

ANNOTATION

Anatoliy Sirko

Participation of the joint-stock sector in the innovation-driven growth of Ukraine's economy: problems and ways to solve them

The article considers the institutional factors hindering the innovation-driven growth in Ukraine's economy. It has been theoretically proved, that in the market economy the downward trend of profit rate forces entrepreneurs to innovate and take the accompanied risks for the sake of earning monopoly profits. The nature of the national joint-stock sector as a non-market body, which developed as a result of the free mass privatization of state enterprises, has been described. This stems from the fact that corporatization and privatization were used by the transitional society as the main tools for national private capital formation and a return to market economic system. The analysis allows us to state that post-privatization joint-stock sector turned into a target for the predatory redistribution and increasing concentration of corporate ownership in the hands of empowered outsiders. Therefore, it is concluded that non-market way of corporate capital (ownership) formation led to the rise of oligarchic power that is exercised as a form of self-protection and a broad access to earning quasi-rent at the public's expense. Based on the analysis of corporate governance in Ukraine, it is postulated that there is a fusion of ownership and management of joint-stock companies as well as the dominance of rent-seeking behaviour of their actual owners. The main causes of self-isolation of the joint-stock sector from the stock market and innovation have been defined: total corruption of authorities; a lack of private property rights; an insufficient economic competition; a broad access to earning quasi-rent; an easier access to bank funds. The author made a generalized conclusion that the aim of owners of joint stock companies to stimulate innovation rests primarily on dismantling the oligarchic system.

Key words: innovation, joint-stock sector, dominant proprietors, power, quasi-rent, rent-oriented behavior.

Olga Shevchenko, Vyacheslav Zhuk

Regulation of regional development inequality in unstable socio-economic conditions

The subject being examined in the article covers the factors that influence the regional unevenness under the conditions of instability. The goal of the research paper is to develop a set of tools for overcoming the regional unevenness at a time of socio-economic instability, namely, through the reduction of socio-economic indicators in post-conflict areas. The methods used in the research are as follows: statistical analysis, structural generalization and synthesis. Based on the analysis of trends in socio-economic development of regions during a crisis, a range of factors which increase the unevenness have been identified. The paper examines the efficiency of regulatory tools in regional development policies, including post-conflict areas, as well as the performance of institutions promoting regional development. A set of tools for tackling the regional unevenness at a time of socio-economic instability has been developed. A number of proposals have been put forward for improving regulatory tools of regional development and the performance of institutions in the sphere of regional development policy. The research findings are to be used in the practices of executive authorities and local self-government bodies for dealing with the regional unevenness at a time of instability and preventing its growth.

Key words: regional unevenness, post-conflict area, the State fund for regional development, public-private partnership, regional strategy, regional policy.

Kateryna Stepanova

Economic interests of Ukraine's Black Sea region under new conditions (within the context of European integration)

The paper discusses methodological and practical issues of development and promotion of economic and other interests concerning interregional and transboundary cooperation of Ukrainian regions within the context of European integration. A basic model for regional policy-making under new geopolitical conditions has been specifically developed for Ukraine's Black Sea region. The importance of Ukraine's Black Sea region within the system of international economic relations and national security of Ukraine has been highlighted, primarily with regard to the region's geographical location.

The issue of defending national interests is recognized as a top priority at the present stage of nation building in Ukraine, most notably due to the external armed aggression (Russia's annexation of the Crimea, armed aggression in eastern Ukraine).

Regional, national and international interests of Ukraine in the Black Sea region are based on the necessity of marine capacity building in Ukraine's Black Sea region as well as on the enhancement of geo-economic and geostrategic positions of Ukraine in the Black Sea, the Sea of Azov and adjacent basins through unleashing the potential for European integration.

Ukraine's long-term (strategic) economic interests in the Black Sea basin include: transportation development of marine, river and other lines of communication; sustainable use of maritime and coastal resources, and energy potential; building a sustainable strategic partnership for maintaining regional security in the Black Sea basin through further European integration and participation in international organizations (BSEC, The *GUAM Organization for Democracy and Economic Development*) etc.

The descriptive framework of interregional and international cooperation of Ukraine's Black Sea region is based on the key interests of the region, main objectives of enhancing interregional cooperation and core targets related to interregional cooperation of Ukraine's Black Sea region with the EU countries.

Ukraine's interests in the Black Sea region are discussed from different perspectives: geopolitical, geo-economic, environmental, military and defence.

Key words: Ukraine's Black Sea region, European integration, national interests, marine potential, interregional cooperation.

Tetiana Derkach

Assessment of effectiveness of economic integration at the inter-regional level as a resource for regional development

The article discusses theoretical and methodological issues related to policy-making for inter-regional economic integration, and evaluates the effectiveness of economic integration at the inter-regional level, which is seen as a resource for regional development.

The paper examines both positive and negative impacts on economic integration at the global, national and inter-regional levels. For presenting the process of economic integration, the so-called 'input – output' pattern has been elaborated and specific features of inter-regional economic integration have been taken into account. It has been found that inter-regional economic integration as a tool for economic growth passes through several stages, which demonstrates a clear distinction between resources and processes.

Considerable attention is focused on examining approaches to assessment of effectiveness of economic integration at the inter-regional level. In order to determine the level of inter-regional integration, the paper elaborates a methodical approach which involves the following procedures: drawing a matrix of regional resources capabilities; calculating the adjusted coefficient of inter-regional trade; evaluating regional investment activities; measuring the amplitude of fluctuations. Among the indicators that might affect integration

processes at the regional level are as follows: a trade flow; amount and composition of investment; consumption of electric power supplied from other regions. Therefore, it is proposed to calculate a coefficient of economic integration in trade-related activities with an *i*-region; and in view of possibility of enhancing inter-regional economic integration with the aim to attract investment, it is reasonable to calculate an investment activity coefficient. Based on a set of proposed indicators, it is suggested that an integral indicator helps to assess the intensity of economic integration in a given region.

The obtained findings show that through economic integration the surplus resources of one region can be redistributed among the have-nots, which is a mutually beneficial process. It is also necessary to determine key resources that affect the development of regions and accelerate their economic growth. On the other hand, the social and economic development of regions rich in raw materials lays in supplying manufacturers in other regions.

Key words: inter-regional economic integration, inter-regional cooperation, inter-regional relations, integration of economic space, regulatory framework for inter-regional integration, public policy for inter-regional integration.

Tetiana Zheliuk, Oleksandr Brechko

The use of cryptocurrencies on the payment market: new opportunities for national economies

The article examines the current state of virtual transactions and ways of conducting such transactions by means of digital currencies. A comparative analysis of national and world institutions responsible for coordinating the use of cryptocurrencies has been undertaken. A number of legal risks and organizational pitfalls involved in using cryptocurrencies as an innovative network on the payment market have been represented.

A particular attention is given to what differentiates cryptocurrencies from traditional currencies, namely, peer-to-peer architecture, mining methods, block-chain techniques, security and confidentiality, market value definition.

The paper introduces distinctive features of major cryptocurrencies on the global payment market. It is also stressed that crypto-technologies are seen as solutions for structural modernization of the currency market and the global network for financial and monetary transactions. Based on empirical evidence, several modern sectors for the application of *cryptocurrencies with the highest* market capitalization rates have been represented, in particular through such payment networks as Bitcoin, Onecoin, Litecoin, Ripple, Ethereum, Terracoin, PPCoin, Darkcoin, Peercoin, Namecoin, and Novacoin. Besides that, their advantages and disadvantages have been summarised.

It is emphasized that the risks of using cryptocurrencies alongside national currency lie within a possible decline in the value of national currency, lack of bank supervisory control over the issue of money, limitations in monitoring transactions due to their anonymity, high volatility of digital currencies.

The practical contribution of the research is the development of institutional framework for legalization of digital currency, which is seen as an official unit of account in financial accounting and domestic payment system. It is argued that cryptocurrencies have the potential to influence public finance, because under current legislation they can be taxed as investment assets. Since a cryptocurrency is a new form of currency which enables to avoid currency pitfalls, it can have a significant impact on the financial market and national economy.

It has been demonstrated that a cryptocurrency is a universal instrument of global financial payments, and at the same time a financial instrument with high capitalization which acts as a competitive form of international capital flow. Therefore, national regulators should view it as a stabilizing instrument for investment and a source of crowdfunding which can mitigate the consequences of possible economic turmoil, and rapidly stabilize and revive the national economy through start-up support initiatives.

Key words: digital currency, peer-to-peer electronic payment system, virtual payment market, block-chain, mining, electronic purse, merchant, crowdfunding, global services.

Ihor Lishchynskyy

The strategy for the formation of growth poles in Bulgaria

The article considers the prerequisites and the key stages of implementation of 'The National Strategy for Regional Development of Bulgaria 2012-2022' as well as its compliance with the European framework documents, in particular 'The Europe 2020 Strategy' and 'The Territorial Agenda of the EU 2020'. The classification of Bulgaria's regions is presented in accordance with the NUTS system, and the regions' overall performance is described. The asymmetry of demographic and socio-economic regional development in Bulgaria is analysed. The research demonstrates that the big cities that are seen as generators of growth and development are unevenly distributed across the country, which causes and accumulates 'centre-periphery' problems. On the other hand, Bulgaria's small and medium-sized cities are distributed across the country in a fairly balanced way, which is beneficial in terms of the delivery of services to rural areas located around them. The Bulgarian network of the so-called functional urban areas is introduced according to the ESPON project.

The article also examines the essential points of the programme for Spatial Development Cooperation of the Visegrad Group, Bulgaria and Romania, paying particular attention to the concepts of 'growth poles' and 'growth axes'. The author has developed a model of Bulgaria's territorial and urban structure which includes the following key elements: a hierarchical system of urban areas; primary and secondary growth axes; a territorial structure of the three main types (natural and non-urban areas, peripheral and poorly urbanized areas, central and heavily urbanized areas).

It has been pointed out that the hierarchical system of Bulgaria's urban areas includes five levels: the capital city, a centre of European significance; big cities, centres of national importance; medium-sized cities, centres of regional importance; small towns of micro-regional importance; small urban communities and villages. It has also been specified that two parallel and three meridian corridors are introduced as the main growth axes of urban development throughout the country. Thus, the paper claims that the spatial model determines a set of support tools used for: locations and urban areas, where it is appropriate to concentrate social and economic activities with the aim of national growth; regions and small urban communities where it is of high importance to support lagging sectors; areas where measures should be taken to protect and maintain the natural balance and biodiversity.

Key words: growth pole, growth axis, centre-periphery, region, Bulgaria, the concept of Bulgaria's territorial and urban structure.

Roman Zvarych

The neoliberal model of the world economy as an inter-civilization threat to internationalization of economic life

The article analyzes trends in internationalization of economic life in the face of the global competition, and proves that the current stage of the world development is characterized by a dynamic strengthening of political, economic and cultural integration in the world. The author measures a degree of globalization at the regional level and determines a high rate of social and global polarization in certain parts of the world. The paper describes national models of civilization expansion as an absolute precondition for extending the scope of public self-regulatory systems from the national level to the supranational one.

The economic growth of civilization at the global scale is assessed. It is proved that social stratification of humankind is not determined by only technology awareness and well-being, but also by civilization values, or rather by cultural compatibility. The article

differentiates phases of economic development of civilization, and postulates that a gap between participants of civilizational competition is greater than that of inter-ethnic conflicts, because they pursue goals using different approaches and, therefore, cannot understand each other's values, aims and methods.

Systemic challenges for the neoliberal model of the world economy are identified. It is revealed that the predominance of liberalism in recent decades has led to a situation where the economy does not fit into the system of social relations, but alternatively, social relations fit into the economic system. The study concludes that the idea of neoliberalism is gradually becoming less relevant, and the neoliberal model of the world economy acts as an inter-civilization threat to internationalization of economic life. The author elaborates the idea that it is necessary to develop a completely new complex worldview, or a doctrine of new social order based on liberal ideas that will be alter-global in nature and serve as a basis for the future post-crisis world. It is summarized that economic development strategies should be alter-global and take into account more intense synchronization of economic cycles and crises that have no artificial borders, as well as the gradual establishment of post-industrial economic mode of production with a particular set and structure of politics.

Key words: westernization, global competition, integration, internationalization of economic life, liberalization, neo-liberal model of the world economy, polarization, post-globalization, civilization.

Viktor Holubieva

Some theoretical and legal impacts of regionalization on the national legislation (based on the example of the EU-Ukraine relations)

The article attempts to pursue an integrated approach to impacts on the national legislation, that are made by regional economic integration and formalization of international agreements through the example of the EU-Ukraine relations, namely of the Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their member states, on the other hand, dated June 27th 2014. Some theoretical and legal aspects relevant to regional integration processes such as implementation, adaptation, harmonization of legislation and others are revealed in the paper. A particular attention is paid to the current state and prospects for the development of Ukraine's national legislation viewed through the lens of international agreement obligations, specifically the chosen policy of regional economic integration and an enlarged free trade zone with the European Union.

Key words: implementation, harmonization, unification, adaptation, regionalization, cohesion, regional economic unions / establishments, regional economic integration, European integration, international regional integration.

Vitalii Kryvovs

Developing a set of norms and rules for corporate interactions: a public demand in the context of globalization

The article examines issues of developing an institutional environment for corporate interactions in the context of globalization, geo-economic challenges and the emergence of new stage of socially-oriented business practice. It also emphasizes a stabilizing effect of business socialization on the society. The author considers a set of approaches for implementing CSR with regard to the latest trends and strategic corporate values aimed at achieving a balance between social activities and an increase in corporate assets, modification in TNC behaviour on the international markets under competitive conditions, diversi-

fication of management for enhancing corporate competitiveness and its reputation in the light of development and realization of investment resources, vertical and horizontal coordination of CSR in the process of cooperation. As well as that, the features of implementing CSR practices into economic activities of domestic entities are outlined. The paper turns attention to the transformation of approaches for models of corporate interactions in accordance with the standards and tendencies of post-industrial world economy. The author highlights international practices of creating an institutional environment for TNC with regard to CSR for the purpose of diversifying dominant areas of corporate interactions in the state regulatory policy. A number of approaches to CSR in international institutions, national governments and global companies are analyzed in terms of establishing the conditions for interactions between international entities. Several layers of corporate governance, which in the context of globalization constitute the foundation of corporate policy, are described. A comparative analysis of approaches to CSR is undertaken in regards to a public demand for respect of law, environmental protection, production modernization and life safety. It is stated that under conditions of economic socialization, there are several creative ways of meeting the public demand: diversification of social services and entities providing them, standardization of the quality and more targeted focus of social needs. It is stressed that the concept of CSR should be reconsidered towards a broader term which could be applied to other carriers of globalization, such as a state, international and national organizations.

Key words: transnational corporation, institutional environment, corporate social responsibility, globalization process, strategic imperatives.

Olha Diachun

Sales in Marketing: the essence, functions and types

In the article, the essence of selling and viewpoints of other authors on this issue are considered. It is noted that some definitions of selling mentioned in the literature have a number of inaccuracies. Therefore, the author offers her own definition of the selling concept. It is pointed out that there are differences between selling, sales and realizations of goods. It is also emphasized that in the chain from the production of goods to their availability to consumers, the selling acts as the first stage, the sales act as the second stage and the realization closes the process. It is noted that the selling process occurs between producers and consumer-enterprises, producers and intermediary trade organizations, and between producers and end consumers (through their branded stores). It is stressed that purchases and sales that take place within the distribution channels are not considered to be traded by manufacturers. A particular attention is paid to the point of sale in the marketing system, and its importance is emphasized. It is concluded that marketing activities are subordinated to the objectives of selling, and the latter determines the scope of the former. The paper covers the major functions of selling, such as meeting consumer needs, returning production costs and providing conditions for further successful business operations. A thorough consideration is given to the classification of selling. The author indicates a set of features that determine types of selling, specifically selling functions, commitment of sellers, the duration of contacts with consumers, stages of selling and its amount. The article also focuses attention on the fact that small-scale selling is simple, small in number and performed only once. On the other hand, big-scale selling is seen as one that can establish long-term relations with customers. In conclusion, the practical importance of this classification is highlighted.

Key words: selling, sales, realization, marketing, functions of selling, classification of selling, features of selling, structure of selling.

Larysa Tsetnar

Analysis of the integration of marketing communications in enterprises manufacturing sports goods

The article states that marketing communications are a particular area of marketing activities related to the communications management, which is carried out by means of communication channels between agents of the marketing system, and is aimed at stimulating their work.

It is pointed out that marketing communications take place through the following major ways: advertising, promotion, public communications (public relations), personal selling.

The author claims that the above-mentioned ways of marketing communications are of high importance, since the majority of marketing communications budget is traditionally spent on them. A special attention is given to the fact that in the current theory and practice, other ways of marketing communications are also developing and being used, namely: direct marketing, sponsorship, electronic money, internal communications, etc.

It is emphasized that a considerable part of the budget of commercial organizations is spent on marketing communications. According to statistics and professional estimates, the marketing communications budget can range from 5% to 20% of a company's current assets.

It is stressed that marketing communications is an important social and economic phenomenon, since they serve as the key means of the company's influence on the market, affect the emotional state of the audience and encourage certain actions. The article proves that using marketing communications makes it possible to influence and change the purchasing audience's attitude toward the company and proposed products, as well as to acknowledge the necessity of studying this field of business activities.

It is pointed out that increasing efficiency of marketing communications and improving their management is an urgent task of the domestic and foreign studies.

The analysis of trends in the formation and development of the sports goods market is undertaken, specifically, performance indicators of the leading sports goods manufacturers are examined, and a system of requirements for effective marketing communications is proposed.

Key words: sports goods, marketing, marketing communications, sports, market potential.

Volodymyr Muravskyi

Evaluation in computer and communication form of accounting

The globalization of production and sales markets, the formation of transnational companies, hypercompetition in the world and other factors of post-industrial economy have led to the necessity of seeking best practices for evaluation of an enterprise's activities. Evaluation as an element of accounting methodologies is undergoing changes in current conditions of economic, scientific and technical development of society. Modern trends in the automation of accounting processes are associated with the introduction of computer and communication form of accounting.

The object of the research is accounting evaluation in terms of various methods, types, measures, cost units, prices, foreign currencies and sources in the conditions of automated accounting. The aim of the article is to justify the prospects for improvement of accounting evaluation in response to the use of computer technology and Internet communications. Methods of analysis and synthesis are used in order to structure the scope of research on the basis of identification and formalization of accounting evaluation methods in the context of introducing computer and communication form of accounting.

The author considers the results of historical and logical analysis of the concept of

evaluation, makes a comparison of evaluation types and develops a unified list for evaluation of accounting items in terms of computer and communication form of accounting. On the basis of summarizing approaches applied to the classification of accounting evaluation, some additional remarks are made to clarify such types of evaluation as 'market value' and 'fair value'. The method for determining a fair value of enterprise's assets and liabilities is developed on the basis of information obtained from the Internet by eliminating false data and imposing restrictive conditions.

The research results have theoretical and practical implications for the feasibility of using a fair evaluation of accounting items in modern enterprises that use information technology. The application of the research results will allow us: to optimize analytical potential of accounting through multiple-option evaluation; to draw strong conclusions about an enterprise's financial conditions and activities by collecting information on the value of assets and liabilities via the Internet; to automate accounting processes in the conditions of introducing computer and communication form of accounting.

Key words: evaluation, accounting, fair value, computer and communication form of accounting, the Internet.

Iryna Ometsinska

Accounting information: economic essence and quality criteria

The article highlights the role of information in the management of an enterprise. It is proved that accounting findings are not only accounting information, but also some knowledge gained. That is why accounting information sources should be viewed, on the one hand, as information sources that include accounting information on hard or soft copies and come from financial and management accounting systems, on the other hands, as knowledge obtained on the basis of such information. The economic essence of accounting information is disclosed and its main features are described: intangible form; unique operating process; replicable nature; multiple uses; obsolescence, however, under some circumstances, its value might be renewed; different values for different users.

The author states that the quality of information is determined by: a combination of its parameters; the degree to which the requirements of users (external and internal) are met; template correspondence and legal compliance. In addition, the quality of information depends on its utility for users. A set of factors that affect the quality of accounting information is identified, namely: the organization of accounting; expertise of accounting staff; effective internal control; the quality of laws and regulations that govern accounting; understanding objectives of accounting; corporate culture; workplace organization for accountants. Each of the above-mentioned factors is described in detail. The paper explains why economic entities adhere to legislative standards of tax laws, the violation of which can result in administrative and criminal penalties, and why they primarily provide information for fiscal needs of users. This leads to the neglect of conceptual framework of accounting and decline in the quality of accounting information.

It is proved that accuracy and relevance are the main quality features of accounting information. As long as these criteria are met, information should be assessed for comparability, clarity and understandability. It is specified that management accounting information should possess the following qualitative characteristics of being reliable, relevant, comparable, straightforward, time-sensitive and ready to be checked.

Key words: accounting information, accounting information source, knowledge, quality of accounting information, quality features of information, users of information.