

ANNOTATION

Taras Dudar, Volodymyr Dudar

Improvement of economic policy and state regulatory mechanisms in the agricultural sector in the context of strengthening its competitive positions

The article deals with the essential elements of state regulations in the agricultural sector under conditions of market-led transformations of Ukraine's economy. These transformations are related to the improvement of economic policy and aimed at strengthening competitive positions of agricultural producers on the market of agricultural foodstuffs. The economic interest of business activities in the agricultural sphere is largely dependent on external factors that under market conditions have significantly changed the way of revenue generation for agricultural producers whose competitiveness in achieving profitability of goods is sufficient to allow meeting targets of sustainability in agriculture and solving social problems in rural areas.

The research provides a comparative analysis of the growth rate of gross output in the agricultural sector and aggregate financial aid from the government. The analysis proves that over the last twelve years, the growth rate of gross output has outpaced the growth rate of aggregate aid of Ukraine's agriculture. Moreover, the aggregate financial aid is characterized by considerable fluctuations, and there has been a gradual decline in its amount.

It is found that the outcome of the National Programme of the Development of Ukraine's Rural Territories for the period up to 2015 was a significant underperformance of forecast expectations in the agricultural sector. In recent years, the current framework of financial assistance for agriculture has not yielded the desired financial and social results. Therefore, it is concluded that there is an urgent need for changing approaches to their formulation and implementation.

It is stated that market mechanisms are not self-sufficient, and they require organized actions by market participants and the state.

It is concluded that the state financial assistance for agriculture should be provided to the following areas: support of commercial agriculture and increase of competitive ability of agricultural sector; support of small producers, family farms and cooperative associations; land protection and rational use of farming land; setting support prices for certain agricultural products; development of market infrastructure; support of local initiatives for the development of rural regions and the quality of life in rural areas.

Key words: state regulation, agricultural sector, economic policy, agricultural producer, competitive position, profitability, state financial assistance, agri-food market.

Hanna Karmeliuk, Svitlana Plaskon, Halyna Seniv

Mathematical modeling of influence of Ukraine's external debt on standards of living

Since the current state of the global financial system can be described as a crisis of excessive debt, Ukraine's foreign debt is crucial for the present stage of stable development. Inefficient use of external borrowed funds results in a real loss of economic and political security of the state, particularly in a decline of living standards. The purpose of the article is to analyze Ukraine's government-backed debt, subsistence minimum, minimum and average

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wages, and to identify cause-effect relationships between the external debt, the cost of living, minimum and average wages using econometric models. The paper also analyzes dynamics of government-backed external debt and indicators of living standards in Ukraine over 1996-2016 as well as interrelation between them. A number of trend models which show dynamics of Ukraine's external debt, subsistence minimum, minimum and average wages are developed. These models are used to calculate their projected values. The authors have developed and justified economic and mathematical models of dependencies of subsistence minimum, minimum and average wages on the foreign state debt, and economic and mathematical models of dependencies of the government-backed external debt on subsistence minimum, minimum and average wages. It is noted that there is a strong dependency of subsistence minimum and minimum wage. Periods of dynamics of subsistence minimum, minimum and average wages, calculated in hryvnia and dollar equivalents, are defined. It is shown that the trends of the above-mentioned indicators have the same branches or periods. Moreover, it is proved that as compared with hryvnia, dollar plays a significant role in shaping indicators of living standards in Ukraine. Distributed lag models of dependencies of subsistence minimum, minimum and average wages on the foreign debt are calculated. The models show that the main impact of the government-backed external debt on subsistence minimum and minimum wage is four years overdue. The models with instrumental variables of direct and inverse dependencies of the external debt on subsistence minimum and of subsistence minimum on the external debt are developed and justified. These models are used to forecast the researched indicators.

Key words: Ukraine's government-backed external debt, subsistence minimum, minimum wage, average wage, trend, economic and mathematical modeling, lag, mutual correlation function, distributed lag model, instrumental variable, forecast.

Alla Melnyk

Current challenges for regional development: threats to economic security

The article deals with current challenges for regional development and their impact as causes of threats to economic security. Economic security is seen as a complex multilevel system, the formation of which occurs at various levels of economy's hierarchy: the state level, an economic sector, an industry (economic activity), a region, a business enterprise, a city, a town, a village, a local territorial community, a person. It is determined that a region's internal and external environment is the key factor of its economic security. The assessment, which was carried out, enables to establish the following characteristics: structural imbalances, a gap between regional investing priorities and determined priorities, a break in the production chain, an asymmetry in technological development of regional industries, expansion of foreign companies on the domestic market, incompatibility between the system of institutions and the aims of social and economic development of regions.

The research paper describes the current challenges for regional development, such as deepening of regional differences in creating tensions in regional labour markets; intensification of migration processes; growing differences in the intensity of structural changes; reducing foreign investment; institutional and fiscal decentralization; growing problems in organizing and financing social services; deepening asymmetry in the development of cross-border infrastructure, which requires a system of protection against increasing threats to economic security.

A range of methodological approaches to assessing the level of economic security is generalized. A set of quantitative and qualitative indicators is suggested for evaluating the

results of security assurance activities at all levels of the hierarchy: a region, a territorial community, a business enterprise, a person.

The priority areas of administrative activity designed to prevent threats to economic security are identified. Given the current challenges, these priority areas include: structural reform of the economy, an increasing backbone role of state-owned entrepreneurship, inter-regional and inter-municipal cooperation, modernization of social safety in terms of personal security, strengthening safety of entrepreneurship, reinforcement of security of local communities under conditions of political, administrative, financial, fiscal, economic and environmental decentralization.

The main characteristics of each area are pointed out. Further research studies are to be undertaken to empirically examine the results of these measures and identify barriers for institutional assurance of economic security.

Key words: challenges for regional development, economic security of a region, assessing the level of economic security, threats to economic security

Yurii Klapkiv

The development of organizational, legal and ideological formation of the institutions providing insurance services

The article considers the nature of insurance services and a variety of organizational and legal forms of institutions that provide these services. A new formulation for mutual insurance societies is suggested, taking into account existing forms of such institutions in various countries. It is brought to light that insurance business developed from reciprocal needs, or reciprocity. Later on insurance became a financial service aimed at meeting the needs of one party and receiving financial gain by another party. Particular attention is paid to forms of exercising insurance at an emerging stage of the market of insurance services.

The principle of reciprocity is highlighted, and its general framework is described. Reciprocity is defined as a basis for promotional and reciprocal insurance. It is proposed to divide institutions according to ownership property into joint-stock partnerships and mutual insurance societies. Their advantages, disadvantages and special features in various countries are specified. A special focus is given to reciprocity which is based on consolidation of customers and their risks.

It is concluded that insurance companies in the form of joint-stock partnerships have one more target for activities, which is making profits for stockholders. Furthermore, the research paper describes organizational and legal forms of institutions that can provide insurance services in the EU countries and Ukraine, as well as types of joint-stock partnerships in these countries.

A comparative analysis of requirements for the authorized capital of institutions providing insurance services in Ukraine and the EU is carried out. It is found that in many countries these requirements are differentiated for mutual insurance societies and joint-stock insurance companies.

In contrast to liberalized access of insurance services to markets in different countries, requirements for financial stability and for size of insurance companies have been steadily tightening. This stimulated the consolidation of both joint-stock insurance companies, particularly in Ukraine, and mutual insurance societies in European countries.

It is emphasized that requirements for the amount of authorized capital and stability of an insurance institution are indirectly interdependent.

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Key words: insurance, insurance services, insurance institutions, reciprocity, joint-stock partnerships, mutual insurance societies, authorized capital, insurance risks.

Bohdan Adamyk, Andrii Skirka

Analysis of resource capacity of the banking system in times of crisis

In any state banking system always acts as a catalyst of economic growth. At the current stage, in times of crisis over 2014-2016, effective functioning of the banking system and the system of guaranteeing deposits has become an important concept. The research objectives include analyzing resource capacity of the banking system and considering a range of problems related to guaranteeing deposits during the period of 2014–2016. The authors analyze the data on the amount of individuals' deposits in the banks participating in the Deposit Guarantee Fund. The impact of reducing banks' deposit base on Ukraine's economy and a negative trend in savings is determined. The ratio of savings to GDP in a number of countries, including Ukraine, is analyzed. Particular attention is paid to the importance of money transfer from abroad. An emphasis is placed on the correlation between fluctuations of foreign currencies and deposits. The dynamics and structure of liabilities of the banks participating in the Deposit Guarantee Fund are scrutinized. It is concluded that the share of retail deposits has been reduced. The dynamics of lending and the share of loan arrears are provided. Furthermore, the dynamics of loans issued by the National Bank of Ukraine to Ukrainian banks is described. Based on the research findings, a set of recommendation related to the formation and use of funds is developed. It is stressed that the further improvement of the banking system and the system of guaranteeing deposits is among priorities in times of crisis.

Key words: savings, deposit, bank, guaranteeing, depositor.

Vasyl' Demianyshyn, Zoriana Lobodina

Conceptual framework for the budgeting mechanism of the state's social and economic development

The article considers some approaches of domestic and foreign scholars to the interpretation of the concept of state's budgeting mechanism. It involves the following: a set of types, forms, methods and means through which the state establishes budgetary relations; a number of forms, methods, instruments and tools of budgeting process and using budget resources; a practical model of implementation of the state budget policy; a set of tools and methods for government regulation of social and economic development of the state. It is proposed to interpret a budgeting mechanism of the state's socio-economic development as a set of financial forms, methods, tools, and instruments which ensure a broad range of distribution and redistribution processes; the formation and use of a centralized fund of monetary resources; functioning of the budget system in general and implementation of the budget policy aimed at socio-economic development of the state. The budgeting mechanism of the state's socio-economic development is viewed through ontological considerations. Taking into account some peculiarities of budgetary relations, two components are highlighted: the mechanism of budgeting process and the mechanism of using budget resources. It is found that the key aspects of functioning and the role of budgeting mechanism in regulating social and economic processes depend on a combination of elements of both components: methods, forms, tools and instruments. Similarities and differences of financial and budgeting mechanisms of the state are outlined, which provide grounds for interpreting the budgeting mechanism as a special type of financial mechanisms.

Key words: budget policy, budgeting mechanism of socio-economic development, the mechanism of budgeting process, the mechanism of using budget resources, methods, forms, tools, instruments of the budgeting mechanism.

Serhii Zakharchenko

Assessment of competitiveness in Ukraine and its regions measured by indicators of international trade (based on the methodology of IMD, Lausanne)

The research paper reveals the importance of maintaining the international trade at the appropriate level in order to ensure high competitiveness of countries and regions. On the basis of the methods developed by experts of the International Institute for Management Development (IMD in Lausanne, Switzerland), the author has presented an original approach to assessment of the international trade as a factor of competitiveness of countries and their regions. The competitiveness of Ukraine and its regions is assessed through key indicators of the international trade (balance of payments, exports and imports of goods / services, national currency rate, etc.). The article offers strategies for enhancing the competitiveness of Ukraine and its regions by improving the international trade, particularly by maintaining a positive trade balance, increasing the import-export ratio, harmonizing national technical standards to international ones, developing international tourism, benefiting from accession to the WTO and Ukraine-EU Association Agreement.

Key words: international trade, competitiveness (country, region), factors (subfactors) and indicators of competitiveness, competitiveness rating, IMD-rating.

Yaryna Maiovets

Innovative development models for agricultural entrepreneurship: historical experience and the present state

The article considers problems of innovative development in agricultural entrepreneurship. The presented comparative analysis of agriculture in the USA, European countries and Ukraine allows making conclusions on its anticipated innovativeness. The findings are based on the analysis of the following criteria: contribution of the agrarian sector to the GDP; focus on efficiency of agribusiness; value of export of agricultural products; types and rates of lending; tools for creating current assets; ways for supporting the agricultural sector.

Special aspects of creating innovative models for agribusiness in Ukraine over the transition period are determined. It is stressed that American and European models cannot be implemented in their pure form in Ukraine. The point that Ukraine's model of innovative development for agribusiness is oligarchic and corrupt is proven. The model is based on the minimum aid from the state. An innovative role of administering VAT is examined, which enables agricultural producers to accumulate 20 per cent of sold output on special accounts with the aim of buying new machinery, mechanization and technology. The special regime of taxation for agricultural producers, its advantages and disadvantages are considered. Further ways for improvement of administering VAT, aimed at maintaining its innovative essence are suggested.

Key words: innovations, innovative entrepreneurship, agricultural production, special accounts of VAT.

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Liudmyla Kruchak, Volodymyr Muravskiy

Automation of receivables accounting based on an integrated database of counterparties

The development of information and communication technology has led to the introduction of electronic communication channels to accounting processes. Electronic communications provide information interaction of all debtors and creditors of a company, through which collection, processing and storage of data on payments to counterparties take place in a consolidated database. The received primary information can be used to automate receivables accounting.

Theoretical and practical issues related to automation of receivables accounting are identified. The purpose of the article is to theoretically justify and practically introduce the possibilities of setting up a consolidated database on counterparties of a company; to study communication and organizational aspects of automation of receivables accounting in terms of modern information technology. The subject matter of the study is automation of receivables accounting in a company. The scope of the study is a set of theoretical, methodological and practical aspects of automated accounting of receivables through the introduction of a consolidated database of counterparties. Methods of analysis and synthesis are used to structure the area of research through identification and formalization of automation of receivables accounting facilitated by information and communication technology.

The article considers a matter related to automation of receivables accounting and proposes recommendations on the introduction of an automated system for settlement with debtors in a company. The authors have developed an information model of a consolidated database which contains information on counterparties, contract relations, and settlement of receivables. A consolidated database acts as an information environment for electronic interactions of all participants of financial transactions. There is an information exchange between suppliers, customers, banking institutions, legal and factoring organizations, state fiscal and statistics services. However, public access to a consolidated database can lead to a loss of confidential information, which means the need for valid methods of information protection of a company's accounting system.

Key words: receivables, counterparties, automation of receivables accounting, database of counterparties, automated accounting system.

Zenoviy Zadorozhnyi

Electronic commerce in Ukraine: controversial aspects of legal and regulatory framework

The subject matter of the research paper is legal and regulatory framework of electronic commerce in Ukraine. The article systematizes the current laws and regulations which govern business activities of e-commerce enterprises and their accounting policies in order to identify areas for further improvement. The methods of systematization and generalization are used in the research for considering a set of regulatory and legal acts applicable to e-commerce enterprises in Ukraine. The study highlights key points for improving legal and regulatory framework related to e-commerce enterprises. Business activities of e-commerce enterprises and principles of accounting basis are viewed as divided into three levels: level 1 – The Constitution of Ukraine and the Codes of Laws; level 2 – The Laws of Ukraine; level 3 – subordinate legislation. An analysis is carried out to determine regulatory and legal acts related to electronic commerce of each of the above-mentioned levels. It is proposed to make amendments and additions to certain regulatory and legal acts with the aim of eliminating obsolete concepts and harmonization of legislation. It is proved that one of the key points for improving e-

commerce in Ukraine is bringing the national legislation related to electronic commerce into compliance with EU laws and international standards.

Key words: accounting, e-commerce, legal and regulatory framework

Oksana Shymanska

Elinor Ostrom: proving the effectiveness of collective action in management (the Noble Prize in Economics in 2009 “for research in the field of economic organization”)

The article substantiates Elinor Ostrom’s contribution to the theory of collective management of property. The author outlines solutions to problems of the most optimal use of scarce natural resources and their economically relevant preservation in a long-term perspective. The research paper affirms the idea that it is not only the government who can solve the problem of efficient use of resources for public purposes. It is proved that collective decisions can be made in the management of resources, under which the latter are maintained in good conditions while being used for general public. The most accepted models (‘the tragedy of the commons’, ‘the prisoner’s dilemma’, ‘the logic of collective action’) are examined. The above-mentioned models are frequently used as tools to study cases of economic policy-making in allocating scarce resources for public purposes, and as a concept for analyzing problems of individuals who seek to achieve collective benefits. It is emphasized that there is a need for a balanced application of the above models as metaphors, which substitute solid foundations of the economic policy, since the limitations suggested for easing the analysis are accepted without reservation as permanent empirical requirements that remain as such until adjustments are made by the government. Special emphasis is placed on the importance of developing the theory of human organization based on realistic assessments of human possibilities and limitations that arise when a number of various situations related to using public goods are to be resolved. It is stressed that the empirically supported theories of human organization as an important component of study on economic policy are able to complement the solutions with estimates of the most likely effect of using many ways of organizing human activities. It is concluded that E. Ostrom’s experimental research in the field of natural resources management can be used to solve large-scale range of issues related to the production of public goods.

Key words: shared resources, “the tragedy of the commons”, “prisoner’s dilemma”, “the logic of collective action”, game-theoretical models, metaphor models, cooperative game, non-cooperative game, public institutions, private property right, collective management of property.