carry out financial activity in connection with performance of fundamental functions by realization of their powers, belong to specialized ones. For example, it is specially created system of financial and credit bodies for management and control in financial sphere, which competence is covered by all links of a financial system:

- Budget;
- Off-budget trust funds;
- Decentralizing funds of enterprises and organizations;
- Insurance and crediting organizations.

Ukrainian specialized public authorities, which provide financial security, are the following:

- Ministry of Economic Development and Trade of Ukraine;
- Ministry of Finance of Ukraine;
- State Treasury Service of Ukraine;
- National Bank of Ukraine;
- Accounting Chamber of Ukraine.

It is recommended to use the next ways of Ukrainian financial security system improvement in the present conditions:

- Establishment of limits of foreign participation in capital of domestic organizations;
- Branch restrictions;
- Measures concerning the campaigns which are carrying out within restrictive business policy distorting competition conditions;
- Development of effective monitoring systems of attraction and use of means of foreign loans.

It would help to provide the solution of the following tasks:

- Creation of full-fledged national currency and its maintenance in a stable and competitive condition;
- Saturation of economy and market with money in the volume which is necessary for their full functioning and development;
- Creation of the conditions providing intensive formation of the competitive national financial capital nominated in national currency [2].

Conclusions of the research. Thus, the following conclusions were received by results of carrying out of the current work.

1. It was revealed that financial security is the essential component of national security of Ukraine.

2. The external and internal threats of financial security of Ukraine were structured that will allow to improve the Concept of national security providing in the financial sphere in the long term.

3. Classification of standard-legal and organizational maintenance of Ukrainian financial security was created.

4. Ways of domestic financial security system improvement were formulated.

The given results will allow prospective improving Ukrainian policy concerning financial security that, in turn, will positively reflected on the general condition of its economic security in present conditions.

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