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**ON THE AWARDING THE TITLE
OF "HONORARY DOCTOR OF KNUTE"
TO GRIGORE BELOSTECINIC**



Noting significant personal contribution to the reformation and improvement of higher education, enhanced cooperation between Kyiv National University of Trade and Economics and Academy of Economic Studies of Moldova, Academic Board of KNUTE at its meeting on 27 March 2014 decided to award the title of "Honorary Doctor of

KNUTE" to an outstanding scientist and educator, renown representative of economic science and economic education system of Moldova, Academician, Professor, Habilitated Doctor of Economics, Rector of Academy of Economic Studies of Moldova Grigore Belostecinic.

On December 3, 2014, as a recognition of significant contribution of G. Belostecinic to the development of Ukrainian and Moldovan relations in the field of science and education, fruitful cooperation between Kyiv National University of Trade and Economics and Academy of Economic Studies of Moldova he was awarded the diploma "Honorary Doctor of KNUTE "and an award pin.

Grigore Belostecinic was born in January 7, 1960 in the village of Voinova in Strashenskyi area. After graduating from junior high school in his native village (1975) he graduated from the Industrial and Economic College of Moldova (1978), then in 1983 from Faculty of Trade Economics of Kishinev State University. In 1986-1989 he was a postgraduate student of the Plekhanov Institute of National Economy in Moscow. In 1989 he defended his thesis in economics, in 1999 he habilitated his Doctors Degree in economics, in 2000 he received the title of professor.

G. Belostecinic began his teaching activities as an assistant at the Commodity Science Department of State University of Moldova (1983–1986), in 1990–1991 he worked as a lecturer at the Economy Department and Commodity Science Department in the same university. Since its establishment in 1991 and currently he works in

the Academy of Economic Studies of Moldova (AESM). Over the years he passed all stages of professional growth from senior lecturer, associate professor, head of the department, dean to rector. Faculty and the Department of Marketing were created as part of the AESM on his initiative. In 1991–1998 G. Belostecinic served as Dean of the Faculty of Marketing, and from 1994 to 2004 was Head of the Faculty of Marketing.

Since 1993, Academician G. Belostecinic had a number of academic trainings abroad: Germany – restructuring of enterprises; United States – management and marketing of small and medium-sized enterprises, administration of higher education; Poland – business incubators (organisation and management of business incubators); Great Britain, Sweden, France, China, Norway, Denmark – management and development of educational technologies in higher economic education; US Germany, Netherlands – promotion of entrepreneurship and implementation of educational technologies in universities; Ireland and Lithuania – regional economic development; Switzerland – logistics.

From 2011 as Rector of Academy of Economic Studies of Moldova G. Belostecinic became a worthy successor of ideas of Higher School of Economics of the European type, created in 1991 by Professor Paulo Bran – founder and first rector of the Academy of Economic Studies of Moldova, and later rector of Bucharest Academy of Economic Studies.

The project AESM creation was developed and partially implemented by its founders and was successfully continued and expanded by Rector G. Belostecinic. The strategic goal of AESM is preparation of specialists of high qualification and different specialization in economic transition, reforms and adoption of market economy.

Under the leadership of Rector G. Belostecinic, since 2001, Academy of Economic Studies of Moldova became an advanced institution, which uses modern methods of teaching science and culture, emphasis on the training of young professionals in the field of economics by western European standards. Graduates of the Academy are highly qualified specialists requested by the Republic of Moldova as well as in many countries of Europe and America.

Thanks to the efforts of Academician G. Belostecinic, Academy of Economic Studies of Moldova continues to thrive: economic specialties are diversified in accordance with the requirements of the Bologna process; faculty is represented by young qualified professionals; construction of a modern educational building has been completed;

Scientific Library of the university has moved to a new, specially equipped building, Multimedia Center has been opened, the only one in terms of equipment in the Republic of Moldova.

Academician G. Belostecinic as director or coordinator of scientific research of national programs with huge importance for the economic and scientific activities of the Republic of Moldova is working with various organizations and specialized institutions. So, he is coordinator of the State Scientific Program of Competitiveness development and improvement of economic sustainability in the context of an economy based on knowledge, globalization, regional and European integration (2010–2014); he is a head of scientific and research project Trends and opportunities to ensure the competitiveness development in the Republic of Moldova (2007–2010); scientific leader and participant in the research project Elaboration of models of regional development through the formation of clusters (2008–2010).

Academy of Economic Studies of Moldova in collaboration with Kiev National University of Trade and Economics under the supervision of Academician A. Mazaraki and G. Belostecinic has developed an international research project Priorities of the Ukrainian Moldovan trade and economic relations in the context of cross-border strategies of cooperation and European integration.

Academician G. Belostecinic performs a lot of duties as a member of the Executive Bureau of European Council to the Prime Minister of the Republic of Moldova, member of the leadership of the Chamber of Commerce and Industry of the Republic of Moldova, member of the Board of the Ministry of Economy of the Republic of Moldova, member of the Plenary Council for Science and Technology development of the Academy of Sciences, member of the plenary sessions and member of the Certification Commission of the National Council for Accreditation and Attestation of the Republic of Moldova, member of the editorial board of the Encyclopedia of Moldova.

Rector G. Belostecinic is President of the Association of Economists of Moldova, Chairman of the Moldovan Italian Logistics Association, Chairman of the Specialized Scientific Council of the Academy of Economic Studies of Moldova of Doctoral Theses, scientific consultant of doctoral students and scientific director of graduate students in writing doctoral and Ph.D. theses on the Economy, in Marketing and Logistics (since 1997). Under the leadership of G. Belostecinic National school of marketing and logistics was formed, where 15 theses for the degree of habilitated doctor and Ph.D. in economics were upheld.

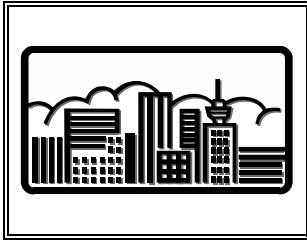
The results of scientific research of Academician G. Belostecinic are reflected in 140 scientific publications, including 7 monographs (some in collaboration), numerous articles and studies published both in Romanian and other European languages in specialized scientific journals and composite books published in Republic of Moldova, Romania, Ukraine, Italy, Bulgaria, Poland, Belarus, Egypt and others.

Fruitful scientific and pedagogical activity of Rector G. Belostecinic is appreciated both by public, scientific and economic circles in the Republic of Moldova and far beyond its borders. For professional and scientific achievements Rector G. Belostecinic was awarded with high state award of the Republic of Moldova: the Order "Honor" (2010).

Academician G. Belostecinic successfully combines professional and social activity, he was a member of the Parliament of the Republic of Moldova of the XIX convocation in 2010–2011.

For high scientific achievements G. Belostecinic was elected Member of the Academy of Sciences of Moldova (2012), corresponding member of the prestigious professional forums and institutions, the International Academy of Management (2006), The American Romanian Academy of Arts and Sciences (2005), an honorary member of the National Institute of Economic Research of the Academy of Romania (2004), Italian Logistics Association (2005).

Rector G. Belostecinic is Dr. "Honoris Causa" at some foreign universities: Lucian Blaga University of Sibiu (Romania), Ovidius University of Constanta (Romania), D. A. Tsenov Academy of Economics (Bulgaria).



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DOMESTIC MARKET OF UKRAINE IN AN UNSTABLE GLOBAL ECONOMY

Tendencies of the domestic market in Ukraine in terms of the volatility of the international economic environment have been analyzed, risks for domestic commodity markets caused by increasing global imbalances have been identified. Sources maintaining the stability of the domestic market, including the development of competition between business and policy of import substitution have been identified.

Keywords: domestic market, competition, market efficiency, openness of the economy, global value chain, tolling, import substitution.

Мазараки А., Лагутин В. Внутренний рынок Украины в условиях нестабильности глобальной экономики. Проанализированы тенденции развития внутреннего рынка Украины в условиях волатильности международной экономической среды, выявлены риски для определенных товарных рынков, обусловленные усилением глобальных дисбалансов. Определены источники поддержания стабильности внутреннего рынка, среди которых приоритетными являются развитие конкуренции между субъектами предпринимательства и политика импортозамещения.

Ключевые слова: внутренний рынок, конкуренция, эффективность рынка, открытость экономики, глобальная цепь создания стоимости, давальничество, импортозамещение.

Background. A model of the domestic market, which was formed in Ukraine over the past two decades, has exhausted its potential. In this model, the driving forces of growth in the domestic market were stimulation of consumer behavior of population and import increase. Today, Ukrainian economy has to balance between the challenges of import substitution to prevent further import growth and risks of devaluation and inflation trends

in terms of the need to stimulate domestic commodity production. Rational choice in favor of Ukraine's European integration opens up new perspectives for innovative investment model of the internal market. Under these conditions, unfavorable trends in it are caused by the influence of global instability and can have a serious threat to the implementation of policies to stimulate domestic manufacturer. It has formed the relevance of the study.

Analysis of recent research and publications. Problems of transformation of the domestic market of Ukraine, its structural and institutional reforms, justification of scientific approaches to determining the development strategy have been discussed in the writings of many academic economists, including: V. Vishnevskiy [1], A. Halchynskiy [2], V. Heits [3] and L. Deineka [4], A. Ignatiuk [5], T. Ostashko [6], A. Pustovoit [7], V. Sydenka [8], B. Tochilina [9], G. Fyliuk [10], M. Jakubowskyi [11] and others.

There is an understanding in domestic economic science that the basis of social and economic policy in Ukraine should be the idea of ensuring development of domestic production and domestic market. This approach makes it possible to build a system of government measures to counter the influence of external perturbations in the stagnation in global demand and maximum use of domestic resources for economic development.

Balance achieved in the global economy after the global crisis of 2008–2009 is unsustainable and fundamental global imbalances have not been eliminated. Given the high degree of openness of the Ukrainian economy and the economic losses in recent years, one should not exclude pessimistic scenarios of the internal market. Ukraine's economy is very vulnerable due to high dependence on the situation on international markets. Will policy to encourage domestic investment demand be relevant to practice in this environment?

The article **aims** to identify the latest trends of Ukrainian domestic market in acute global challenges for the national economy.

Materials and methods. Theoretical and methodological basis of researches were: scientific works of domestic and foreign economists in the problems of global competition, industrial organization, market mechanisms, anti-monopoly (competitive) policy.

Multidimensional nature of research has led to the use of complex of scientific methods, namely: systems approach, structural-functional analysis, comparative-typological analysis, induction and deduction, analysis of statistic data and so on.

Results. Domestic market (DM) refers to a system of structural components and a set of institutions in the sphere of commodity circulation, which mediates the relationship between producers – sellers and consumers – buyers inside the country. Domestic market reflects the economic relations that emerge and develop, especially in trade business, in order to establish optimal relationships between domestic producers and domestic consumers.

Investigation of the structure of DM should be combined with institutional analysis, which provides theoretical justification for market-competitive nature of the categories, learning forms, stages and levels of development of the internal market. The study investigates not only the structural relationship between individual elements of DM, but also explores more deeply their institutional transformation.

This understanding of the nature of the domestic market allows you to find a more rational way of solving the dichotomy "industry-commodity" because it is impossible to identify industry and commodity markets. While analysis of structural components of DM emphasizes the importance of macroeconomic content of branch markets, microeconomic analysis is first of all analysis of competition institute, it is inseparable from the study of commodity markets. In this regard it should be noted that the interpretation of the domestic market by A. Pustovoit is limited because it defines its essence as a "concept that integrates all areas of the national economy markets where its residents conduct a sale of goods and services" [4, p. 13].

Modern market is a complex nonequilibrium (dissipative) system. In terms of ontological meaning, the idea of non-linearity and evolutionism is central to understanding the nature of the market and competition. Market resources are personified due to the domination of private property that's why the implementation of an economic interest means the actual implementation of some form of property. Standard mechanism of this process is competition, which ultimately leads to increased market efficiency. Founder of evolutionary institutional theory Schumpeter saw the market as a process and competition as procedure of opening by entrepreneurs new uses of known resources and innovative discovery of new resources [12, p. 459–463]. Exploring the role of the entrepreneur in market interactions, J. Kirtsner wrote: "With the deployment of business process new products may appear in the market, products with new features may be developed, new methods of production, new forms of industry organization, financing, marketing and risk management can be introduced. All this continuous activity and excitement of the market should be seen as a result of continuous process of discovery, which market consists of" [13, p. 30].

Domestic market is effective, when it demonstrates its ability to diversify capital flows and ensure that they flow into the most promising economic activities that stimulate domestic supply rather than demand for imported goods.

While the neoclassical concept of market efficiency is usually determined by maximizing the utility of individuals, the possibility of a mutually beneficial contracts and equal access to information contained in the market prices of goods, institutionalists believe that market efficiency and profitability of market concluding contracts depends on how effective institutions are, consequently market efficiency is a result of certain institutions' impact on the market.

The current period is characterized by the return of a country in the economy and its constructive role in market regulation, the emergence of several new features in terms of anti-crisis governance. However, this trend does not deny the long-term tendency to strengthen the role and importance of market self-regulation. This approach should not be called market fundamentalism [14, p. 68], which is usually subjected to total criticism. Market, competition and market-competitive relationship objectively occupy a leading place in the modern economic system.

Restriction of competition and deterioration of the competitive environment in the domestic market is reducing its efficiency: allocative (part of the consumer surplus increases due to increased output) [15, p. 77–87], production (X-efficiency, which arises as a consequence of increase of entrepreneurs' motivation to reduce production costs in the absence of competitive pressure) [16, p. 392–415], dynamic (expanding the innovative activities of business entities aimed at upgrading production technology and product range) [17] and distribution (competition activation and costs reduction of monopoly to support market power) [18, p. 224–232].

The internal market mechanism is mega system of information capabilities. The combination of commodity markets is based on vertical and horizontal principles of free capital movement, providing unique information capacity of DM. However, in the domestic market of Ukraine due to the high degree of asymmetry of information (a situation where some economic actors have a greater share of market information than others) unfair competition is widespread. Asymmetry of market information created for some market players of market relations gives opportunity to abuse others. There are two main effects of asymmetric information – adverse or negative selection and moral hazard. In the commodity market effects of asymmetric information lead to adverse consequences. Thus, under these conditions, sellers of high quality goods (paradoxically) suffer or leave the market.

The theoretical basis of research related to the problems of asymmetric information in the market are the works of Nobel laureates in economics J. Akerlof [19, p. 488–500] and M. Spence [20, p. 591–597; 21, p. 355–374], which showed that markets are imperfect concerning the access of market actors to complete and accurate information, especially about the price, necessary for making good decisions.

The methods of reduction of asymmetric information on the part of consumers in DM, and hence limit unfair competition include: consumer rights protection, liability of manufacturers and sellers for false information, labeling, quality standardization and so on. Virtually every country has laws on consumer protection, but it is always possible to make the exchange of information asymmetric, and the less-developed institutional framework of consumer protection is, the greater the asymmetry.

The contradictory effect of the current global instability in the development of the internal market should be considered in the context of the globalization process of commodity production.

The content of influence mechanism of commodity production globalization on the development of DM is advisable to analyze on the model-based global value chain by G. Jerefi. In this model, the market is seen as a set of interconnected serial exchange links which are based on technological chain of production and sale of goods (value chain) [22, p. 95–122; 23, p. 37–70]. The development of the modern world economy is accompanied by the formation of global value chain that connect the "core", "semi-periphery" and "periphery". Thus the movement from raw materials, intermediate products to final products is carried by the vector from the "periphery" to the "core". Globalization forms two main types of value chain – one that is controlled by the producers (mainly high-tech industry) and one that is controlled by buyers (mainly consumer goods market).

The main institutions of the global value chain are the transnational corporations. In modern terms a trend clearly forms towards vertical disintegration of transnational corporations and industrialization in developing countries. Transnational corporations are increasingly focusing on innovation, new product development, marketing, segments of goods and services with high added value and refuse to perform "non-key" functions related to the provision of normal services and production, based on the amount [24, p. 78–79].

Today, the trends transforming the value chain in the global economy are becoming more and more clear. "Semi-periphery" countries are increasingly moving away from simple conveyor production, where they worked on imported semi-finished products for alien technology under the control of the leading "core" companies to a more complex system providing full service (full-package sourcing). This global chain provides a higher degree of autonomy when there are elements of the original production of finished products, and in the future – to manufacture their own brands (original brand name manufacturing, OBM), much of which is associated with copying modern samples from developed countries.

In the post-Soviet countries such as Ukraine, a different model of the value chain was formed, which is based on a system of outward processing trade or tolling schemes. In this chain "core" companies export materials and semi-finished products (goods made on commission) in the "periphery" and then re import finished product [25, p. 63–88]. In Ukraine, the tolling scheme has been operating since 1990's. These schemes have made it possible for many Ukrainian companies to get involved in outward processing trade, enabling them to more or less successfully navigate the crisis.

The tolling scheme refers to processing within the country imported goods or goods made on commission conditionally relieved from payment of import duties and taxes, if they are intended for manufacturing, processing or repair and subsequent export of the final product from the country-processor [26, p. 100–113; 27, p. 32–33]. In the present context tolling is used by large integrated companies and commercial organizations created by them abroad as a means of reducing the cost of production with its relocation to countries with cheaper energy and natural resources, labor, that

provide minimum tax, customs and logistics costs. Tolling operations are transformed into an instrument of redistribution of resources and improve the efficiency of customers ("core" companies) under the terms of simple "ousting" of "periphery" enterprises.

In Ukraine, the main arguments in favor of preserving tolling operations can be considered lack of working capital in processing enterprises to purchase raw materials for production. In the implementation of tolling operations processors don't need the costs for procurement of raw materials, compared to the production on normal commercial terms. However, this situation creates a dependency on one source of supply of raw materials and essentially destroys the resource base in the country.

Opportunities of domestic enterprises to quit mechanisms of *outward processing trade* and especially the formation of their own value chain are extremely limited. Obviously, it is unrealistic to immediately abandon the tolling schemes in Ukraine, but it's possible to do it gradually. However, this requires appropriate financial and economic conditions. First of all, government support in securing raw materials, expanding the amount of available credit, introduction of modern equipment and investments.

Optimal balance between consumption and savings as a form of rationalization of the economic behavior of market actors is important for efficient organization of the domestic market. The problem of correlation between consumption and savings for the first time in a macroeconomic sense was examined by John Maynard Keynes and is now widely used by economic science [28, p. 101–140].

Consumption generates DM capacity, savings make the prospects of its dynamics. *Table 1* on the basis of national accounts data shows the extent and uses of disposable income on consumption and savings in the economy of Ukraine.

Table 1

**Final consumption expenditure and gross savings in Ukraine
in 2001–2012, bln UAH ***

Index (by sector)	2001	2003	2005	2007	2010	2011	2012
Final consumption expenditure	156.3	201.6	337.9	558.6	914.2	1113.0	1287.5
Non-financial corporations	–	–	–	–	–	–	–
Financial corporations	–	–	–	–	–	–	–
General government	40.0	50.8	80.6	129.0	220.0	237.4	276.3
Households	112.3	146.3	252.6	423.2	686.0	865.9	1002.0
Non-profit institutions serving households	4.0	4.5	4.7	6.4	8.2	9.7	9.2
Gross savings	52.2	74.3	113.4	177.2	197.6	208.4	198.7
Non-financial corporations	31.4	36.4	41.4	77.2	39.5	36.2	27.8
Financial Corporation	4.0	6.1	12.3	27.1	41.5	47.7	15.5
General government	9.5	14.9	13.0	24.0	-49.2	-3.4	-20.7
Households	7.2	16.7	46.2	48.5	164.7	126.5	175.3
Non-profit institutions serving households	0.1	0.2	0.5	0.4	1.1	1.4	0.8

* Prepared according to [29].

In general in Ukraine in 2000–2013's share of gross household savings amounted to 15–16 % of the total use of disposable income, final consumption expenditure – 84–85 %. A characteristic feature is the dynamic change in the structure of final consumption expenditures, a growing share of which falls on the individual costs and ever smaller – the collective (2000 – respectively 90 % and 10%, in 2010 – 92% and 8 %). The difference between the two lies in the nature of consumption, individual consumption expenditures are related to the use of individual consumer goods, regardless of the use of other consumer goods, collective costs – along with other benefits.

At first glance, households (population) of Ukraine demonstrates relatively high tendency to consume (*see table 1*). But high prices for goods and services, spending on health and education reduces opportunities for other uses of disposable income of households. The situation for different structural segments and institutional sectors of the domestic market is usually different. There fore, a scientific development of optimization models of macroeconomic proportions "consumption-savings" is necessary.

High risks for the development of the internal market are associated with a significant degree of openness of the Ukrainian economy (the volume of imports of goods and services made up in 2013 55.4% of GDP in 2009 – 48 % of GDP and exports, respectively – 46.9 % and 46.3 %) [30, p. 10]. Since 2006 the volume of import in Ukraine regularly exceeds export and current account balance is negative. As shown in *figure 1*, after reducing the degree of openness of the domestic economy in crisis 2009 level of openness in 2010–2011 increased, but in 2012–2013 this figure dropped again. Resources for growth in Ukraine in modern terms are formed mainly by export earnings and foreign trade, which cannot be optimal macroeconomic scenario of the internal market.

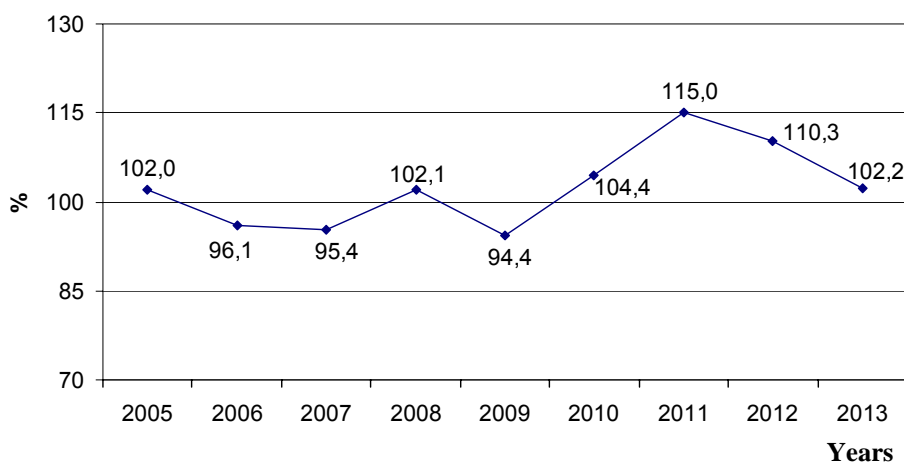


Figure 1. The degree of openness of the economy of Ukraine in 2005–2013 years

(Openness of the economy is defined as the ratio of foreign trade to GDP) [30, p. 10]

The high level of dependence on the world market creates challenges for the Ukrainian economy. International practice shows that underdeveloped countries are directly dependent on world commodity markets, thus external factors. Any internal action in these circumstances give short-term positive effect that over time, as a result of the impact of significant negative external factors, in fact, is reduced to nothing.

The national economy of Ukraine in modern conditions has acquired clearly defined open nature to the global economy (table 2).

Table 2

The evolution of the foreign trade of the national economy of Ukraine

Indicators	2005	2008	2009	2010	2011	2012	2013
Current account balance, million USD	2531	-12763	-1732	-3018	-10245	-14315	-16355
Current account balance to GDP,%	3.0	-7.0	-1.5	-2.2	-6.3	-8.1	-9.0
Exports of goods and services,% of GDP	51.4	47.1	46.3	50.7	54.4	51.1	46.9
Imports of goods and services, % of GDP	50.6	55.0	48.0	53.7	60.6	59.2	55.4
The balance of the capital account and financial account, million USD	-2660	12232	1389	1664	9259	12940	16536
Gross external debt, billion USD (IMF methodology)	39.6	101.7	104.0	117.3	126.2	134.6	142.1
Gross foreign debt,% of GDP	45.9	55.9	88.3	86.0	77.3	76.4	78.1
International reserves, billion USD (as of end of period)	19.4	31.5	26.5	34.6	31.8	24.5	20.4

* Prepared according to [30, p. 10].

Serious problem is the reduction of international reserves, making it impossible for NBU to act on currency market. This automatically leads to a periodic perturbation devaluation of the hryvnia and the forced removal of restrictions on the foreign exchange market, thus the actual transition to a flexible exchange rate. The current balance is covered by international reserves. From the 2010 to 2013 Ukraine lost because of this 14.2 billion USD of its international reserves. The devaluation of the hryvnia causes higher prices for goods that nothing can replace on the domestic market, because of the absence of domestic production. These manufacturers "disappeared" because they had become redundant in terms of reduction of DM. For their recovery and overcoming structural imbalances in the economy significant amounts of investment resources are required.

Another important aspect that affects the domestic economy is the dynamics of exchange rate and consumer prices. Currently the exchange rate directly affects the growth of wholesale and retail prices. Imported goods, fuels and lubricants are becoming more expensive, and consequently the retail prices of most goods.

Due to the devaluation of the hryvnia national producers have significant losses. Thus, in agriculture maximum foreign currency exchange loss in the first

quarter of 2014 amounted to 366 million USD with revenue at 309 million USD in the country's largest agricultural holding "MHP". In the "Industrial milk company" this index is lower – 31.7 million USD (revenue – 10.66 million USD); in "Milkiland" – 46.79 million Euro (revenue – 77.29 million Euros), "Astarta" – 69.98 million (revenue – 89.44 million) [31]. The capitalization of Ukrainian agricultural companies is now at its lowest level since 2009. All companies whose securities are traded on the European stock markets show lower cost of their assets.

In the retail hryvnia devaluation reinforces the dominance of retailers in relations with suppliers. Suppliers of imported goods that have external contracts with deferred payment in foreign currency are in the worst situation because they actually sell the product at 'former' prices. In turn, the large retail chains pay suppliers in UAH by delayed payment, often for several months, which is why wholesale companies are forced to operate at a loss. In addition, retail store chains reduce the range of imported products. Constant indexing (increase) of the retail price of imported goods in supermarkets is profitable for supermarkets, because they "earn" on the remains of production. Previously, domestic retailers actively expanded portfolio of their own brands by imports, now import from abroad is not profitable for retailers. In fact, there is import substitution – retailers increase the proportion Ukrainian own brands.

The issue of competition for domestic producers with foreign goods is very acute on the domestic market of Ukraine. In today's open for global trade world even countries with liberal model of economic development use protectionist measures to protect their producers. Support tools range from duties on imported goods to the use of instruments of monetary and exchange rate policy. This refers primarily to the introduction of coordinated mechanism for ensuring secure access for really quality goods and services to the domestic market.

Excessive saturation with imported products is an acute problem in Ukrainian domestic market (*figure 2*).

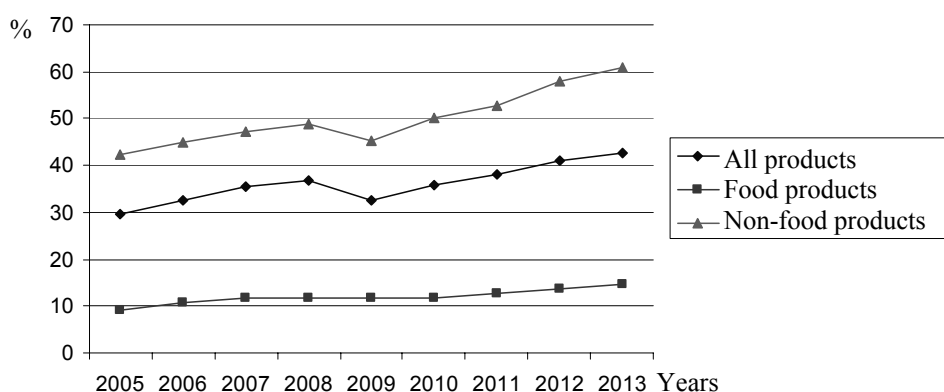


Figure 2. The share of imported consumer goods in Ukraine through a sales network of an enterprise in 2005–2013 [32]

As shown in *figure 2*, after a slight decline in the share of imported goods in 2009 in the following years, the figure began to increase again. Especially significant is the share of imports in the sale of consumer goods.

Table 3 shows ten food and goods on importing which in 2013 is the largest share of sales in the domestic trade of Ukraine (sold through a sales network of the enterprise).

Table 3

The largest number of imported food and goods in Ukraine through a sales network of an enterprise in 2013 [32]

Goods	Share, %
Food products	
Coffee	55.6
Fruits, berries, grapes, nuts (including melons)	47.5
Canned fruit and berry	44.4
Fish and seafood	38.6
Wines	31.1
Tea	30.2
Canned goods, prepared foods fish	29.3
Pasta	24.4
Canned food	22.5
Cognacs	19.4
Non-food products	
Motorcycles, scooters, mopeds	99.4
Computers and other gadgets	99.1
Photographic equipment	98.3
Watches	98.1
Shoes	97.7
Hats (except fur and knitwear)	95.7
Knitted clothes and underwear	95.0
Leather, fur and other products	93.6
Clothes and linen fabric	93.2
Household equipment	88.5

* Production of coffee in Ukraine is limited mainly to packaging

Issue of development of the domestic market in Ukraine – the need for the policy of import substitution is discussed. Opinions on import among modern economists and politicians are ambiguous. For example, I. Valerstein estimated import-substituting industrialization as simple corruption [33, p. 73].

The effect of import substitution is still evaluated in different ways: on the one hand, the ineffectiveness of such policies is highlighted (referring usually to the experience of Latin American countries), on the other hand it is proved that the proper application of the import substitution program allows to achieve significant positive results (this conclusion is reinforced by experience of Latin America). Many countries in Africa and Asia in the 1990's deliberately abandoned protectionism and market protection and agreed to the proposed doctrine of liberalization of foreign economic relations. However, real progress in this direction has not been achieved.

The policy of import substitution is provided by state support for domestic production by subsidy, or by raising fees, administrative barriers, import quotas and other protectionist measures. The denial of import substitution is based on the ideas of efficiency of liberalization of foreign economic relations – the free movement of goods, services and capital. Import substitution is a form of manifestation of qualitative changes in commodity supply in the domestic market development. Import substitution in the structure of commodity supply and reduction of dependence on imports in the current environment is one of the priorities of the DM.

In the pre-crisis (until 2008–2009) period was considered that the policy of import substitution had exhausted itself. However, the global financial and economic crisis has forced to critical review of postulates of free international trade. During the crisis, many countries did not carry out in full liberal rules imposed by international organizations.

In modern conditions promising is a model of import substitution, which provides relationship between tools to displace imports from DM and incentives for the development of domestic production oriented on export. This model involves protectionist measures to protect domestic producers and expansion of foreign markets. The openness of the domestic market has the effect in terms of economic growth. In other conditions there is a need for government support of own commodity production, taxes increase and expansion of non-tariff barriers. The combination of import substituting and export-oriented policy implies public stimulation of domestic production of goods of short- and medium-term use for the purpose of import substitution and export oriented manufacturers. This very model may be the most viable for the economy of Ukraine. The model when domestic companies work for export and domestic Ukrainian market is "glutted" with cheap low-quality foreign goods is inefficient. Low competitiveness of domestic producers in the domestic market adversely affects the dynamics of creation (saving) jobs.

Implementation of the policy of import substitution is not possible without meeting the growing needs of national commodity production in investment (funding). It is about the need to compensate for chronic underinvestment of domestic producers, as well as ensuring proper investment of the process of production. Thus, improving conditions for investment and support of domestic exporters in developing new export markets acquires priority.

New investors will enter the process of domestic commodity production under the condition of maintaining fair competition. It is about creating a better investment climate, protecting investors, improving the ease of doing business, tax simplification, empowerment of borrowing to invest, improving customs procedures, reducing lending rates including the ones on the basis of budget subsidies and so on. It is important to the effective management of interest rates (both lending and deposit). It is essential to ensure that foreign investors consistently follow the practice of reinvesting the proceeds into Ukraine's economy, leaving investment income

within DM. For this it is important to establish a reliable system of protection and promotion of investment, protection of intellectual property.

Formation of a national model to protect the domestic market in terms of its integration into the globalized trade system is essential. Many common international practice methods and tools to protect DM are not used in Ukraine. International experience in foreign trade regulation is not used enough, which would facilitate the solution of important problems of the national economy. Socio-economic development of many developing countries shows that in the absence of a developed domestic trade shows that economic openness leads to excessively severe pressure of imports on the development of domestic markets.

In fact, Ukraine's accession in 2008 to the WTO has not changed anything in this unfavorable situation. In the WTO, Ukraine belongs to the group of RAMs (Recently acceded members). As of March 2012, this group consisted of countries that have negotiated and acceded after 1995 Having made major steps required to bring the foreign trade regime into conformity with the rules and requirements of the WTO, Ukraine has only increased the openness of its domestic market. The influence of the international situation has made the problem of efficient development of the national parliament even more controversial. Following the accession of Ukraine to the WTO, the most sensitive to the reduction of tariff and non-tariff protection was agricultural and food market, especially as a result of increased imports of meat and meat products.

The formation of a free trade area with the EU creates a potential for expanded domestic goods entering the European markets, but to realize this potential opportunity the state is required to actively encourage and support Ukrainian producers and exporters.

Conclusion. National pragmatism and systemic transformation make it possible to significantly increase the effectiveness of the internal market. In the new global economy information combined with the intellectual and social capital creates more competitive advantages for individual countries and markets than their natural resources. In strategic terms, this involves, first of all, information transparency, anti-corruption approaches and strong development of competition.

Improving the business environment will improve the investment climate, contribute to the fight against corruption, which eventually should cause a flow of investment and development of the internal market. First of all, it comes to public administration reform, fiscal decentralization, tax reform and simplification of the business environment that will become powerful sources of economic growth and lead Ukraine out of recession.

The priority trend of the domestic market in Ukraine is to move to investment and innovation model, which should provide an effective restructuring of the real sector of the economy and create the conditions for a significant increase in the competitiveness of domestic producers on both

domestic and foreign markets. Transition to investment and innovative development model of the domestic market in Ukraine under current conditions is directly related to provision of exogenous and endogenous prerequisites for sustainable economic growth. Erik S. Reinert, analyzing the development of the two, in his opinion, the most successful countries in the last 60 years – China and India, said: "Only innovation under conditions of dynamic, but imperfect competition in industrial markets helped to raise the rate of wages in these countries and eliminate poverty. Ukraine has the advantage that it is a big market and it has examples to be followed "[34, p. 9].

In practice major trends transforming the domestic market in Ukraine under current conditions is determined primarily by axiological choice: whether internal domestic market stays in the post-socialist institutional system of coordinates with monopolized markets, the dominance of shadow and corruption schemes and excessive state intervention in the market economy and business market subjects? Or future internal market will be functioning on the basis of the principles of effective competition, economic feasibility, the state has functions adequate to market economy? This is actually a choice between creating modern effective sectoral structure of the domestic market with high institutional development capacity and partial structural improvements in the current economic model of the internal market, which has no institutional perspective, especially in the increasingly global instability of the world economy.

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Articles submitted to editors office of 04.11.2014.

Мазаракі А., Лагутін В. Внутрішній ринок України в умовах нестабільності глобальної економіки.

Постановка проблеми. Розглянуто актуальне питання розвитку внутрішнього ринку в Україні у контексті політико-економічного пошуку рівноваги між викликами імпортозаміщення і ризиками девальваційних та інфляційних трендів. Питання досліджено на основі вивчення широкого масиву статистичних даних.

Аналіз наукових досліджень і публікацій з цієї проблематики свідчить, що серед науковців точаться дискусії з приводу пояснення проблем трансформації внутрішнього ринку та обґрунтування наукових підходів до визначення стратегії його розвитку. При цьому пріоритетним є завдання забезпечення розвитку внутрішнього виробництва. Матеріали статті містять сценарії розвитку внутрішнього ринку, які впливають з високого ступеня залежності економіки України від ситуації на міжнародних ринках. Таке розуміння питання вимагає виявлення сучасних трендів розвитку українського внутрішнього ринку за наявності гострих глобальних викликів для національної економіки, що і є **метою дослідження**.

Матеріали та методи. Теоретичною та методологічною основою дослідження слугували наукові праці вітчизняних і зарубіжних економістів з проблем глобальної конкуренції, промислової організації, ринкових механізмів, антимонопольної (конкурентної) політики. Багатоаспектний характер дослідження обумовив застосування комплексу наукових методів, а саме: системного підходу, структурно-функціонального аналізу, порівняльно-типологічного, аналізу і синтезу, індукції та дедукції, аналізу статистичних даних та ін.

Результати дослідження. Внутрішній ринок відображає економічні відносини, що виникають і розвиваються в сфері торговельного підприємництва, з метою налагодження оптимальних взаємозв'язків між національними товаровиробниками і вітчизняними споживачами. Дослідження структури внутрішнього ринку важливо поєднувати з інституційним аналізом, пізнанням форм, стадій і рівнів розвитку ринку. Визначено не лише структурні залежності між окремими елементами внутрішнього ринку, а й глибше досліджено їх інституційні трансформації.

Висновки. Пріоритетним трендом розвитку внутрішнього ринку в Україні є перехід його до інноваційно-інвестиційної моделі, яка має забезпечити дієву реструктуризацію реального сектора національної економіки. У сучасних умовах цей перехід безпосередньо стосується екзогенних та ендогенних умов сталого економічного зростання. Проте для цього необхідно здійснити реформу державного управління,

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інституційну децентралізацію, істотно полішити конкурентне середовище товарних ринків та лібералізувати умови ведення підприємництва, що мають стати потужними джерелами зростання внутрішнього ринку і виведення економіки України зі стану рецесії.

Ключові слова: внутрішній ринок, конкуренція, ефективність ринку, відкритість економіки, глобальний ланцюг створення вартості, давальництво, імпортозаміщення.

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UKRAINIAN EXPORT DIVERSIFICATION: MACRO LEVEL ANALYSIS

Complex microanalysis of Ukrainian goods exporting diversification on extensive and intensive basis was made. The national export structure deviations from the world one were formulated. Product codes groups characterized by the highest export concentration were detected.

Keywords: export, export diversification, export sector, export structure.

Зубрицкий А. Диверсификация украинского экспорта: анализ на макроуровне. Проведен комплексный макроанализ товарной диверсификации украинского экспорта на экстенсивной и интенсивной основе. Формализованы отклонения структуры отечественного экспорта от мировой. Выявлены группы товарных кодов, характеризующиеся высокой концентрацией экспорта.

Ключевые слова: экспорт, диверсификация экспорта, экспортный сектор, структура экспорта.

Background. Foreign trade is an important source of economic growth in economy globalization terms. It particularly refers to small open ones among which Ukraine can be ranked. One of the most important tasks in economic security sphere for such countries is the export sectors development by maximal diversification provision of export flows.

According to the state export support system creating Concept № 586-2013-p from 01.08.2013 "...the problem of Ukrainian export imbalance where the goods with low processing level exceed requires from the state

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new approaches to national export policy implementing directed to export diversification and its growth in goods with high value added". Among the problems preventing national economy's export potential implementation in full is the low product and geographic Ukrainian export diversification [1]. This thesis requires an adequate analytic background enabling not only to measure in terms of quantity national export diversification, but detect the export sectors, where this index is low. These are the sectors which are the focal points of maximal Ukrainian export¹ potential implementation and they require a particular attention as an effective state support.

Analysis of recent research and publications. The considerable interest to export diversification problems appeared in the world science in the mid of the 1950-s of the XX century due to liberalization expending processes of international movement of goods and services. At present a considerable research base on export diversification both in developed countries, and in the developing ones is worked out. While the review and systematization of the whole range of foreign scientific works can be the subject for a separate research there are sufficient reasons to consult national materials and normative documents devoted to export diversification theory and analysis.

In the works by O. Pindyuk and O. Slabospitskaya using indices by Hirschman and Herfindahl-Hirschman is established that Ukrainian export concentration was low in 1996–2009 [2; 3]. Analyzing export diversification for Ukraine and Belarus, O. Bessedina uses Herfindahl-Hirschman indices reciprocal series. Such procedure applying complicates analysis results, because one can realize the real export diversification level only comparing it with indices reciprocal series for other countries. According to results obtained the diversified branch by assortment is machine building, agriculture is characterized by the highest market diversification [4]. The World Bank's experts determined on the basis of Herfindahl-Hirschman and diversification indices applying that in 2002 export concentration grew as a result of economic decline [5]. At the same time it is difficult to understand how much national export structure differs from the world one. The attempt to compute the appropriate diversification index was made by N. Sakalo [6]. But this index interpretation isn't right, because he estimates not the product structure level, but the degree of export diversification remoteness from the world one. I. Markovych analyzes the geographical export diversification according to separate product groups and makes a conclusion that among the priority product groups for Ukraine the market for railway machine building is the most concentrated one.

In whole in Ukraine export diversification is analyzed according to the world economic science, but rather irregularly and it doesn't enable to define clearly the main problematic export sectors [7].

¹ So far as national services export is low as compared with goods export, only Ukrainian goods export is analyzed.

Taking this into consideration the **aim** of this article is Ukrainian goods export diversification analysis on the macro level to detect the segments having the potential to its intensification.

Materials and methods. In the research a statistic database by UN product trade (UN-COMTRADE) [8] and database on foreign trade by the World Bank (WITS) [9] comprising detailed bilateral data on export-import transactions in more than 170 countries of the world was used. To provide the ability of data comparing the Harmonized Commodity Description and Coding System (Harmonized System, hereinafter referred to as HS²) at different detailing levels was used. For the purpose of the of full data coverage the redaction HS 1996³ is applied, as for this one the maximum amount of information on Ukraine's trade partners is available. The research period is 2004–2012.

Results. The export diversification can be defined as an available goods and/or geographical export structure transformation. For developed countries diversification is often considered as a transfer from traditional to new (nontraditional) export goods.

Let's define two main forms of export diversification: horizontal and vertical ones. Horizontal diversification occurs within one economy's sector and is new goods adding to the existing export basket in this sector for the purpose of lightening economic (related with price instability and general trend to price reducing) and political risks. Vertical diversification is a transfer from national export goods producing in primary economic sector to their producing in the secondary and tertiary ones. It includes searching further ways of national goods using with available means of their value added increasing, such as: deeper processing, marketing, and other services available [10].

Export diversification relative to goods and trade trends can carry out on extensive (export goods range expanding, searching new goods sales markets) and intensive (export value increasing for the same destination countries and within existing product assortment) basis. Thus, diversification on the extensive basis is closely associated with horizontal diversification, and at the same time the vertical one is the export diversification background on the intensive basis. On the assumption of export diversification theory, it is necessary to examine intensive and extensive national export diversification basis (*table 1*).

To detect export diversification by export product assortment expanding and searching new destination markets, it is sufficient to make a simple arithmetical calculation of export markets number and goods export amount. The necessary condition of this is the high data detailing level, that's why it is rational to analyze Ukrainian export diversification on the HS subheading

² Ukrainian foreign economic activity goods classification is the complete analog of the Harmonized Commodity Description and Coding System (HS).

³ The main motivation for outdated HS redaction using is maximal data coverage on world export.

level (detailing level – 6 product code digits). On making calculation export and import items, which cost estimate during the period analyzed exceeded \$10,000 per year are taken into consideration.

Table 1

Ukrainian export diversification indices at the extensive basis in 2004–2012

Index	2004	2005	2006	2007	2008	2009	2010	2011	2012
Goods items amount	2063	2122	2147	2292	2282	2147	2210	2242	2227
Export markets amount	117	126	126	129	130	130	129	123	95

* Made by the author according to WITS [9]

As the *table 1* shows in 2007–2008 maximum export assortments expanding and Ukraine's geographical partners range occurred. However, in post-crisis period (2010–2012) the progressive export product assortment increasing together with destination market devoted loss occurs⁴.

So, in pre-crisis period Ukrainian export sectors actively utilized goods extensive product export diversification base, which expanding opportunities were leveled by the world economic crisis. A considerable export assortment reducing is the illustration that foreign trade can be communicating economic crises channel. On the other hand, a threatening trend is the substantial Ukrainian export destination markets reducing at the end of the period analyzed.

For the purpose of the real situation in Ukrainian goods and geographical export diversification comprehension there are sufficient reasons to compare the appropriate indices with the world ones. In the *Figure 1* the indices of export items amount and destination markets for all the countries of the world in pre-crisis 2007 (*figure 1a*) and pos-crisis 2011 (*figure 1b*) periods are shown.

On Ukraine with small open economy world goods markets conditions affect. For the purpose of the effect visualization given in *figure 1* just 2007 and 2011 are compared, which are considered in the world economic research practice as the last pre-crisis year and the first world economy's rehabilitation thereafter.

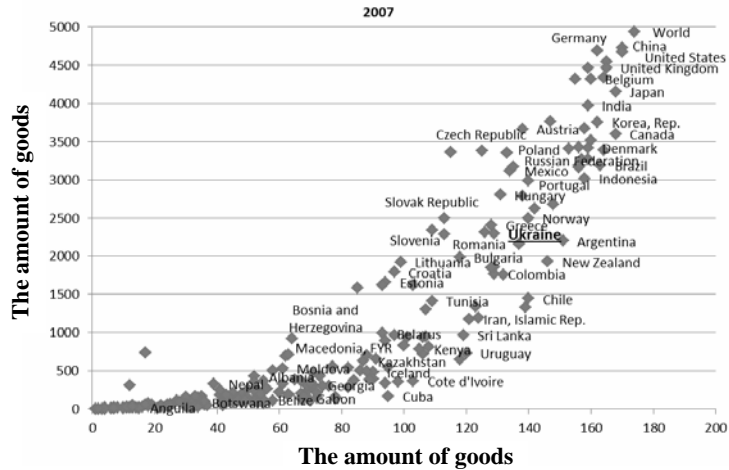
As it is seen from the *figure 1* according to export product assortment and destination markets amount Ukrainian export sector is on the top of the world data indices allocation. Entirely, the best indices are typical for developed countries. Simultaneously by indices analyzed Ukraine is at the level of such countries as Hungary, Finland, Mexico, Bulgaria, Israel, Greece,

⁴ Partly such reduction is the result of statistic data used for the analysis quality worsening. If in 2004–2010 within WITS database data on export-import transactions of more than 160 countries of the world are available, in 2011 – 154 countries, in 2012 – 146 countries. Such differences were caused by data presentation delay by national statistic authorities. At the same time the data on Ukraine's trade partners neglect is so slight, that they can explain destination markets losses in 2012.

and Romania. It means that geographical and assortment national export diversification is rather high and equal to the developing countries level.

Data comparison of 2007 and 2011 enables to make a conclusion that product assortment reducing and export markets losing typical for Ukraine are the world trends. In fact, Ukrainian export situation in pre-crisis and post-crisis periods in indices analyzed allocation remain unchangeable.

a)



b)

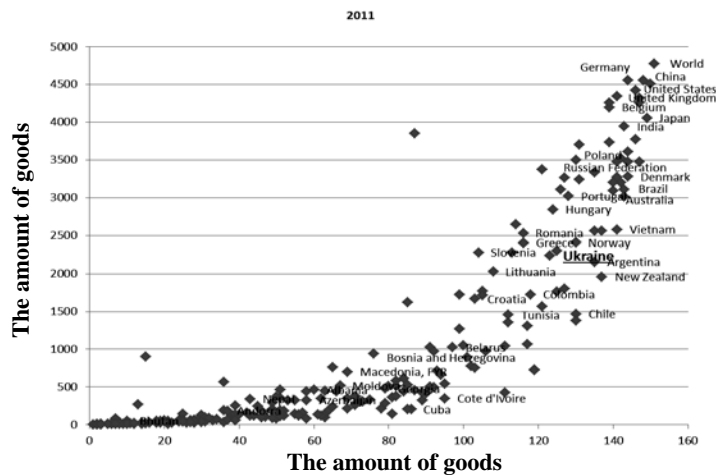


Figure 1. Export items and destination markets amount of the countries of the world in 2007 and 2011

(Calculated and made by the author according to the WITS data [9])

Export diversification on extensive basis is possible only to certain restrictions. At one hand, constant product assortment expanding is impossible due to existing world one and trade partners countries list, from the other hand, each export product or export market can be considered a "new" one during only a year, when export product assortment and export market list were expanded.

More desirable for the world practice of the world trade researching and regulating is export diversification at intensive basis. Such diversification form extending stimulates industries with high value added level, creates the prerequisites for employment growth in the economy, smoothes anyway a swing in the world economic activity, and reduces export risks.

For the purpose of Ukrainian trade export diversification research we apply two indices, used in the world practice of foreign trade analysis: normalized concentration index by Herfindahl, proposed by WTO experts (*Bacchetta, et al, 2012*) [11], and normalized one by Herfindahl-Hirschman, used by UNCTAD (*UNCTAD, 2013*) [12].

The simplest diversification index is the inverse one to Herfindahl concentration index, which is each industry (or product group) share sum of squares in the overall country's volume of exports. If the country is denoted as i , and its certain industry (or product group) as k , Herfindahl index can be written as a formula:

$$h^i = \sum_k (s_k^i)^2, \quad (1)$$

where s_k^i – is industry (or product group) share k in country's volume of exports i ;
 k – goods export amount.

According to modeling h^i fluctuates $1/k$ to 1 . The index can be normalized within zero and unity, in such case it is Herfindahl index, that is in question nh^i :

$$nh^i = \frac{h^i - \frac{1}{k}}{1 - \frac{1}{k}}. \quad (2)$$

If such concentration indices as Herfindahl index are calculated only within product assortment available, they measure concentration/diversification on intensive basis.

Herfindahl-Hirschman index nHH can be shown as a formula:

$$nHH = \frac{\sqrt{\sum_{i=1}^k \left(\frac{x_{ij}}{\sum_{i=1}^k x_{ij}} \right)^2} - \sqrt{\frac{1}{k}}}{1 - \sqrt{\frac{1}{k}}}, \quad (3)$$

where x_{ij} is product value of exports i by the country j .

Both indices vary within $0 \leq nHH, nh^i \leq 1$; index approximation to 1 means export concentration increasing (diversification decreasing), and values approximating to zero show high export diversification.

One of the main problems of the indices mentioned is their dependence at the disaggregation level of statistic data used during the analysis. For the purpose of elimination of possible index understating Ukrainian product export diversification analysis will be made in two steps:

1) normalized concentration indices calculating is made on three HS detailing levels: at chapter level (two digits of Electronic Product Code), headings (four digits of Electronic Product Code), and subheadings (six digits of Electronic Product Code) without any updating and restricting;

2) for eliminating effecting the final result of the codes, which export transactions amounts are small, starting data limitation procedure is made⁵. It is a small product items withdrawal from calculations made by such principle: at the level of HS subheadings on calculating all product items, which export amount doesn't exceed 1 billion USD per year are taken into consideration; at the level of HS headings – product items, which export amount doesn't exceed 10 billion USD per year; at the level of HS headings product items, which export amount doesn't exceed 100 billion USD per year aren't taken into consideration.

Ukrainian export diversification indices calculations on intensive basis results taking into account the restrictions are given in *table 2*.

Table 2

**Ukrainian export diversification concentration indices
(according to detailing levels) in 2004–2012**

Index	2004	2005	2006	2007	2008	2009	2010	2011	2012
Unlimited data									
<i>Herfindahl normalized concentration index at the level of</i>									
HS chapters	0.124	0.127	0.126	0.125	0.130	0.086	0.097	0.092	0.074
HS headings	0.025	0.028	0.027	0.025	0.032	0.023	0.026	0.027	0.024
HS subheadings	0.0119	0.0133	0.0123	0.011	0.0139	0.0128	0.0138	0.0149	0.0149
<i>Herfindahl – Hirschman normalized concentration index at the level of</i>									
HS chapters	0.292	0.297	0.296	0.294	0.301	0.230	0.249	0.241	0.207
HS headings	0.134	0.145	0.142	0.136	0.155	0.128	0.138	0.140	0.130
HS subheadings	0.096	0.102	0.097	0.092	0.105	0.100	0.104	0.109	0.109
Limited data									
<i>Herfindahl normalized concentration index at the level of</i>									
HS chapters	0.135	0.140	0.137	0.131	0.135	0.092	0.100	0.094	0.075
HS headings	0.027	0.031	0.029	0.027	0.033	0.024	0.027	0.028	0.025
HS subheadings	0.012	0.014	0.013	0.011	0.014	0.013	0.014	0.015	0.015
<i>Herfindahl – Hirschman normalized concentration index at the level of</i>									
HS chapters	0.308	0.316	0.311	0.304	0.308	0.241	0.255	0.244	0.211
HS headings	0.140	0.152	0.148	0.140	0.159	0.133	0.143	0.143	0.133
HS subheadings	0.097	0.103	0.099	0.092	0.106	0.101	0.105	0.109	0.109

*Calculated by the author according to WITS [9] ma UN COMTRADE [10] data.

⁵ Such limitation is motivated by the fact, that each similar product item effects the calculations indices, which trade volume is low. As a result, such effect causes normalized Herfindahl and Herfindahl – Hirschman indices underrating.

According to the *table 2* data a preliminary conclusions can be made. *First*, national export diversification is high. Normalized Herfindahl and Herfindahl – Hirschman indices calculated values (both limited and unlimited) at all detailing levels testify about this. So, during the period analyzed Herfindahl concentration index at HS chapter level didn't exceed 0.15, at the same time at the higher foreign trade data detailing levels this index is 0.04. Herfindahl – Hirschman index shows higher values and in 2005 reaches HS chapter level 0.316 (for limited data). At the higher starting data detailing levels index value doesn't exceed 0.16. Based on formal Herfindahl and Herfindahl – Hirschman indices preliminary calculation conditions Ukrainian export concentration is low.

Second, according to the calculations a trend to Ukrainian product export decreasing to 2008 at HS chapter level can be observed. Analyzed export concentration indices increasing (with unstable dynamics) testify about this. However, crisis phenomena at the world markets stopped this trend and caused Ukrainian export diversification level increasing.

Such dynamics allows making a conclusion about Ukrainian export growth by individual product items in demand in world market in favorable years. At the same time detailed data using creates fundamentally different picture. At HS subheadings level unstable analyzed indices decrease changing to permanent indices increase after 2008 is observed. Based on contrary results obtained during calculating, a necessity of further detailing and trends detecting at product groups level appears.

Third, calculations testify about high analyzed indices dependence on starting data detailing degree. Besides, at different foreign trade data detailing levels contrary trends are observed. In whole normalized Herfindahl and Herfindahl – Hirschman indices calculating enables to make maximally impossible analysis quality decreasing due to indices mentioned disadvantages.

Analysis at macro level doesn't allow defining the sectors which export is the most concentrated, as values obtained is an average amount by all Ukrainian export product groups. In connection with this a necessity of similar calculations at the certain industries level or in case of foreign trade data – homogeneous product code groups appears.

For the purpose of defining the least diversified sectors all the Ukrainian product export (at HS subheadings level) is divided into 16 product code groups and for each of them normalized Herfindahl index is calculated separately. As a checkpoint for comparing 2007 (*figure 2a*) and 2011 (*figure 2b*) are used.

Against the background of overall trend to Ukrainian export decreasing observed at macro level, the results of sector calculations at six-digit codes level show contrary trends and are rather informative.

In export sectors normalized Herfindahl concentration index increased from 0.011 in 2007 to 0.015 in 2011. Those product code groups for which

the index analyzed is the highest are clearly observed, such as: fuel, mineral raw materials, leather and animal products.

As can be seen from *figure 2a* and *figure 2b* export concentration in product code groups mentioned (excluding vegetable and leather products) in post-crisis period only increased. The highest national export concentration increasing was observed in the product code group combining mineral raw materials (from 0.182 to 0.357) and in transport (from 0.067 to 0.151). Together with this majority of another product code groups within comparison made also showed small normalized Herfindahl concentration index increasing.

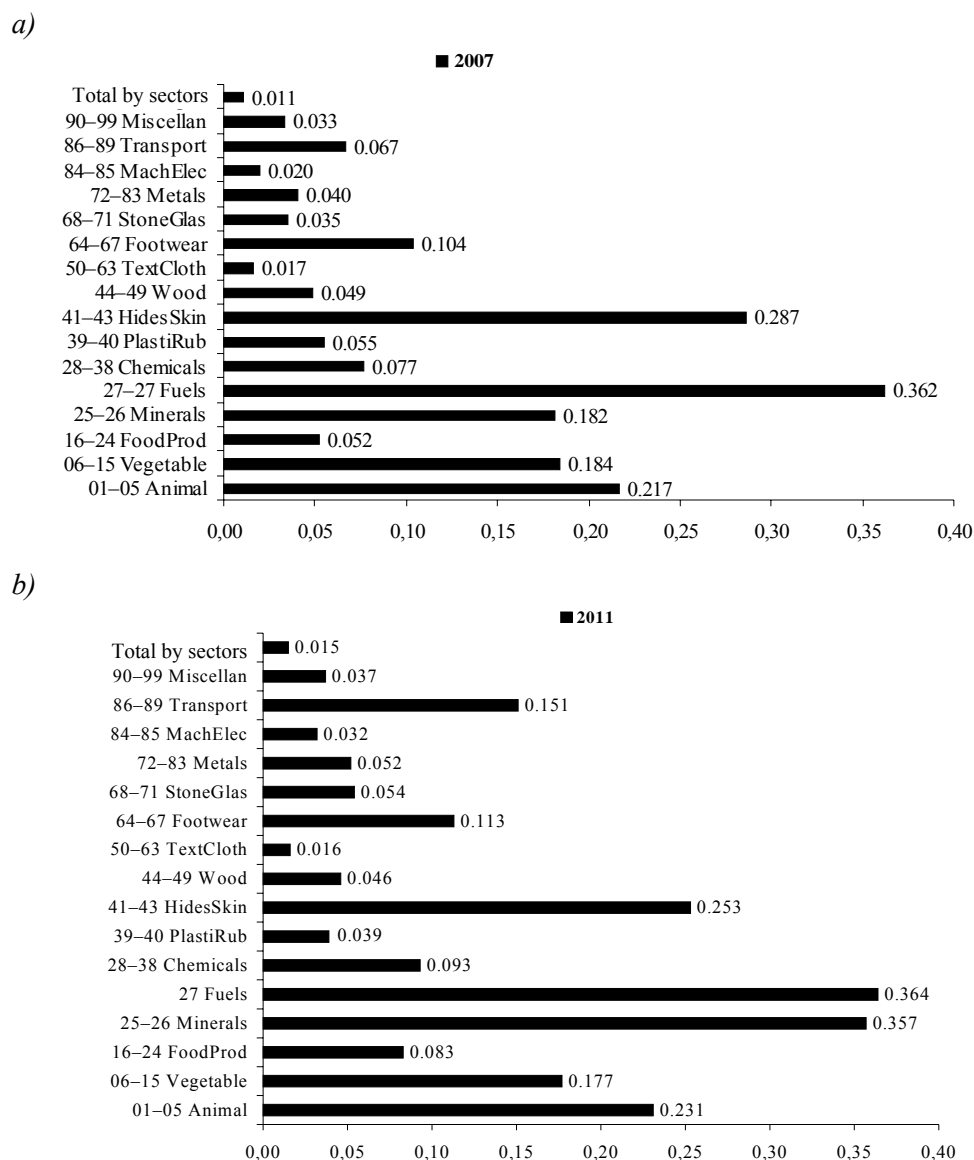


Figure 2. Normalized Herfindahl concentration indices in export sectors in 2007 and 2011 (Made by the author by WITS [9] and UN COMTRADE data [10])

So, the lowest Ukrainian export diversification level can be observed in fuel and mineral raw materials, vegetable and animal products export, light industry and in transport. These are the industries which must be the object of especial attention from the government in national economy export potential stimulating.

For the analysis of the Ukrainian export potential understanding how national export structure differs from the world one is very important. Its indicator is normalized export structure diversification index S_j (index Finger-Kreinin). Export structure diversification index S_j signals about the availability of a certain country export structure differences or groups of countries from the world one. Index values varying within $0 \leq S_j \leq 1$, shows export structure discrepancy degree of individual country or groups of countries from the average world one. Index approximating to 1 testifies about a certain country export structure differences increasing from the world one.

$$S_j = \frac{\sum_i |h_{ij} - h_i|}{2}, \quad (4)$$

where h_{ij} – is a product share i in the overall country export and groups of countries j ;

h_i – is a product share i in the overall world export [12].

For the purpose of the Ukrainian export structure diversification two main approaches are used: Finger-Kreinin indices calculating on the data detailed at the level of HS two-digit code basis (unlimited data in *table 3*); Finger-Kreinin indices calculating at the data detailed at the level of HS two-digit code basis and voided from the product items effect which export amount doesn't exceed 100 billion USD (limited data in *table 3*).

For providing comparison of the values obtained in *table 3* Finger-Kreinin indices for individual groups of countries of the world including Ukraine are also given.

As the *table 3* data show Ukrainian export structure considerably differs from the world one, as Finger-Kreinin index for all the period analyzed exceeds 0.5. Besides, in the most developed export items segments such difference grew to 2008 (as analyzed index inconsiderably higher values for the limited data in this period show), while after 2008 contrary processes were observed.

International comparisons of export structure diversification indices enable to make a conclusion, that in whole its values for Ukraine are at the level for countries with transitional economy. At the same time EC-27 countries – the main industrial goods exporters have the export structure more similar to the world one by product assortment and value structure. Developing countries show a little greater difference.

**Ukrainian export structure diversification and individual countries
of the world in indices 2004–2012 ***

Index	2004	2005	2006	2007	2008	2009	2010	2011	2012
<i>Unlimited data for Ukraine</i>									
Diversification (structure) index Finger-Kreinin (on HS chapters level)	0.506	0.539	0.546	0.542	0.574	0.542	0.553	0.558	0.581
<i>Limited data for Ukraine</i>									
Diversification (structure) index Finger-Kreinin (on chapters HS level)	0.505	0.543	0.551	0.545	0.574	0.543	0.548	0.554	0.578
<i>Data according countries groups</i>									
Developed countries	0.150	0.159	0.165	0.168	0.173	0.175	0.180	0.181	0.189
Developing countries	0.260	0.247	0.238	0.238	0.226	0.229	0.212	0.199	0.199
Transitional economies **	0.568	0.578	0.573	0.559	0.548	0.562	0.568	0.557	0.544
EC-27	0.182	0.188	0.192	0.199	0.213	0.217	0.220	0.224	0.228
The main industrial products exporters	0.112	0.125	0.131	0.129	0.143	0.131	0.139	0.149	0.154
<i>Including the USA</i>	0.260	0.268	0.274	0.269	0.269	0.256	0.254	0.258	0.259
The main petrol and gas exporters	0.666	0.666	0.664	0.652	0.636	0.632	0.639	0.626	0.623
<i>Including the Russian Federation</i>	0.662	0.662	0.646	0.637	0.620	0.644	0.654	0.639	0.576

*Made by the author by WITS and UNCTAD statistic data [13].

** According to UNCTAD classification of Ukraine are referred to the countries with transitional economy category.

According the *table 3* data it can be seen that countries – industrial goods exporters have almost six times more diversified export sectors structure, than the ones exporting hydrocarbons. The latter actually become hostages of such natural resources availability, without applying an effort for economic and export diversification.

Finger-Kreinin indices comparison for the USA and the Russian Federation is also informative. American index three times exceeds an appropriate Russian and two times Ukrainian ones. Taking into consideration a low mutual dependence of the economies of the USA and the Russian Federation, a significant difference between these countries industry structure becomes evident. An analogical conclusion can be made relating to the groups, where they are referred in *table 3*.

Conclusion. Ukrainian export diversification testifies that:

- Ukrainian export diversification on extensive basis is rather high and meets the developing countries level. At the same time significant reserves of foreign trade product assortment expanding are available;
- Ukrainian export concentration at macro level measured on intensive basis is not as high as it is often announced in official media and non-specialized economic research papers. Herfindahl and Herfindahl – Hirschman indices don't exceed 0.3 testifying about high product export diversification level;

- individual export sectors characterized by higher export concentration in comparison with others were detected, such as: fuel and mineral resources export, agricultural products, transport, and light industry products;
- against the background of satisfactory national export diversification at intensive and extensive basis Ukrainian export signification deviations from the world one are clearly seen.

Ukrainian export diversification is at the developing countries level. However, the country doesn't export the goods being in demand at world markets. It testifies about significant export potential availability and a necessity in its implementation stimulating both on extensive and intensive basis.

Further research outlook is such Ukrainian export product codes identification, which under the condition of stimulating policy can make a basis for Ukraine's export expansion at world markets.

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Зубрицький А. Диверсифікація українського експорту: аналіз на макрорівні.

Постановка проблеми. За умов геополітичних та соціально-економічних викликів, що постали перед Україною, диверсифікація вітчизняного експорту є завданням першочергової важливості в контексті економічної безпеки. Це обумовлює необхідність проведення аналітичного аналізу диверсифікації українського експорту та виділення найбільш проблемних експортних секторів.

Аналіз останніх досліджень і публікацій показав, що, незважаючи на високу зацікавленість проблемою оцінки диверсифікації експорту у вітчизняних академічних колах, відповідні дослідження здійснюються досить безсистемно та не дають змоги чітко ідентифікувати найбільш проблемні експортні сектори.

Метою статті є аналіз інтенсивної та екстенсивної основи диверсифікації українського експорту на макрорівні та ідентифікація експортних секторів, що мають найвищий потенціал до її поглиблення.

Матеріали та методи. В процесі дослідження використано методи порівняння, графічний, табличний, індексний. Основним джерелом інформації є база статистичних даних товарної торгівлі ООН (UN-COMTRADE) та даних стосовно зовнішньої торгівлі Світового банку (WITS).

Результати дослідження. У статті здійснено аналіз диверсифікації українського товарного експорту на екстенсивній та інтенсивній основах протягом 2004–2014 рр. Встановлено, що диверсифікація вітчизняного експорту на екстенсивній основі є досить високою та знаходиться на рівні країн, що розвивається. Результати розрахунку диверсифікації експорту на інтенсивній основі свідчать, що вона відповідно до поширеної думки не є критично низькою. Причина низької ефективності українського експорту криється у суттєвому відхиленні його структури від структури світового експорту, що встановлено на основі розрахунку індексу Фінгера-Крейніна. Також ідентифіковані експортні сектори, в яких концентрація експорту є найвищою, а саме: експорт палива та мінеральної сировини, продукції сільського господарства, транспорту, а також продукції легкої промисловості.

Висновки. У статті, на відміну від існуючих вітчизняних публікацій, проведено систематизований комплексний аналіз диверсифікації українського експорту на різних рівнях деталізації. За результатами розрахунків пропонується два основних напрями максимальної реалізації національного експортного потенціалу: стратегічний та тактичний. Стратегічний напрям, що включає приведення структури вітчизняного експорту у відповідність до світової, може бути реалізований у довгостроковому періоді. Тактичний напрям полягає у зниженні концентрації експорту в найбільш проблемних секторах за рахунок активної державної політики (у т. ч. фіскальної).

Основні положення, висвітлені у статті, можуть стати базою для подальших наукових досліджень у напрямі ідентифікації товарних кодів українського експорту, які за умови відповідної стимулюючої політики становитимуть основу реалізації експортного потенціалу України та покращання кількісної й якісної структури національного експорту.

Ключові слова: експорт, експортний потенціал, диверсифікація експорту, концентрація експорту, екстенсивна основа диверсифікації експорту, інтенсивна основа диверсифікації експорту, структура експорту.



ENTERPRISE

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TRADING ENTERPRISE MANAGEMENT REPORTING SYSTEM

Conceptual frameworks of management reporting formation have been investigated from the perspective of systematic approach. The requirements to the contents and structure of management reporting of trade enterprise have been determined.

Keywords: information support of management, accounting information, management reporting, elements of management reporting, management report.

Фомина Е. Система управленческой отчетности предприятий торговли.
Исследовано концептуальные основы формирования управленческой отчетности с позиции системного подхода. Определены требования к содержанию и структуре управленческой отчетности предприятий торговли.

Ключевые слова: информационное обеспечение управления, учетная информация, управленческая отчетность, элементы управленческой отчетности, управленческий отчет.

Background. Commerce is one of the most mobile kinds of entrepreneurship, which is characterized by high level of assets flotation and liquidity, a number of contractors with different conditions of business relations, and as a result big amounts of receivables and accounts payable. Fierce competition and high risks of trading business result in more requirements to trading enterprise management reporting, which is aimed at satisfying the needs of executives in timely and objective information on the state of commercial and financial activity in order to take right management decisions.

Enterprise functioning under uncertainty and risk causes necessity to constantly improve information support of company's management as well as approaches to formation of management reporting which differs from others in users, tasks, contents, form, preparation methods. For every specific

enterprise the management reporting would have peculiar features but at the same time there should be common theoretical concepts, formation methods of accounting and analytical information of management reporting the development of which would provide the possibility of choosing the most appropriate variant from the possible options for a specific enterprise.

Analysis of recent research and publications. In accounting theory reporting as an economic category is defined in two ways. On the one hand, reporting is an element of accounting, way of summarizing and presenting information on the results of enterprise's activity; on the other hand, it is a system of generalized and interrelated economic indicators, which characterize productive, financial and business performance of an enterprise for a specific period of time [1]. Considering a growing interest of scientists and practitioners for management accounting problems, the concept "management reporting" does not have unanimous definition, and the theoretical studies that have been carried out, do not take into account dynamic character of modern enterprise management system and requirements to its information support. Until recently management reporting has mainly been mentioned in the context of management accounting or IFRS introduction [2].

Traditionally there has been an idea that "all kinds of reporting are formed on the basis of a single data bank which is created in the accounting system" [3, p. 18]. There is also another opinion: Zhdanova A. claims that "management accounting and reporting are the basis for preparation of any other type of reporting" [4, p. 10]. Resolving this debate is the framework for determining the nature and grounding of management reporting algorithm.

In general, very little attention has been paid to the enterprise management reporting formation in the scientific literature and the concept of management reporting has not been developed. Various aspects of management reporting have been studied by Ukrainian and as well as foreign scientists. Among them are Drury K. [5], Bachynskiy V. [6], Zhdanova A. [4], Karpenko O. [7], Kulyk V., Liubimov O. [2], Nahirska K., Ozeran V., Pozov A., Pushkar V., Rytchenko Y. [8], Slobodniak I. [9], Storozhuk T., Khomyn P. [10], Shalaieva L. [11], Shyhun M. [1], Yudina L. [3] and others. All scientists apply different approaches to understanding the "management reporting" category, but it is commonly agreed that it should be defined as a source of information support of business administration. A variety of opinions on the merits of the concept of "management reporting" is in particular connected with the traditional interpretation of the role of management accounting and reporting in management of a trading enterprise. The lack of theoretically grounded methodology and formation of management reporting in practice does not allow to build an effective information system to implement the functions of business management.

Considering the significant achievements of scientists in the study of management accounting techniques not much attention has been paid to the development of methods for determining information needs of mana-

gement reporting users, methods and terms of its submission. In addition, currently there is no commonly accepted approach to consistency and implementation of management reporting, particularly in trade. The above mentioned confirms the importance and relevance of the research.

The aim is development of conceptual approach to formation of trading enterprise management reporting system. The determined aim lead to necessity of solving the following task: to reveal conceptual approaches to the formation of management reporting based on studies of trade entrepreneurship peculiarities, taking into account the information needs of users in their decision-making; to identify the main stages of management reporting implementation in trade.

Results. An important function of management accounting in trading enterprise management system is timely presenting information required by managers of different levels for decision-making.

The main problems in preparing management reports are connected with lack of general recommendations on forming a system of reporting indicators and information base for their calculation, which makes it difficult to develop internal standards that are usually a complex of interrelated regulatory documents and as a rule include provisions for management reporting of an enterprise, instructions on formation of separate reports, confidentiality provisions.

An important step in the process of internal business report preparation is the development of its original forms. According to the Law of Ukraine "On Accounting and Financial Reporting in Ukraine" the company develops its own system and forms of internal business accounting, reporting and control of business operations with the aim of processing and further preparation of information about the company's activities for internal users [12].

Defining management reporting as a set of interrelated data and estimates, which reflect the enterprise's functioning as a business entity, grouped in the whole enterprise and in separate business units, Drury K. [5] points out the integrity of data on financial and economic activity and estimates that provides the status of the analytical report to internal reporting.

Management reporting as a system of accounting and analytical information is presented as a set of accounting estimates, formed in accordance with the internal regulations of the enterprise and information requests of users. It must comply with the following principles: a systematic approach; frequency; balance; quantitative assessment; value of money over time; diligence; control; use of professional judgment [11 p. 19–20].

Considering management reporting as a system, i.e. artificial set of elements (accounting and analytical reporting information), the function of which is to provide users with information in solving management problems, Slobodnyak I. proves that management reporting is:

- abstract system as it is generated by human thinking;
- hardly deterministic system as it has an internal structure, and interaction between different elements of the system are subject to the algorithm;

• dynamic system as the accounting and analytical information system of management reporting will be viable only in case it responds adequately to changes that occur in the external and internal environment of the enterprise [9, p. 20].

This approach to the definition of management reporting led to the need for clarification of the related concepts:

form of management reporting is a system of accounting indicators and estimates presented in the prescribed format and in accordance with the internal regulations of the company, which describes the state of the corresponding element of management reporting;

element of management reporting is a set of objects joined together according to economic contents; the information about them is reflected in management reporting;

section division of management reporting is an essential part of the management reporting form, which includes a complete set of indicators characterizing certain aspects of management reports item [9, p. 19];

article of management reporting is an element of management reporting that meets the criteria of the methods of forming accounting and analytical information chosen by the enterprise;

management reporting system of indicators is a management tool and management efficiency indicator through a set of parameters that are fixed in this system. At the same time, it is an arranged set of indicators that are interrelated between each other and provide sufficient information on the state of an object in economic activity.

The principle of *mandatory quantitative assessment* suggests that in the preparation of management reports, quantitative and qualitative, financial and non-financial indicators that reflect the goals of the company, detailing them in separate processes are used and they are employed to assess the performance of the company.

Studies have shown [8] that in order to assess the effectiveness of business processes implementation, a trading enterprise should reflect in its management reporting not only financial indicators, but also non-financial performance indicators such as customer loyalty, new forms of service, quality of products, increasing the number of customers, market share, the number of complaints and speed of service per customer. Quality indicators are also important: losses from returning goods to customers, losses from discounts to customers. It will especially strengthen preventive control over the probability of loss of economic benefits.

Thus, Khomyn P. gives the basic criteria for the formation of management reporting indicators system: adequacy, neutrality, evidence, accuracy, relevance, value, sustainability, relevance, high detail level, flexibility, completeness, conciseness, accessibility, efficiency [10].

The formation of management reporting indicators is considerably affected by the principle of temporal certainty of economic activity and the periodicity principle (accounting period).

The principle of temporal certainty of economic activity involves revenue recognition at a sufficient rate of certainty concerning increase of retained profit and expenditures – under sufficient justification opportunities to detect the accounting period during which it is necessary to recognize the corresponding revenues.

The application of this principle depends on the economic characteristics of the management reporting elements recognition (e. g., liabilities, revenues, expenses, etc.). In its turn, the economic characteristics of the basic elements of management reporting recognition is based on one of the basic concepts of financial management:

- when displaying income and expenses to level the difference between the revenue recognized in the current period (which is contractors' receivables) and the amount of expenses recognized previously;
- when displaying commitment with long grace periods to reflect the real value of accounts receivable or payable at the time of repayment.

Recognition of income and expenses at the time of funds receipt from the sale of goods, not at the time of shipment may contribute to management differences when comparing the performance of the trading enterprise in managerial and financial accounting. Justification for such deviations will ensure compliance with the *principle of permanent equilibrium*, which is closely connected with the principle of prudence and professional judgment.

The *principle of caution* suggests that the management reports should focus managers' attention on problem areas of the company. In particular, for trade enterprise it is important to have information not only on the volume of goods shipped and sales returns, but also on the state and changes in the structure of receivables.

On the one hand, management reporting is an informational support of controlling, on the other hand, it is subject to internal inspection in terms of reliability, compliance with the methods chosen and others.

Using *professional judgment principle* implies the existence of alternative approaches to management reporting indicators structure, its organizing, performance evaluation, which determines the uniqueness of internal reporting at each individual enterprise.

To streamline the process of preparing management reports, it is necessary to define clearly the data source for the formation of each reporting indicator with detail of accounts that reflect the vital accounting data. Thus, the request for the accounting information needed by the management is determined, which may include information on assets, liabilities and business processes, and then the level of detail is set.

Studying the problems of developing of management reporting system methodological base Karpenko O. and Lyubimov M. grouped the methods of preparation of management reports according to the degree of information generalization into those used to obtain information from various sources, and grouping it in some way for future use [7].

Thus, the researchers identified three groups of methods:

- Information storage methods are used for primary storage of information when justifying administrative decisions taken by management. This group includes the following methods: classification of expenses and revenues, planning and normalizing of expenses and revenues, methods of self-cost calculation, planning of management accounting accounts.
- Processing (preparation) data methods, which provide for the determination of decision-making criteria. The methods of data preparation include: function of expense methods, CVP-analysis, budgeting, methods of data preparation for making decisions about pricing, investments, stocks, range of products, special orders etc.
- Methods of preparation and submission of management reports include ways to identify information needs, form, frequency and method of presenting management reports to users.

One has to agree with the opinion of scientists that the problem of determining the content and form of reports should be approached comprehensively. Firstly, it is important to consider professional opinion of the report user. For that purpose questionnaires, interviews and other methods can be used. Secondly, the department that is responsible for preparation of management report and presenting it, has more information and better understanding of specific problems, so it has to offer report variant based on information requests and responsibilities.

Management reporting structure includes reports according to the following classification:

1. Comprehensive reports (submitted monthly), they may show the following indicators: profitability, the structure of expenses and revenues, receivables, stock value and cash flow.
2. Key indicators reports (presented on a specific date at any given time), namely the number of received orders and shortfalls in deliveries; the volume of goods sold and purchased; percentage of faulty goods; planned business results and resource efficiency.
3. Analytical reports are prepared at the request of management and reflect some aspects of, for example, reasons for inventory level increase, depreciation and losses; change of trading enterprise share in the relevant market segment. They also reflect interaction of external and internal factors of the enterprise growth, identify risks and company's potential for development.

Rytchenko Y. [8] classifies management reporting into three blocks:

- 1) management reports on the financial position, performance and changes in financial position of the company (budget of revenues and expenses, cost estimates of departments, budget of goods sales, cash flow budget, payment calendar, investment plan);
- 2) management reporting on key performance indicators;
- 3) management reporting on budget execution of the company (cash statement, profit and loss account, capital investment statement).

In the economic activity of trading enterprise it is especially important to check the compliance with agreements for the supply of goods by certain suppliers and the percentage of their execution from total number, range and quality of goods, terms, conditions of transportation. Delays in delivery of goods affect the budget implementation and the dynamics of trade turnover and the enterprise activity as a whole. At the same time determining the optimal size of goods supply ensures the preservation of their quality and normalizes stock of goods.

To optimize the supply efficiency control it would be appropriate to prepare internal reporting with regard to business peculiarities: types of suppliers, regions and conditions of goods delivery, range of products and product groups, etc.).

There can be no standard set of management reporting with common forms and information structure that is why it is possible to determine classification features that characterize the general approaches to the formation of management reports:

- according to the form of representation (tabular, graphical, text and combined reports);
- according to the activity (reports on goods purchase, reports on the sale of goods);
- according to the level of representation (reports for senior managers, reports for managers of structural units, reports for first-line managers);
- according to the volume of information (summaries, operation reports, final reports);
- according to the frequency of presenting (current, consolidated and integrated reports);
- according to the content (reports on key items and analytical reports);
- according to the social value (reports on social development of team, reports on implementation of measures to preserve the environment);
- according to the type of administrative decisions (reports for justifying the operational, tactical and strategic management decisions) [6, p. 27].

Implementation of management reporting in trade can be carried out in the following stages:

1. Formation of the working group on the development and implementation of management reporting at the enterprise.

2. Development and approval of corporate management reporting standards. This stage implies the target structuring of trading enterprise for purposes of management accounting, development of regulations on the organization and methods of management reporting formation and diagnostics.

3. Development of certain forms of management reporting in wholesale trade. At this stage reporting forms are set in accordance with the tasks and information needs of management. The analysis of information relevant to the preparation of management reporting is conducted, the sources and methods of obtaining this information are defined.

Conclusion. In the process of study, it has been found out that management reporting system is formed as a set of indicators presented in certain forms, that together form a system of accounting and analytical information, which has an internal structure. This means that it includes a set of report forms, each of which gives information on management reporting elements and their relationship with other elements through the system of indicators. Whereas indicators are grouped into sections describing certain aspects of management reporting element.

The study suggests that there is a certain methodology of management reporting data formation, i.e. the study that requires improvement and development of many of its aspects. In particular, research on developing techniques of comparison of management reporting indicators with other types of reporting in order to obtain a coherent picture of the trading enterprise performance and its financial situation is seen promising in this area.

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Фоміна О. Система управлінської звітності підприємств торгівлі.

Постановка проблеми. Функціонування підприємства в умовах невизначеності та ризику потребує постійного вдосконалення інформаційного забезпечення менеджменту підприємства, а відповідно і підходів до формування системи управлінської звітності, яка відрізняється від інших видів звітності користувачами, завданнями, змістом, формою, методикою складання. Для кожного окремого підприємства управлінська звітність матиме риси індивідуальності, але при цьому необхідні загальні теоретичні положення, методологія процесу формування обліково-аналітичної інформації управлінської звітності, розробка яких забезпечить можливість вибору з наявних альтернатив найбільш обґрунтованого варіанта для конкретного підприємства.

Аналіз останніх досліджень і публікацій показав, що попри наявність окремих наукових доробок, невіршеною залишається важлива науково-практична проблема щодо формування системи управлінської звітності на підприємствах торгівлі.

Метою дослідження є розвиток концептуальних підходів до формування системи управлінської звітності підприємств торгівлі.

Матеріали та методи. Використано системний підхід, методи теоретичного узагальнення, індукції, систематизації, аналізу та синтезу.

Результати дослідження. Розглянуто управлінську звітність як систему обліково-аналітичної інформації, представленої у вигляді сукупності облікових і розрахункових показників. Виявлено, що система управлінської звітності, сформована відповідно до внутрішньої регламентації підприємства та інформаційних запитів користувачів, повинна відповідати принципам системного підходу, періодичності, рівноваги, кількісної оцінки, вартості грошей у часі, обачності, контролю, використання професійного судження.

Визначено основні етапи впровадження управлінської звітності на підприємстві торгівлі.

Висновки. В ході дослідження встановлено, що управлінська звітність формується як система показників, представлених у визначених формах, що в сукупності є системою обліково-аналітичної інформації, яка має внутрішню структуру. Тобто включає сукупність звітних форм, кожна з яких розкриває інформацію про елементи управлінської звітності та їх взаємозв'язок з іншими елементами через систему показників. Показники, в свою чергу, згруповані у розділи, що характеризують певні аспекти елемента управлінської звітності.

Проведене дослідження дозволяє стверджувати про наявність методології формування інформації управлінської звітності, тобто вчення, яке потребує удосконалення та розробок щодо багатьох його аспектів. Зокрема, перспективним у цьому напрямку дослідження вбачається розроблення методики зіставності показників управлінської звітності з іншими видами звітності з метою одержання цілісної картини про результати діяльності підприємства торгівлі та його майнового стану.

Ключові слова: інформаційне забезпечення управління, облікова інформація, управлінська звітність, елементи управлінської звітності, управлінський звіт.

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CREDIT POLICY OF TRADE ENTERPRISES

A methodology for the formation of trade credit policy is proposed. The parameters of credit policy, trade credit insurance conditions as well as the mechanism for collecting payments and ways of cash receipts acceleration are defined. Questions of a comprehensive evaluation of buyers and suppliers and optimization of management decisions as to commercial credit extension are also considered.

Keywords: credit policy, managing accounts receivable, trade credit, consumer credit, lending standards, price discounts, debtors.

Новикова Н. Кредитная политика предприятий торговли. Предложена методология формирования кредитной политики предприятий торговли. Определены параметры кредитной политики, условия страхования коммерческих кредитов, а также механизм сбора платежей и пути ускорения поступления денежных средств. Рассмотрены вопросы комплексной оценки покупателей и поставщиков, оптимизации управленческих решений по предоставлению коммерческих кредитов.

Ключевые слова: кредитная политика, управление дебиторской задолженностью, товарный кредит, потребительский кредит, стандарты кредитования, ценовые скидки, дебиторы.

Background. The current economic crisis and increased competition incentive trade enterprises (TE) to seek development and revitalization in different directions. The improvement also requires the formation of the company's credit policy which takes into account changes in the internal environment, micro and macrosurrounding.

The value of the credit policy for TEs determined with a large share of receivables and payables in the structure of its assets and liabilities as well as the fact that the main components of cash flows are receipts from customers and payments to suppliers of goods. Synchronization of cash receipts from customers and payments to suppliers with a simultaneous increase in gross cash flow is the main task of innovative credit policy [1, p. 87].

Systematic approach to the formation of credit policy of trade enterprises will allow in proper time and in full not only to replenish working capital, but also will contribute to the solution of such problems as minimization: of financial risks associated with the possibility of losses from the writing-off of uncollectible accounts receivable; of losses from possible inflationary depreciation of debt; of the amount of revenue foregone due to the inability of active commercial use of funds invested in receivables.

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Analysis of recent research and publications on the subject indicates the accumulation of significant experience in the study of issues related to the formation of the credit policy of the company. An important contribution to solving this problem did: N. I. Voyakova, A. V. Harikova, E. V. Dubrovskaya, O. S. Ivanilov, O. V. Klimenko, G. M. Kolpakova, T. B. Kuzenko, N. M. Nashkorska, V. V. Smachylo, I. A. Shestova.

Such scientists as A. V. Klimenko, I. A. Shestova [1; 2] identify the credit policy with the policy of accounts receivable management, but it is not entirely correct, because credit policy is a component of accounts receivable management, which is wider than it is, as it includes a credit policy as well as the policy of collection of receivables. Scientists O. S. Ivanilov, V. V. Smachylo, E. V. Dubrovskaya [3, p. 159] identify the following key interrelated stages of the credit policy of the company: determining the possible amount of working capital directed to accounts receivable on the loan; formation of a system of credit conditions; standards development and differentiation assessment of buyers and loan conditions. N. I. Volkova and A. V. Havrikova [4, p. 26] have isolated and characterized the essence of innovative credit policy, objectives of its development and implementation process.

However, in most of these works comprehensive research and study of credit policy as the main stage of accounts receivable management are neglected. Methodological approaches to policy cash collection and acceleration of cash flows, the parameters of monetary policy, evaluation of customers and suppliers, optimization of management decisions as for the extension of commercial credit are not fully disclosed.

The **aim** of the study is to develop proposals to improve the process of forming credit policy in trade enterprises.

Materials and methods. The following methods are used for this study: analysis and synthesis; scientific abstraction; comparison; generalization; induction and deduction.

Results. Maximization of profits, optimization of financial results and the financial and economic status of credit policy (CP) for the ensuring of the growth of its market value is not always put into the basis of credit policy.

Credit policy of trade enterprises is a developed and adopted by the authority mechanism of the formation of debts receivable of buyers of goods (works, services), directed to improve its operational and financial performance.

Formation of CP depends on sectoral characteristics of the enterprise, seasonal sale and consumption of goods (works, services). In this context, any economic entities that enter into relationships with suppliers or customers, while developing credit policy, should pay attention to innovative approaches.

Credit policy should be viewed as a standard set of procedures in order to make a decision about which clients should receive the credit and on what terms, how to ensure compliance with the terms of the loan and the terms of the definition of getting discounts.

According to N. M. Nashkerskaya, credit policy foresees resolution of such issues as: time and amount of the loan, the amount of the discount. Optimal monetary policy lies in the expansion of commercial credit until additional revenue from increased sales will not equal the income required to cover the cost of additional accounts receivable needed to achieve a sales volume [5].

Decisions in the formation of CP is a set of actions and events using innovations by trade enterprises in accounts receivable management aimed at obtaining additional economic benefit. Formation of credit policy of TE is a system of principles, methods of preparation and implementation of management decisions as for the extension of commercial credit.

In addition to the objectives, it is necessary to distinguish areas of management efforts that will allow to structure management process by constructing a structural logic model of CP (figure 1).

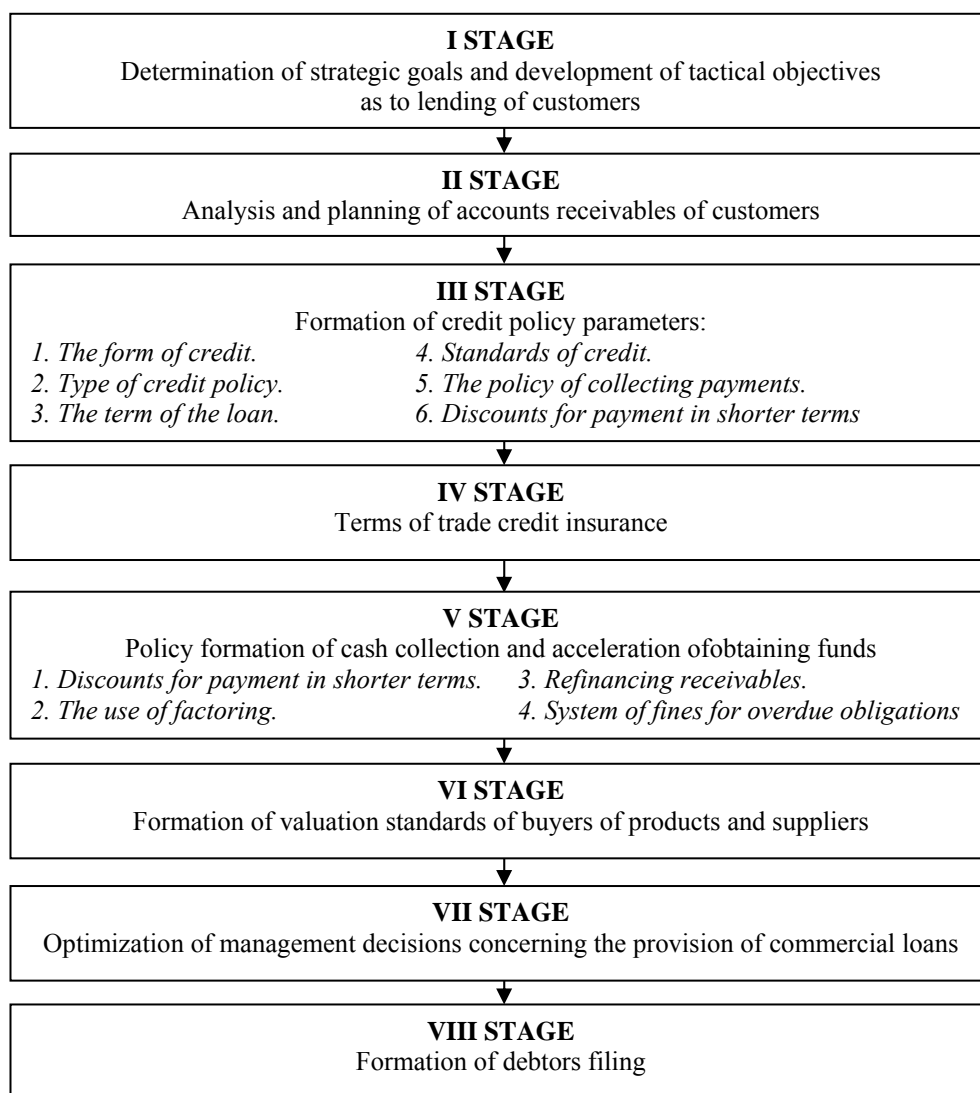


Figure 1. The process of formation of a credit policy in trade enterprises

Let us consider the nature and instruments of credit policy separately for each direction.

The first stage is to define strategic goals and tactical objectives of the enterprise development as for lending of customers. There may be different strategy options: market promotion, capture of a certain segment of the market, increasing profitability and sales as well as the market value of the company. Organization of structural units on formation of CP will be defined by strategic goals. Tactical objectives outline more specific tasks.

In the second phase the analysis and planning of receivables arising from prevailing monetary policy in prior periods is carried out. It is necessary to analyze the dynamics of the total current receivables and its structure, which makes it possible to determine: how the amount of receivables for the period analyzed as a whole and for individual groups indebtedness changed; what changes have occurred in its structure. We analyze accounts receivable in terms of its appearance (age composition of debt) and commercial and trade credits.

A dynamic and comparative analysis of financial ratios that characterize amounts of formation of receivables is made: receivables reversibility, the period of repayment, the debt coverage ratio. And the estimation of the level of accounts receivable is evaluated. This allows to estimate the overall trends, identify problems and deficiencies for the solution of which future work should be targeted at.

At this stage it is also necessary to plan the formation of accounts receivables of customers and to check financial capacity of the company on the formation of receivables in a certain amount of the planning period. The performed analysis can thus prepare the necessary information base for decisions on forming receivables during the planning period.

In the third stage, in determining the parameters of the credit policy of the company, representing system characteristics (indicators and methods) by which company creditworthiness is estimated, it is necessary to take into account the specifics of the company, its strategic objectives and the following basic principles:

- subordination of strategic goals, i.e. each type of policy should be developed with a certain purpose;
- consistency, i.e. ranking important tasks and problems to be resolved;
- timeliness of decision-making;
- flexibility, i.e. the rapid adaptation to changes in the environment of the company;
- assessing the impact of decisions made;
- control, i.e. continuous observation of implementation of the developed credit policy as to its constant adaptation to internal and external environment as well as identification of causes and factors that influenced the outcome;
- responsibility, i.e. development of a system of responsibility for the consequences of the implementation of measures aimed at preventing and reducing the occurrence of existing receivables.

Taking into consideration these principles as well as the planned volume of accounts receivable, the basic parameters of the CP are defined.

Form of credit extension. The main forms of realization of goods (works, services) into a credit are two loans- a commodity (commercial) loan to legal entities and consumer one – to individuals.

Commodity (commercial) credit is a form of wholesale sales of goods (works, services) on deferred payment terms. Commercial loan is a kind of a cash loan that helps to accelerate the circulation of capital in cash both in the company and in the country in general.

Commercial loans are contingent upon the wishes and consent of the parties – the buyer and the seller – and has a well defined direction and limits. Typically, a commercial loan is short-term because the process serves only the sale of goods (one to six months), but may be higher (by arrangement).

Term and size of it depends on several factors: the degree of scarcity of goods in the market, the financial condition of counterparties, presence of trust between the seller and the buyer, financial market development and so on.

The development of commercial loan has its own laws. The movement of commercial loan coincides with the movement of merchant capital: the loan extends with the growth in sales of goods, with a decrease – it is shrinking. Especially the volume of commercial loan falls down during the economic and even more – during payment crisis.

Consumer credit is a form of retail sales of goods (works, services) with deferred payment. It is provided for a period of six months to two years in the national currency to individuals-residents of Ukraine for the purchase of consumer durables and services and returns in installments, unless other is provided by the terms of the loan agreement.

Type of credit policy. describes basic approaches to the implementation of the CP in the position of value profitability and credit risk of the company. It is usual to distinguish conservative, moderate and aggressive types of monetary policy. E. V. Dubrovska differentiated activities of the company for each type of CP [6, p. 16].

Conservative type of credit policy is directed to minimize credit risk. An entity of trade enterprise, choosing this type of CP, does not strive for additional revenue by increasing sales of goods (works, services).

The implementation of this type of credit policy provides:

- reducing the number of customers that are at high risk;
- minimizing terms and amount of the loan;
- more stringent loan conditions, increasing the cost of credit;
- using strict procedures of collection of receivables.

Moderate type of credit policy is aimed at the average amount of credit risk and is characterized by typical loan conditions for customers in accordance with the accepted practice of commercial loans.

Aggressive type of CP is aimed to obtain the maximum amount of profit by increasing sales on credit. The implementation of this type of policy

provides: increasing the number of customers and suppliers that are at high risk; terms of growth and the size of the loan; reducing the cost of credit to the minimum acceptable one; providing credit extension (lengthening the loan period) or continued presence of receipt of goods.

When choosing the type of credit policy we should take into account [7, p. 355]:

- modern commercial and financial practices of providing commercial loans;
- the economic situation in the country, the financial condition of customers;
- the situation on the commodity market, the demand for products;
- the ability to increase sales of goods (works, services) through the provision of credit;
- legal principles of debt recovery;
- the financial position of the company in the provision of commercial credit.

In determining the type of the credit policy of the company, you must decide on a strategy of its activities, take into account the financial position and estimate the impact of CP on the solvency of the creditor-counterparty both during the short- and long-term periods. Hard (conservative) type of CP negatively affects the growth in sales of goods (works, services) as well as the formation of profit from operations. Soft (aggressive) type, solving the problem of sales of goods (works, services), while having a negative impact on the solvency of the company, may make a significant loss due to write-offs of receivables and the cost of its collection, which will reduce the return on assets and equity.

Term of credit extension is the time provided for the buyer to pay for goods (works, services) sold with deferred payment. The optimal crediting period is an important point in the implementation of monetary policy. Increasing the credit period stimulates sales, but at the same time, there are costs and risks that often prevent the adoption of a decision to increase the receivable.

Term of crediting can be taken as one that is equal to the average period of payment of receivables (in days), established at the enterprise taking into account the factors that cause it.

The following factors affect the length of credit term:

- accepted practice of deferral of payments that has developed in this area (region, country);
- the sensitivity of sales to changes in the duration of the loan;
- credit rating of buyers.

Adopted practice of deferred charges includes normal terms of trade credits.

Sensitivity of sales to increase or decrease of the loan length describes the percentage of sales increase with the growth of duration of commercial

credit. These points are important to consider, because there is a point beyond which the costs and risks of increasing the loan duration would exceed the benefits of growth in sales. To determine the optimal duration of the credit we should find the point at which the costs on increasing the duration of the loan are equal to the additional revenue that the company receives from increased sales due to commercial credit.

It is necessary to consider the credit rating of buyers when differentiating term loan: for customers with excellent and good financial position, it can be significantly longer compared to those buyers whose financial condition is unstable or questionable.

Size of credit extension describes the maximum loan amount owed by one debtor on provided commercial credit.

Loan amount is determined by taking into account the type of monetary policy, the planned sales on deferred payment terms, the average volume of transactions and financial position of the lender.

The maximum amount of crediting can be defined in various ways: in absolute volume as a percentage of own current assets of an enterprise-lender or a percentage of its net profit.

It is necessary to set the maximum amount of the loan for each customer based on the analysis and expert evaluation of the financial condition and credit risks. Also there should be an organized control preventing violation of the limit.

Cost of credit is characterized by a system of price discounts when making immediate payments for products. This price reduction is characterized by normal interest rate on the loan, figured out to compare the annualized calculation:

$$RIc = \frac{PDi \cdot 360}{TEc}, \quad (1)$$

where RIc – the annual standart rate of interest rate on the credit;

PDi – price discount when making immediate payment for products, %;

TEc – the term of credit extension (loan period), days.

Determining the value of commercial or consumer credit, you must remember that its size should not exceed the interest rate on short-term financial (bank) loan. Otherwise, it is more profitable for the buyer to take short-term bank loan and pay for products.

In the fourth stage, the terms of insurance risks of commercial lending should be defined: the decision to provide commercial credit must be accompanied by the insurance of lender-enterprise against possible risks.

Various tools for risk management can provide protection against the risk of receivables: bill statement, pledge, surety, guarantee of payment, deposit, innovation in bond debt, independent insurance of financial risks and so on.

The use of the system of risk insurance in practice provides a guarantee of repayment of granted trade credit or receipts of goods (works, services).

The fifth stage is defined as the policy of collection of payments and acceleration of cash incomings. The development of this policy involves the implementation of supplier arrangements concerning buyers paying in due time (figure 2).

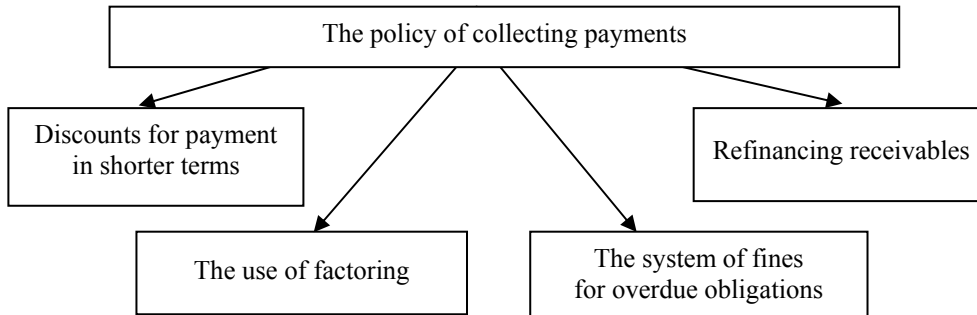


Figure 2. Formation of policy of cash collection and acceleration of cash receipts

Discounts for payment in shorter terms. The development of a system of incentives for accelerating the collection of receivables depends on the strategic goals of the company and its size.

The use of factoring. Factoring is a purchase of receivable of the supplier to the buyer and their collection for a certain amount of compensation made by the bank or by a specialized company. In most cases, the purchase of customer accounts receivables is without reverse return.

The basic principle of factoring is that businesses convey agent the right to obtain funds for the documents of payment of delivered products.

You can find generalized definition of factoring in the Convention of the International Institute for the Unification of Private Law (UNIDROIT) in international factoring operations which was adopted in Ottawa in 1988. According to the document factoring contract is considered a contract when the supplier concedes his demands to the customer and factoring company, in turn, assumes at least two obligations:

- financing company;
- keeping record of requirements of the customer;
- invoicing requirements;
- protection from insolvency of customers, i.e. insurance of credit risk.

Factoring helps companies to strive against negative factors of commercial loan, because the last is an integral part of modern business.

Refinancing receivables is the third direction of policy of payment collection, which includes a range of measures aimed at changing the structure of receivables of the enterprise, improving its quality and liquidity due to:

- delay and / or installment of payments;
- agreements on the contract replacement (innovation);

- changes in counterparty (contract of assignment of rights, transfer of debt);

- changes in material and materialized form of engagements fulfillment.

The system of fines for overdue obligations. The system should provide the conditions and size of the recovery penalties, fines and penalties from the debtor. The size of these penalties should completely restore all the financial losses of the lender-enterprise (loss of revenue, loss of inflation, compensation of risk of solvency reduction and moral losses).

In the sixth stage standards for assessing customers are formed. Credit standards set claims to the debtor, compliance with which is necessary and sufficient for the effective management of generated accounts receivable.

Mandatory element of the CP of a company is the development of evaluation standards of buyers of goods (works, services), which are given commodity or consumer credit. This is made in order to reduce the likelihood of the risk of overdue and uncollectable receivables. The cause of the debt may be the cooperation with insolvent customers or counterparties that have doubtful reputation in the market.

Buyer's credibility describes the system of conditions that determine his ability to engage in various forms of credit and fulfill all obligations in full in the stipulated time.

The system of assessing the creditworthiness of customers and differentiation of credit conditions consists of the following elements (*figure 3*) [7, p. 254].

In the seventh stage the optimization of management decisions concerning the provision of commercial credit is made. The adoption of such a decision is a compromise choice between income and liquidity. This is due to the fact that the loan, on the one hand, stimulates the growth of turnover and profit, that accelerates the realization of inventories, on the other hand, after a certain limit, it leads to the growth of costs associated with the slowing of cash flows, a decrease of obtaining funds by enterprise, which affects its liquidity. Therefore, the increase in bad debts will exceed the received benefit from increased product turnover and, ultimately, can lead to losses.

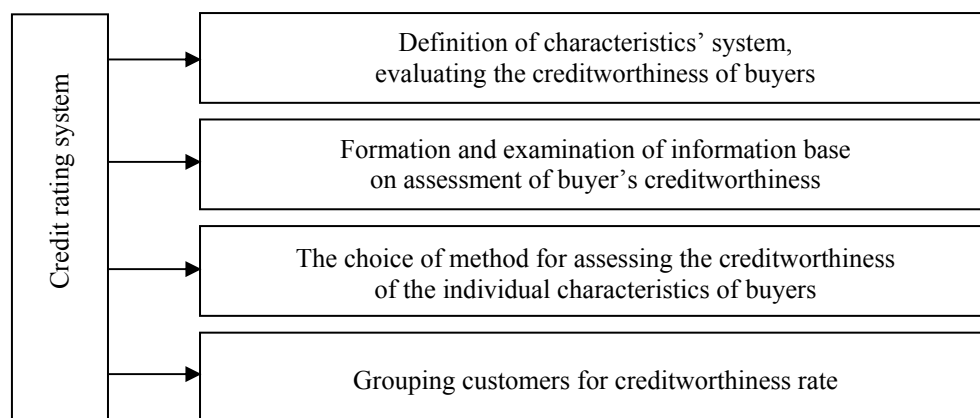


Figure 3. Formation of evaluation standards of customers and suppliers

In this connection it is necessary to evaluate (simulate) the transition to the new company's credit policy, considering the operation of the business as a process of three stages.

The first stage is a state of the enterprise in terms of the old CP, characterized by a certain amount of turnover, accounts receivable and payable, funds and a certain level of their balance.

The second stage is a transition process from the old to the new credit policy. In financial terms, this is a difficult stage, because the new CP has not given growth of own financial resources, and there may be a risk of a liquidity crisis.

The third stage is a state of operation of the business under the new credit policy in terms of growth of turnover, profits, current assets and a need for financial resources, which is characterized by a better level of balance and coherence in case of the optimum decision on CP.

Search of the optimal solution for the supply of trade credit can be carried out as follows: comparison of marginal costs and marginal revenue from the formation of receivables; estimation of the amount of the effect of the investment in accounts receivable; modeling of credit policy effects.

Comparison of marginal costs and marginal revenue from the formation of receivables is considered in the view of such interrelated aspects as: the cost of investment in receivables, losses on its default, the impact of credit policy parameters on the value of trade turnover and the dynamics of cash flows.

Other technical way of optimization of credit conditions is *the evaluation of the effect of the amount received from the investment in receivables* and the definition of conditions for its maximization. For this purpose, we compare the amount of additional income earned from the provision of credit with the extra costs associated with the formation of receivables.

The calculation is performed using the formula:

$$Ear = ARar - ACar, \quad (2)$$

where *Ear* – the amount of the effect of the investment in accounts receivable in a definite period;

ARar – additional commercial revenue received from the growth in sales of goods (works, services) on account of credit;

ACar – additional costs associated with the formation of receivables.

The source of additional revenue from commercial and consumer credit growth is the sale of goods. Their size is calculated as follows:

$$ARar = \Delta RS \cdot Lcr/100, \quad (3)$$

where *ΔRS* – increase in revenue from sales (turnover) due to the provision of benefits in terms of payment of goods;

Lcr – the level of net (after VAT) commercial revenue, % of turnover.

Additional expenditures arising in connection with the provision of credit to counterparties cover such costs areas.

Current implementation company expenditures, related to the organization of buyers' crediting and collection of debt, are estimated as the sum of the fixed and variable costs that occur. Fixed costs include the costs of establishing (search of specialists with a proper qualification) and equipping (material, software, information etc.) of a special unit that will deal with relevant work. The variable part of the costs depends on the growth of trade turnover and the current level of variable costs:

$$ACs = ACC + \frac{\Delta TO(Lmc + \Delta Lmc_{ar} - \Delta Lmc_{io})}{100}, \quad (4)$$

where ACC – additional constant costs;

Lmc – level of marketing costs, formed in the company, interest to the proceeds from realizations (turnover);

ΔLmc_{ar} – increase of the level of marketing costs in connection with the financing of the additional costs associated with the emergence of receivables;

ΔLmc_{io} – reduction of the level of marketing costs due to the growth in sales (turnover);

ΔTO – change in turnover due to the increase of sales on condition of commercial lending.

Costs on the formation of capital (assets) that are immobilized from the turnover of the enterprise and diverted to accounts receivable. The size of this group of costs depends on the planned volume of receivables (AR), the credit period for customers (P), cost of current capital (CC). Size of costs is calculated as:

$$ACc = AR \cdot P \cdot CC/365 \cdot 100, \quad (5)$$

where CC – cost of capital involved, % per annum;

365 – conditional duration of a financial year.

Additional company expenditures from the loss of debt value due to inflation (ACinfl). Their size is determined on the basis of predicted macro-economic forecasts, considering measures to protect loss of debt value.

Additional company expenditures from the partial default on receivables due to its hopelessness. The size of this category of costs can be determined on the average rate of formation of bad debts actually formed in the company, or on analog method (on the basis of relevant information of peer companies):

$$ACbd = AR \cdot Lbd/100, \quad (6)$$

where Lbd – level of bad debt, % of total volume.

The total amount of additional expenses in connection with the formation of receivables is defined as the sum of the above types of costs:

$$ACar = ACs + ACc + ACinfl + ACbd. \quad (7)$$

This optimization problem can be constructed and solved by means of Excel for Windows.

In identifying financial constraints on the volume of formation of receivables we should return to the previous stage of work and revise separate parameters of monetary policy.

Modeling the effects of designed credit policy to the formation of company profits.

In order to assess changes in CP it is proposed to use incremental analysis which allows to evaluate the impact of change of the terms of credit, value of discounts, value of losses on bad debts, the level of variable costs and others on the value of receivables and income. The final indicator is the incremental profit, defined as the difference between additional income and additional costs. If the expected incremental profit is positive, then we should take implementation of this developed credit policy (changes to the existing CP) [8, p. 206].

After all the calculations a decision is made as to implementation of developed policy on the formation of receivables. The decision on granting loans to customers must also be accompanied by insurance risks. You can insure against default on receivables by determining in the contract:

Firstly, the use of alternatives in obtaining resources (tools in meeting of treaty obligations), which, according to Art. 546 of the Civil Code of Ukraine, include deposit, penalty, guarantee, pledge, warranty, holding [9].

Secondly, the nomination of requirements for the debtor as to return of the transferred before goods (works, services).

If during the conclusion of a contract the parties have determined that in the event of delay of execution debtor returns transferred production to enterprise-creditor, the latter may require the return of goods (works, services) upon the occurrence of such event.

The eighth stage involves creation (replenishment, actualization) of debtor record. This work not only completes the formation of credit policy, since it captures the actual impact (volume and personal composition of debtors, scheduled redemption), but also creates the necessary management information base of receivables repayment.

Debtors' record should contain detailed information about the amount of debt, the timing of debt incurring and redemption, the form of its repayment, sectoral affiliation of the debtor, its location, the bank that carries out cash processing services, officers (managers, contact managers) and owners of the debtor, its current financial position and other information important to ensure timely collection of the existing receivables.

The best option is to organize a dynamic debtors filing with the help of automated control systems and accounting, for example, in 1C system: enterprise and similar. Operation of dynamic filing will allow having current information about debtors that is based on the latest repayments of receivables.

Conclusion. Proposed innovative approach to formation of credit policy as a component of accounts receivable management will allow systematically and thoroughly improve the efficiency of the company.

At the same time, this work direction will facilitate: increase of sales of goods by providing trade credit; increase in profit due to higher sales; enhance of the competitiveness of enterprise by means of deferred payment; determination of the risk of insolvent customers; realization of settlement of a predicted size of the allowance for doubtful debts.

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Новікова Н. Кредитна політика підприємств торгівлі.

Постановка проблеми. Досліджено актуальне питання формування кредитної політики в сучасних кризових умовах діяльності підприємств торгівлі на основі теоретико-методологічних засад формування кредитної політики підприємств різних галузей.

Аналіз останніх досліджень і публікацій свідчить, що серед науковців ведуться дискусії щодо підходів та послідовності формування кредитної політики підприємства. Більшість авторів наголошують на тому, що формування кредитної

політики повинно насамперед здійснюватися за її трьома типами: агресивним, помірним та консервативним. Існує також єдність поглядів, що розроблена на підприємстві кредитна політика, з одного боку є інструментом збільшення обсягу продажів, але з іншого, – повинна мати і комплекс заходів, спрямованих на зниження ризику виникнення простроченої або безнадійної дебіторської заборгованості. Врахування цих точок зору на процес формування кредитної політики дає змогу системно підійти до питання її розробки, що і сформульовано у **меті** дослідження.

Матеріали та методи. Для проведення дослідження використано такі методи: аналізу та синтезу; наукової абстракції; порівняння; узагальнення; індукції та дедукції.

Результати дослідження. Обґрунтовано послідовність процесу формування кредитної політики, яка насамперед підпорядкована стратегічним та тактичним цілям підприємства торгівлі і базується на комплексному аналізі та плануванні дебіторської заборгованості. Сформовано параметри комерційного кредитування, умови страхування комерційних кредитів, обґрунтовано політику збору платежів та прискорення їх повернення.

Висновки. Запропонований підхід до формування кредитної політики як складової системи управління дебіторською заборгованістю дозволить системно та всебічно проводити цю роботу, що сприятиме підвищенню ефективності діяльності підприємства. Цей напрямок роботи дає можливість у перспективі покращити такі результати діяльності: сприяти зростанню обсягу реалізації товарів шляхом надання комерційного кредиту; збільшити прибуток за рахунок зростання обсягу реалізації; підвищити конкурентоспроможність підприємства за допомогою відстрочки платежу; визначити ступінь ризику неплатоспроможних покупців; розрахувати прогнозований розмір резерву сумнівних боргів.

Ключові слова: кредитна політика, управління дебіторською заборгованістю, товарний кредит, споживчий кредит, стандарти кредитування, цінові знижки, дебітори.

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BASIC STRATEGIES IN THE MANAGEMENT OF DEVELOPMENT OF THE ENTERPRISE

The nature and value of strategy was investigated on the basis of different approaches in the modern management of business entities, considered their classification, revealed the value of strategic planning as a tool for strategic management and financial aspects of the implementation of strategies, analyzed the basic steps of strategic management.

Keywords: business strategy, strategic management, basic strategy, strategy development, classification of strategies, stages of strategic management.

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Фурман Т. Базовые стратегии в управлении развитием предприятий. На основе различных подходов исследована сущность и значение стратегий в системе современного управления субъектами хозяйствования, рассмотрены их классификации, выявлено значение стратегического планирования как инструмента стратегического управления и финансового аспекта реализации стратегий, проанализированы основные этапы стратегического управления.

Ключевые слова: стратегия предприятия, стратегическое управление, базовые стратегии, стратегия развития, классификация стратегий, этапы стратегического управления.

Background. Market economy is characterized by accelerated pace of scientific and technological progress, dynamics of changes of external factors and related with it uncertainties of the market situation in the future, the high risk of commercial activity of enterprises and increased competition between them. The dependence of life of the enterprise from the effects of micro and macro factors determine the need for prognostic assessment of surrounding system and work in accordance with the results of the forecast. Under these conditions, there is a necessity for introduction of new approaches to management of entities, which would facilitate the development of their economic activities and improve the competitive position in the market in order for increasing their effectiveness.

The priority task of management of enterprise in market conditions is forecasting of condition, behavior of the environment subjects, forming relationships with them in the long run. Therefore, in the theory and practice of management is gaining popularity the concept of strategic management, which enables to make the assessment of future changes and directs activities of the company according to the results of the forecast. The instrument of this approach is strategic planning that comprises all the subsystems of the enterprise.

Analysis of recent research and publications. Formation and development of strategic management theory are associated with the names of such scholars as: D. Aaker [1], D. Akoff [2], I. Ansoff [3], B. Alstrend, Zh. Bover, P. Doil [4], Dzh. Evans, K. Endrius [5], V. Kinh, D. Kliland [6], F. Kotler [7], K. Kristensen, Dzh. Kuin, Dzh. Lempel, M. Mintsberh [8], M. Porter [9], A. Striklend, A. Tompson [10], A. Chandler [11] and others. In recent years, the same issues have been addressed by Ukrainian scholars: S. Aliexsieiev [12], O. Haidamaka, V. Herasymchuk, L. Hryhor'ieva [13], I. Denysiuk, L. Dovhan, A. Mishchenko, A. Nalyvaiko, V. Niemtsov, S. Oborska, V. Ponomarenko, N. Pryshchepa [14], I. Tiukha [15], Z. Shershnova and others.

However, blighty practice often ignores the principles of modern management. This is due to misunderstanding of the nature of many management strategies, their types and stages of strategic management.

The aim of article is to study the concept of the strategy of the enterprise, the classification of species, analysis of the stages of formation in terms of coordination of administrative actions with the main goal of the company.

Materials and methods. There are such research methods: systematic approach, analysis and synthesis, comparison, classification, classification and so on.

Results. Strategic planning in management practice has become widespread in the second half of the twentieth century. When the timely response of enterprise to unexpected changes in the business environment has become a necessary condition for their survival and achievement of commercial benefits. This type of management was formed mainly in corporate banking. Several large, mostly American multinational companies that face the problem of confrontation expansion of competitors started it in 1950–1960's. Now the strategic planning of the activities is used also on much smaller enterprises that seek to achieve the commercial success or to maintain the market position achieved in the long term.

Etymologically, the term "strategy" comes from the Greek *strategia* (*stratos* – army and *ago* – am). This concept is interpreted as "the art of large-scale operations, companies and the war in general, as well as training the armed forces for war" [16, p. 619]. The definition of "strategy" in terms of economics has been transformed with the changing external environment of the enterprise and the genesis of management theory. However, the strategy for managers has always been a tool of management of all levels of the company in order to obtain a certain result (profit maximization, satisfying the interests of owners, gaining competitive advantage, etc.).

The approaches to the definition of this concept allowed to distinguish four basic concepts: I – a strategy plan (model) to achieve the objectives (goals) [5; 10; 11]; II – a strategy as a principle (rule) business management to achieve the objectives [3]; III – the strategy as a combination of plans to achieve goals and principles of the entity (combination of I and II species strategies); IV – strategy as long-term prognosis.

Despite the multi variation of definitions and approaches to the concept of "enterprise strategy", in the interpretation of this definition there is much in common. According to scientists, strategy means achieving a certain goal, deleted, strategic goals. The instrument for achievement of this goal is the "action model", "comprehensive plan", "direction", "course of action". The second group of definitions defines the strategic management process without the necessity of building plans [14]. The determining of purpose of the activity through formulation of the strategy in form of strategic plans (which can be viewed as a strategic management tool) that covers all structural elements and aspects of the enterprise, is more appropriate. The development of strategies as strategic plans which are characterized as indicative opens more possibilities for control of implementation strategies. Process planning always precedes the process of identifying the factors influencing the activity and forecasting results.

Thus, *the strategy* is the process of identification of goals and development (planning) of activities of management of the company (in order to achieve these goals) by aligning its internal capacity of the environmental conditions in the future. The strategy identifies the possibility of adapting the enterprise to environmental factors (external) environment and their changes, it harmonizes the internal and external environment of the enterprise.

Recently, for gaining competitive advantage in the market and consequently for improving the effectiveness of the company was enough only adequately react to the changes that occurred in the internal and external environments. With the increasing complexity of the market situation and increased competition in order to achieve long-term success and sustainability of strategic enterprises a rapid response to changes in the environment is needed. The rate of this reaction is achieved by planning changes in the environment based on its prediction and adaptation of enterprises to these changes. Therefore, in the process of strategic management the attention of managers is transferred from the internal environment to business environment and from the coordination of internal factors to external factors.

So, strategic management means the development of plans of the functioning of enterprise on the basis of long-term forecasts of the market situation and potential of the company. Therefore, strategic planning is often identified with the prediction of activity that is not entirely accurate, because the prediction is just one of the functions of strategic management. The prediction of changes is necessary for understanding the prediction of changes and planning of promising possibilities of object. In addition, the strategy should include the activities of the enterprise to achieve strategic goals based on projected changes in the external and internal environments.

We can offer uniform policies of development for a group of companies that are organized together not only because of one activity, but have roughly the same financial and property capabilities. However, the development strategy for each subject, and (especially) the ways of its realization will depend on the capacity of enterprises. The practice of strategic management differ by strategies and a variety of different views on the process of their development, as a single universal strategy does not exist: the individuality and uniqueness of each company due to specific industries, especially the internal environment, opportunities, philosophy, management staff and its ability to highly profitable but risky decisions ethnic mentality and more. That is why every company has to produce its own strategy based on the goals, forecasts of the condition of the external and internal environment and it's potential. Only individuality strategies can add a competitive advantage and increase the possibility of adapting to the changing market environment.

Under market conditions, each company develops its own set of interrelated strategies that form a strategic portfolio that describes the entity vision of its place and role in the market. Furthermore, real, efficient strategy can combine the features of several basic strategies, which we can classify according to various criteria.

Thus, A. Thompson and A. Strickland shared strategy of enterprises on the basis of hierarchy: corporate; business; functional; OS [10, p. 73].

Corporate strategy is developed for all aspects of the enterprise as a whole, covering all areas of account management and levels of organizational hierarchy. The development of corporate strategy involves the

selection fields, improving performance in areas where already corporation; operates achieve synergistic effect of units of the firm, corporation reallocation of resources in the most promising field [10, p. 74–78; 15]. Corporate strategic plan for the company identifies ways of its development.

Business strategy, which implies the plan of management of individual enterprise areas (production of certain types of products, merchandise, some types of services, etc.) aimed at winning a strong long-term competitive position in the market. For entities that are engaged in one activity, corporate and business strategies are coincide [10, p. 78–82]. Most commercial enterprises engaged only in commercial activity, and the development of strategies begins with business strategy.

The aim of working of *functional strategy* is to support the business strategy of the enterprise and thus its competitiveness. This strategy is aimed at developing the necessary actions for ensuring the management of individual departments or functions of managing the business. Functional strategies is the background for implementation of business strategy for the company that is ensuring its implementation in strategic set [10, p. 82–83]. The main functional strategies are marketing, innovation, financial, social production strategy and more. The development of functional strategies facilitates the realization of strategic directions of the primary levels of government.

Operational strategies complement the strategic set, determine the actions of the management of organizational units and provide the implementation of operational objectives (financial, investment, marketing and pricing strategies, etc.) [10, p. 83–85].

Strategies can also be classified according to the stage of the life cycle of enterprise: the growth strategy is characteristic for strategy of germination and growth of the company; stabilization strategy – for the maturity of the company; reduction strategy – for aging stage company; restructuring strategy – for the termination of activity.

Leading expert in strategic management and competitive M. Porter proposes most strategies to form and implement into three approaches: a strategy for controlling costs; strategy of differentiation; strategy of focusing [9].

The first approach is associated with a reduction in costs (for commercial tend distribution costs). As a result, the company can achieve leadership by reducing the price of similar products and win more market share. This strategy is most effective in ultra-flexible demand on this product and when there are market enterprises competing with the like product when price reduction leads to a significant increasing of demand.

The second approach aims to supply goods more attractive to consumers than competitors' products. This can be achieved through high quality products, developed system of after-sales service, the principal novelty products, high level of customer service, company image or product.

These first two approaches usually provide strategy of reaching all or substantial market share.

The third approach is related to the choice of a particular market segment and with focusing efforts on it. It's easy to do when each segment identifies specific requirements for products. Working of strategies of focusing involves market segmentation and selection of individual segments (targeted at a specific group of consumers, range of products, territory), determining attitudes and desires of consumers, searching for better than competitors, methods which meet the demand by controlling costs or method of differentiation. Thus, the strategy of focusing somewhat synthesizes elements of the first two strategies. This type of strategy is widely used in small and medium business entities which have limited capacity and cannot fully implement the first two types of strategies.

In the process of differentiation of strategies on the basis of growth of the company they are divided into four basic types or standard strategies that are associated with a change in the state of one or more elements (product, market, industry, state enterprises within the industry, technology). This classification proposed by F. Kotler and includes strategies of concentrated, integrated, diversified growth and reduction strategy [7].

Strategy of concentrated growth is related to changes in the product and (or) with other constant three elements in market. Specific types of strategies of the first group of strategies are: strengthening market position (aimed at winning a position); market development (new markets); product development (search for new products).

Integrated growth strategy involves expansion by adding new structures to the company. There are two types of strategies: reverse vertical integration (aimed at acquiring or strengthening control over suppliers); vertical integration that goes forward (involves the acquisition or reinforcement of structures involved in sales of goods).

Diversified growth strategies are applied when the company cannot develop in this market segment. Among them are distinguished: centered strategy of diversification that is associated with the completion of market product range, similar to the current market; horizontal diversification strategy that is associated with the completion of the market with new and interesting for the consumer goods; conglomerate diversification strategy, which is determined by the completion of the range of products.

Reduction strategies include targeted reduction of the company. The following types of reduction strategies are used: liquidation (applies when the company cannot perform future activity); "Gathering of Harvest" (means rejecting a long-term view of the activity in favor of maximizing revenue in the short term); reduction (company close one subdivision); cost reduction (aimed at reducing costs).

On the basis of the activity of market the behavior of strategies can be divided into active and passive. *Active strategies* are characterized by constant expansion of the company, developing new products and actions ahead of the competition. This type of strategy is typical for strong, financially stable companies. *Passive strategies* are focusing on the concentration

of activities in the priority areas, the protection of an industry and the study of consumer demand.

According to degree of dependency strategies can be grouped into three classes: independent – aimed at reducing the influence of the environment through their own capabilities (aggressive competition, competitive appeasement, creating a positive image, political, legal, resource-oriented); cooperative – provides integration of different market subject in various forms (full cooperation, performance contracting, kooptuvannya, coalition); strategy of maneuvering – characterized by mobility of company relative to its traditional industries and markets (choice of areas, diversification). This classification of strategies is appropriate in conditions when activity of a company aimed at gaining competitive advantage.

There are other classifications of strategies that help in exploring strategic alternatives and choice.

Classification of strategies reflects different aspects of strategic management and theoretical approach to it, so it is not necessary to discriminate in favor of certain classification or classification sign, but they can be used to build an algorithm for constructing enterprise strategy from general to detailed. Each individual practical strategy has basic features of different strategies.

Any enterprise strategy is developed for a specific period during which it is implemented. This period is called strategic planning horizon or the horizon. The strategic horizon should be as full as possible, but each company is different and it depends on the internal and external conditions and goals. The more distant planning horizon, the less accurate can be estimates, and therefore targets of content are identifying key areas of the subject. "Planning describes the picture of the future, where events are coming with some sequence respectively clarity according whole plan, and remote – are drawn more or less vague" [17, p. 42]. In modern conditions of development of Ukraine strategic planning horizon should not be too long.

Marketplace is a multifactorial, multifaceted, phenomenon which is formed from a large number of factors that influence each other stochastically, and because its development is spontaneous. It may be unpredictable changes in the environment of the enterprise, which is an open system that continuously interacts with its elements. Analysis and evaluation of the environment is one of the conceptual task of strategic management. Therefore, any strategy should not be taken as prescriptive action plan. Development strategy may be adjusted for reflection of changes in market conditions. The market will profitable for those who responded quickly and adequately to changes in the environment. This proves that the livelihood of the company is the composition of long- and short-term phenomena.

According it, it is not advisable to build strategic plans in calendar format, so it is better to make strategic plans for change if necessary. Such amendments may change not only the content of strategic plans, but also the planning horizon.

During the evolution of strategic management famous researchers have proposed various approaches to the selection of models of strategic management. They differ, usually of varying sequence major stages of forming business strategy. These basic steps classically arranged to place in sequence:

- I – the mission statement of the organization (scope and strategic installations);
- II – setting organizational goals (tasks);
- III – the assessment and analysis of the environment and the forecasting of its development (external features);
- IV – examination of the strengths and weaknesses of positions (internal diagnostics);
- V – analysis of strategic alternatives;
- VI – the selection and construction of the strategy;
- VII – implementation of the strategy;
- VIII – evaluation strategy.

This sequence of stages of strategic management has disadvantages. First, choice of mission and goals is difficult to implement without an analysis of the environment in which it operates or plans to operate the company. Secondly, the system of goals depends on the capabilities of the company, its financial and economic status. Therefore, such a sequence admissible for businesses which formed to carry out a specific activity, as well as for existing businesses who wish to change or diversify activities and which have relevant resources.

In practice, the management of the sequence of stages of strategic management is often different. Analysis of the external environment of the enterprise is carried out continuously and systematically. The need for monitoring of environment determines that this process is difficult to identify in a separate step. Assessment and analysis of the environment of the enterprise permeates into all phases of strategic management.

The next step is analysis of existing enterprises performance, economic trends, identify weak and strong positions. The priority of this stage to define the strategic goals (and perhaps mission) because the system objectives for unprofitable, inefficient (which provide a cost recovery costs) and high-performance businesses will be different. The reconciliation of strong and weak positions of enterprise environmental factors is clearly position of the company allows on a matrix of strategies and provides an opportunity to set goals most adequately to the economic situation, and if necessary, correct them. Then the analysis of strategic alternatives and selection strategies makes. Rounding out the strategic management process stages strategy implementation and evaluation of its effectiveness and relevance to the management structure.

Thus, in order to find ways to increase revenues and profits, prevent dangerous changes in the business environment, rapid response to such changes, successful competition in possible crisis situations the enterprise

should monitor the status of internal and external environment in all phases of strategic management and continuous.

Usually the strategy is developed in a mixed form. In this case, it contains a heuristic form and quantitative indicators. Not always, such a mission can be defined and shown the figures. Usually, it is given in form of attributive language that reflects the purpose of the enterprise and its development potential. Indicators are also part of the strategy, describing the alleged administrative decisions or results in some stage of corporate development.

For implementation of the corporate (business) enterprise strategy were needed investment and financial resources and no strategy cannot be implemented in the financial vacuum. Development and implementation of working strategy requires the development of investment policy, through which the company sells its strategic plans.

Almost all decisions regarding business management, including development and implementation of policies related to the assessment and selection of funding alternatives, costs and revenues based on the time factor, the inflation process as strategic planning, as well as any other type of plan, largely attributed to financial decisions [18, p. 44]. But decisions on long-term goals and short-solving tasks will have financial implications. These effects need to forecast and plan. The conclusion of development of any plan company is financial analysis and financial plan construction.

Conclusion. So, the long-term stability and competitiveness of the enterprise provides a strategic approach to the management of that company provides rapid adaptation to external changes. The enterprise development strategy should reflect the interference of tactical and strategic objectives. During developing of strategies main attention should be focus on the analysis of the environment, prediction of its parameters in the future potential of the company, including financial component. This analysis should be continuous because strategic plan should have possibility of constant adjustment for reflection of changes in operating conditions as a tool for implementing the strategy.

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Articles submitted to editors office of 06.10.2014.

Фурман Т. Базові стратегії в управлінні розвитком підприємств.

Постановка проблеми. Першочерговим завданням менеджменту в ринкових умовах є передбачення поведінки середовища діяльності, формування довготривалих відносин з ним. Тому в теорії та практиці менеджмент стає популярною концепцією стратегічного управління, що здійснює оцінку майбутніх змін та спрямовує діяльність компанії залежно від результатів прогнозу.

Мета статті полягає у вивченні концепції бізнес-стратегії, класифікації видів, аналізі етапів формування взаємозв'язку між адміністративною діяльністю та головним завданням компанії.

Результати дослідження. Проаналізовано існуючі підходи цих стратегій, що визначають вимір цілей та розвитку (планування) для використання в управлінні підприємством (досягнення цих цілей) шляхом об'єднання внутрішніх можливостей підприємства в майбутньому. Стратегія визначає можливість адаптації підприємства до навколишніх факторів (зовнішніх) середовища та його змін.

За нормальних ринкових умов кожна компанія розробляє власний набір взаємопов'язаних стратегій, що формують стратегічне портфоліо, яке характеризує бачення підприємством свого місця та ролі в системі бізнесу. Дієва стратегія може поєднувати риси декількох основних стратегій. Класифікація стратегій відображає різні аспекти стратегічного менеджменту та теоретичного підходу до нього, тому немає потреби вирізняти якусь окрему стратегію чи класифікаційний показник, оскільки їх можна використати для створення алгоритму побудови бізнес-стратегії від загального до детального. Кожна індивідуальна практична стратегія поєднує риси різноманітних базових стратегій.

Висновки. Довготривала стабільність та конкурентоспроможність забезпечують стратегічний підхід до управління компанією, тобто швидку адаптацію підприємства до змін в бізнес-середовищі. Стратегія розвитку повинна відображати взаємозв'язок між тактичними та стратегічними цілями, які слугують знаряддям для впровадження стратегії. Аналіз діяльності підприємства слід проводити постійно для відображення змін в операційній діяльності з метою її коректування.

Ключові слова: стратегія підприємства, стратегічний менеджмент, базова стратегія, стратегічний розвиток, класифікаційні стратегії, етапи стратегічного менеджменту.



FINANCE AND BANKING

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THE GLOBAL MISBALANCE INFLUENCE ON BANK'S CREDIT RISK

General views on factors of global misbalances appearance were analyzed. Hypotheses of interdependence between the level of credit risk and indicators which characterize global misbalances were formulated, and their test by building statistical models was made. The proposals for management decision making by modeling results were created.

Keywords: credit risk, global misbalances, internal debt, gold reserves, internal savings, gross investments, Gross Domestic Product, non-performing loan (NPLs), current account's balance.

Шульга Н., Черный А., Гусач А. Влияние глобальных дисбалансов на кредитный риск банков. Проанализированы существующие взгляды на факторы возникновения глобальных дисбалансов. Сформулированы гипотезы зависимости между уровнем кредитного риска банков и индикаторами, которые характеризуют глобальные дисбалансы, а также осуществлена их проверка путем построения статистических моделей. Разработаны предложения относительно принятия управленческих решений по результатам моделирования.

Ключевые слова: кредитный риск, глобальные дисбалансы, внешний долг, золотовалютные резервы, внутренние сбережения, валовые инвестиции, валовой внутренний продукт, проблемные кредиты, баланс текущего счета.

Background. Increasing internationalization of financial business processes has resulted in formation of global economy and financial markets. These changes have a profound and extremely dangerous nature because appearing of problems in one or more countries is rapidly spreading

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to other market participants. The equilibrium on the financial market was violated due to macroeconomic imbalances in the economy, which was one of the key reasons of the developing of international financial crisis, which led to significant financial losses. Loses of the United States only from the financial crisis in 2008–2009 according to Federal Reserve Bank vary in the range of 6 to 14 trillion dollars or 50–120 thousand dollars per every American [1].

Largely the financial crisis was a result of the credit risk approach, which was threatening for the activities of many banks and led to their bankruptcy. On the level of credit risk of banks along with other factors affect global imbalances, which cause the necessity for scientific research in this area.

Analysis of recent research and publications. The global imbalance problem became under scrutiny of scientific researches and practitioners starting with 2003. Numerous scientific publications by B. Bernanke, M. Duli, P. Harber, T. Robinson, N. Rubini, M. Stolbov, D. Degterev [2], V. Popov [3], A. Apokin [4] and others were devoted to disclosure of global imbalances' nature and causes. However, one important scientific and practical problem is still left behind scientists' attention, i.e. assessing the impact of global imbalances on the credit risk of banks, which extent losses reached catastrophic dimensions. The scientific and practical importance of the problem determines the importance and necessity of this research.

The aim of the article is denoting of interdependence between the reasons of global imbalance appearance and the level of banks' credit risk. To achieve this, following **objectives** were put and agreed:

- clarifying the meaning of "global imbalances" based on a critical analysis of the different perspectives of scientists;
- systematization of the causes of global imbalances' appearance;
- formulation and empirical testing of scientific hypothesis as for link between the indicators characterizing the global imbalances and the level of banks' credit risk;
- development of proposals targeted on the mitigation of global imbalances' impact on the credit risk of banks;

The **object** of the research is global imbalances generated by individual countries (key operators of financial market), which include the US, China, EU countries, especially Germany.

Materials and methods. During the study there were used methods of comparison, graphical, tabular, Economics and Statistics.

Results. A critical analysis of scientific professional sources indicates that most scientists in the definition of "global imbalances" focus on individual factors of their occurrence. In particular, Russian scientists Pillars M., D. Dehterev argue that global imbalances is a combination of large current account deficits of payments' balance of well-developed countries and large-scale positive balance of accounts in developing countries [3]. Other scholars emphasize

on centers of global imbalances. Under the last point they understand the positive current account surplus in China and some other developing countries, and corresponding to deficit in the current account of the US and other western countries covered by capital inflows from the south [5]. While the interpretation of the concept of "global imbalances" it is appropriate to consider not one but a combination of factors that lead to their appearance. Thus, global imbalances are disproportions between the development of real and financial sectors of the economy, on the one hand, and the actual volume of production of material goods and their "consumption" concerning each country, on the other hand, leading to disruption of financial balance in the global economy in general as well as separate countries. Global imbalances arise from disproportions in the economy of the major operators of the world market, such as the US, China, EU countries.

Generalization of studies conducted by foreign scientists allowed us to systematize the factors of global imbalances.

Availability of fundamentally different tendencies for consumption in some countries. D. Soros recently noticed that private consumption in the US is at 70 per cent level of GDP, while in China does not exceed 36 per cent of GDP [6]. Limiting consumption in some countries (especially China) leads to the accumulation of gold reserves at a rate that exceeds the needs of the country, which is considered sufficient in the amount of 10 % of GDP, or 6 months' imports. This policy is called non-equilibrium rate. These reserves are invested, as a rule, in short-term treasury bills of foreign countries [7].

The imbalance in consumption of key financial market operators leads to a large deficit in the current account in one countries and a significant surplus – in others. The main imbalance in the global world economy resulted from deficits in the current account operations in the US, which in 1998–2012 years was in the range of 0.5–2 % of the world gross domestic product and capital inflows (including China, because its reserves are mainly invested in short-term US government bills), which led to transformation the US into the largest world's debtor [7]. From 1993 to 2012, the account of current operations in the US had a negative value, while in China – positive. Significant ongoing current account surplus in recent years in some countries led to increasing the demand for financial assets, especially, those of the USA, which was a powerful impetus for the development of mortgage lending, securitization of assets, the emergence of innovative financial instruments (credit swaps and credit notes) in this country, as well as in the whole world. This process was contributed by the liberal policies of supervisors regarding the regulation of banks and other financial institutions [5].

Deepening of imbalance between the financial and real economy. The excessive growth of different types of financial assets became one of the most serious risks of modern economic development. Experts McKinsey Global Institute estimate, financial depth Economics (traditional value of

financial assets and world GDP) increased from 261 % in 1990 to 356 % in 2010. In addition, it is necessary to take into consideration the substantial volume of trade with derivatives, which is more than 11 times exceeds the global GDP [1].

Significant amount of government debt in some countries. The crisis led to the aggravation of the debt problems in many countries. In January 2012 the US national debt totaled 15.23 trillion dollars, accounting for 100 % of GDP; Germany – 80.4 % of GDP, while in China – 25.8 %. [8]. The threat of sovereign debt countries' crises could lead to a new wave of corporate debt crises, especially in the banking sector, which could lead to a crisis of corporate debt. This, in turn, can cause a new wave of global economic crisis that accompanied the collapse of the Eurozone, collapse of the international monetary and financial system, political and social crises [6].

Irrational behavior of investors, which results in substantial difference of gross domestic investment levels and savings for separate countries. Global imbalances significantly increased the danger of risks that build up in the national financial system of foreign countries' economy, creating channels of their transmission and rapid multiplication in the global economy. On average over 2005–2008 relative magnitude of global imbalances was estimated at 0.5 % of world GDP. In fact, much of this percentage is the "bad" investments (including purely speculative) that financed by excess savings of developing countries, especially China [3].

Based on a study of factors of global imbalances five research hypotheses were firstly formulated, the original data to verify that presented in the *table 1*.

The first Hypothesis – there is a relationship between the share of problem loans in total loan balances (on models represented as Y), on the one hand, and the ratio of current account country's surplus / GDP (in models represented as X1), on the other hand.

To determine the level of credit risk indicator of NPLs' share in total loans was used, data about which was published by the World Bank in 2000–2012.

The Second Hypothesis – there is a relationship between the share of NPLs in total loans, on the one hand, and the coefficient of public debt / GDP (in models represented as X2), on the other hand.

The Third Hypothesis – there is a relationship between the share of NPLs in total loans, on the one hand, and the rate of gross domestic investment / GDP (in models represented as X3), on the other hand.

The Fourth Hypothesis – there is a relationship between the share of NPLs in total loans, on the one hand, and the rate of gross savings / GDP (in models represented as X4), on the other hand.

The Fifth Hypothesis – there is a relationship between the share of NPLs in total loans, on the one hand, and the rate of foreign exchange reserves / GDP (in models represented as X5), on the other.

Table 1

Key indicators of global imbalances and the part of NPLs in a total volume of loans in the USA, China, Germany for 2000–2012, %

Country	Index	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
USA	Coefficients of country's balance current account / GDP	-4.21	-3.88	-4.32	-4.68	-5.33	-5.94	-6.01	-5.09	-4.76	-2.72	-3.26	-3.14	-2.8
	The share of problem loans to gross loans	1.1	1.3	1.4	1.1	0.8	0.7	0.8	1.4	3	5.4	4.9	4.1	3.9
	Coefficients state debt / GDP	60.1	55.9	57.3	59.5	61.3	62.7	63.3	63.9	64.8	76	87.1	95.2	99.4
	Coefficients gross domestic investment / GDP	20.58	18.99	18.37	18.35	19.36	19.91	20.15	19.17	17.54	14.11	15.2	14.8	14.9
	Coefficients gross domestic savings / GDP	17.86	16.25	14.39	13.62	14.33	14.85	16.05	14.21	12.87	10.93	11.98	11.7	-
	Coefficients international reserves / GDP	1.3	1.27	1.49	1.66	1.61	1.5	1.66	1.99	2.07	2.91	3.39	3.58	3.66
China	Coefficients of country's balance current account / GDP	1.71	1.31	2.44	2.8	3.55	5.94	8.58	10.13	9.12	5.23	5.15	1.9	2.3
	The share of problem loans to gross loans	22.4	29.8	26	20.4	13.2	8.6	7.1	6.2	2.4	1.6	1.1	1	0.9
	Coefficients state debt / GDP	13.8	16.4	17.7	18.9	19.2	18.5	17.6	16.2	1.6	17	17.7	33.5	25.8
	Coefficients gross domestic investment / GDP	35.12	36.27	37.87	41.2	43.26	42.1	42.97	41.74	44.05	48.24	47.74	48.3	48.1
	Coefficients gross domestic savings / GDP	36.83	37.58	40.3	44	46.82	48.04	51.55	51.87	53.17	53.48	52.81	51.2	49
	Coefficients international reserves / GDP	14.33	16.61	20.48	25.36	32.25	36.84	39.84	44.26	43.48	49.14	48.97	44.5	40.53
Ger	Coefficients of country's balance current account / GDP	-1.72	0	2.03	1.92	4.67	5.07	6.28	7.48	6.24	6.01	6.16	5.72	7
	The share of problem loans to gross loans	4.7	4.6	5	5.2	4.9	4	3.4	2.7	2.9	3.3	3.2	3	-
	Coefficients state debt / GDP	60.9	59.7	58.8	60.4	63.9	65.7	68	67.6	64.9	66.8	74.5	82.4	80.4
	Coefficients gross domestic investment / GDP	22.3	20.35	18.07	17.85	17.63	17.27	18.13	19.26	19.38	16.54	17.34	18.23	17.2
	Coefficients gross domestic savings / GDP	20.18	19.93	19.98	19.63	22.28	22.31	24.6	26.65	25.54	22.26	23.1	23.83	23.9
	Coefficients international reserves / GDP	4.64	4.37	4.44	4	3.56	3.68	3.85	4.09	3.82	5.43	6.58	6.5	7.32

Source: calculated by World Bank [8]

In order to test these hypotheses a panel of these macroeconomic indicators of the US, China and Germany for the 2000–2012 was formed. To identify the influence of factors on the dependent variable traditionally regression analysis is used. However, the pooled model did not allow revealing significant influence of individual indicators on the share of NPLs in total loans granted to individual observations. This led to the necessity of using the econometric modeling package *Gretl* 1.9 [9], which allowed building a regression model based on panel data. The results of parameter model estimation are shown in *table 2*; *3*. In order to evaluate effect of differences between countries the model of panel data with individual deterministic effects was selected (fixed effect model – FE-model):

$$y_{it} = a_i + x'_{it}b + u_{it}.$$

In these model parameters a_i , that differs for different objects of observation. Contents of a_i is to reflect the impact of latent variables that reflect the individual characteristics of the subject-country on-explained variable Y . These latent variables can be, for example, as in our investigation, global imbalances. Models with different combination of factors were investigated. The model with the highest level of adjusted value of the coefficient of determination R-squared is shown in *table 2*, and the results of model adequacy checking are shown in the *table 3*.

Table 2

The overall regression model of factors influence of global imbalances on the credit risk of banks (according to the USA, China and Germany)

Parameters of model	Coefficient	Standard error	<i>t</i> -statistics	<i>P</i> -meaning*
cost	42.1467	4.7961	8.7877	<0.00001
x1	-0.592519	0.133091	-4.4520	0.00014
x3	-0.867587	0.15592	-5.5643	<0.00001
x3_1	-0.266257	0.150399	-1.7703	0.08840
x5	-0.144769	0.124137	-1.1662	0.25412
x5_1	-0.25721	0.124987	-2.0579	0.04976
Y_1	0.0298472	0.106289	0.2808	0.78108

* Indicates a significant influence on the specified significance level. Italics indicate a significant influence of the setting on a significance level of 5 %.

Table 3

The adequacy indicators of regression model of factors influence of global imbalances on exposure to credit risk (according to the USA, China and Germany)

Residual sum of squares	29.14940	Standard model error	1.058835
<i>R</i> -squared	0.981529	Corrected (adjusted) <i>R</i> -squared	0.975846
<i>F</i> -criterion (8, 26)	172.7026	<i>P</i> -meaning (<i>F</i> -criterion)	1.55e–20
Log. credibility	-46.46186	Criterion Akaike	110.9237
Criterion Schwarz	124.9219	Criterion Hennen-Quinnan	115.7559

According to the results a significant impact on the share of NPLs in total loans issued have such factors as coefficients of country's balance of current account / GDP, gross domestic investment / GDP ratio to a lesser extent – international reserves / GDP. In particular, the p-value, which describes the probability of error when you reject the null hypothesis significance of regression coefficient, by these indicators is: 0.00014 factor for x_1 (the ratio of current account surplus countries and GDP) < 0.00001 for the current value of the factor x_3 and 0.08840 for factor x_3 lagged 1 (ratio of gross domestic investment and GDP); 0.25412 for the current value of the factor 0.04976 and x_5 , x_5 by a factor of log 1 (the ratio of international reserves to GDP). This allows making a conclusion of confirmation of the first, the third and the fifth hypotheses.

During the investigation (based on aggregate data of economies of the three different countries) the second and the fourth hypothesis about the presence of a significant relation between the share of NPLs in total loans, on the one hand, and the ratio of public debt to GDP, gross savings to GDP, on the other hand, was not confirmed. On the basis of the test for the difference in constants group revealed significant differences between countries, which caused the necessity to conduct further analysis of the peculiarities of the level of credit risk factors disclosed in the above hypotheses formulated in separate countries by methods of interrelated analysis of dynamic series, for example, using models of vector auto regression.

For the analysis of dynamic series it is important to clarify the question as for their stationarity state, which refers to the time invariance of mathematical expectation, variance and covariance of the time series. The stationary requirement is necessary to obtain unbiased estimates of model's coefficients by the method of least squares [10]. In order to detect the stationary of time series it is appropriate to use unit root tests, namely Augmented Dickey-Fuller (Augmented Dickey-Fuller test – ADF).

For achieving stationarity of the dynamics data it is advisable to take differences of the conclusive observation and incorporate them into the model as a new variable. Thus, As a result of the use of Dickey-Fuller Test to the country data in the USA the presence of non-stationary for almost all variables except of X_1 (the same for Germany) was recognised. The results of the analysis of stationarity of the dynamic time series by country are given in *table 4*.

Thus, the application of conventional regression methods is to them incorrect. In case of failure to use common conventional methods of regression to multivariate time series analysis it is necessary to conduct model-based vector autoregression analysis, which is an econometric model that reflects the evolution and interdependence between the variables of multivariate time series, generalizing the one-variant autoregressive models. The model VAR (Vector Auto Regression) all variables are considered

simultaneously by including for each variable of equation that explains the evolution (dynamic) of variable based on the previous value of the variable and lagged values of other variables in the model. Since the investigated time series are non-stationary, but there are their respective differences, which create stationary series, i.e. for constructing models these differences are used.

Table 4

Stationary of the variables determined by Augmented Dickey-Fuller Test in the USA, China and Germany

Variable	Presence of stationary (for the accepted level of significance 5 %)		
	USA	China	Germany
Y	in 1-st difference	in 1-st difference	in 1-st difference
X1	on levels	in 2-d difference	in 1-st difference
X2	in 1-st difference	in 1-st difference	on levels
X3	in 2-d difference	in 1-d difference	in 2-d difference
X4	in 2-d difference	in 3-d difference	in 2-d difference

The next question is the clarification of the current levels depending on the number of previous values – autocorrelation. To identify presence of autocorrelation the coefficients of autocorrelation function were calculated. On the basis of the significant autocorrelation coefficients it was determined the existence of autocorrelation of the 1st and the 2nd order for all studied time series.

In this study, the length of the time series allows to use VAR-model only with the first lag for all investigated variables, or includes a second-order lag for fewer variables. Based on the estimates of the model parameters it is necessary to assess their compliance with the process under study. One of the formal criteria of model selection is AIC-criterion (Akaike information criterion). For each of the estimated models AIC-statistics is calculated, and as the best model among the estimated model with the lowest AIC is chosen.

The purpose of analysis for different model specifications was to identify model which have biggest adjusted coefficient of determination and the lowest value of the AIC-criterion. As a result of estimation only statistically significant parameters of an vector autoregression model for the US, China and Germany are presented in Table 5–7, respectively. Vector autoregression model can be represented as a variable dependence of the current values Y_t from its previous values Y_{t-p} and previous values of other variables X_{t-p} :

$$y_t = a_0 + \sum_{m=1}^p a_m y_{t-p} + \sum_{m=1}^p b_m x_{t-p} + \varepsilon_t,$$

where p – order of the lag;

a i b – coefficient of the model.

Table 5

**Vector auto regression model of the impact of global imbalances
in the credit risk of the USA banks**

Parameters of the model	Coefficient	Standard error	<i>t</i> -statistics	<i>P</i> -meaning
d_d_Y_1	0.109672	0.149347	0.7343	0.50347
x1_1	-0.0669897	0.0258245	-2.5940	0.06043
d_d_x2_1	-0.316492	0.0575294	-5.5014	0.00532
d_x3_1	0.179005	0.211292	0.8472	0.44460
d_x4_1	-0.448787	0.156311	-2.8711	0.04542
Residual sum of squares	0.489001	Standard error of the model		0.349643
<i>R</i> -squared	0.953998	Corrected (adjusted) <i>R</i> -squared		0.907996
<i>F</i> -criterion (5, 4)	16.59056	<i>P</i> -meaning (<i>F</i> -criterion)		0.008836
Criterion Akayike	-31.2713			

Table 6

**Vector auto regression model of the impact of global imbalances
in the credit risk of China banks**

Parameters of the model	Coefficient	Standard error	<i>t</i> -statistics	<i>P</i> -meaning
const	-15.0333	1.0192	-14.7500	0.00456
d_Y_1	3.26139	0.178514	18.2696	0.00298
d_Y_2	-5.7492	0.383503	-14.9913	0.00442
d_x2_1	-0.151899	0.0176989	-8.5824	0.01331
d_x2_2	2.12446	0.146654	14.4862	0.00473
d_d_x1_1	-7.49919	0.515331	-14.5522	0.00469
d_d_x1_2	-2.7377	0.184064	-14.8737	0.00449
Residual sum of squares	0.217181	Standard error of the model		0.329530
<i>R</i> -squared	0.995582	Corrected (adjusted) <i>R</i> -squared		0.982329
<i>F</i> -criterion (6, 2)	75.11843	<i>P</i> -meaning (<i>F</i> -criterion)		0.013195
Criterion Akayike	6.7992			

Table 7

**Vector auto regression model of the impact of global imbalances
in the credit risk of German banks**

Parameters of the model	Coefficient	Standard error	<i>t</i> -statistics	<i>P</i> -meaning
const	5.98867	1.74926	3.4235	0.01877
Y_1	-0.0111196	0.279027	-0.0399	0.96975
x1_1	-0.45304	0.138653	-3.2674	0.02226
d_d_x3_1	-0.0497623	0.0546061	-0.9113	0.40393
Residual sum of squares	0.413024	Standard error of the model		0.287410
<i>R</i> -squared	0.935014	Corrected (adjusted) <i>R</i> -squared		0.896022
<i>F</i> -criterion (3, 5)	23.97978	<i>P</i> -meaning (<i>F</i> -criterion)		0.002142

The models allow revealing both common properties and characteristics of individual countries. Common is the impact of previous values of impaired loans at their current size, previous values X1 factor (the ratio of current account balance to GDP) and X2 (the ratio of the size of the public debt and GDP).

For the USA a significant (at least at $p = 0.045$) was the impact of past values of factor X4 (ratio of gross savings to GDP). Although the most often VAR models are used for forecasting, in our investigation, the obtained model is used only for identification causal relationships between the studied processes.

For Germany, the vector autoregression model allowed to establish the existence of dependence only on past values of the variable X1. This is due to the limited available time series data that did not allow taking full advantage of this method. This meant building of a distributive-lag regression model (model depends both on the current and previous values of factors). Its parameters as for Vector autoregression models were evaluated by the method of least squares. As a result, as the best (with the largest R^2 and smallest values of Akaike information criterion) model presented in *table 8* was chosen.

Table 8

Distributive-lag model of global imbalances' regressive influence on the credit risk of German banks

Parameters of the model	Coefficient	Standard error	<i>t</i> -statistics	<i>P</i> -meaning
const	9.48075	0.914562	10.3664	0.06122
d_x1	-1.35735	0.114579	-11.8463	0.05361
x2	-0.133767	0.01275	-10.4916	0.06050
d_d_x3	-0.394773	0.0702942	-5.6160	0.11218
d_d_x3_1	0.144053	0.0560102	2.5719	0.23608
d_d_x4	0.767254	0.0757154	10.1334	0.06262
d_d_x4_1	0.226873	0.04193	5.4108	0.11635
d_d_x5	0.479819	0.117432	4.0859	0.15280
Residual sum of squares	0.005004	Standard error of the model		0.070738
<i>R</i> -squared	0.996864	Corrected (adjusted) <i>R</i> -squared		0.974911
<i>F</i> (7, 1)	45.40893	<i>P</i> -maening (<i>F</i>)		0.113787
Criterion Akayike	-25.91197			

The calculation results show that a significant impact on the level of significance is less than 10 % (in italics in the *table 8*) provide preliminary values of the factors X1 and X4 and the current values of the factor X2. This low level of significance is due to the limited length of the time series and in these conditions can be considered quite satisfactory. The results are coincided with the VAR-model that tends to suggest their validity.

The analysis of the impact factors of global imbalances on the level of credit risk showed that all five hypotheses are justified, but under different conditions. In the overall analysis of three countries studied the effect on the level of credit risk factors such as the ratio of the current account balance / GDP, gross domestic investment / GDP and international reserves / GDP was discovered. In-depth analysis revealed the peculiarities of the level of credit risk in individual countries (the USA, China and Germany). For the United States and China the ratio factors of the current account balance /

GDP, public debt / GDP appeared to be the most influential ones. Separately, in the USA the increasing of credit risk reduction was due to the decreasing of gross savings ratio / GDP. In Germany, the list of factors influencing the level of credit risk coincides with the factors of influence in the USA, but the impact is detected at a much lower level, due to the greater stability of indices in Germany.

In order to mitigate the actions of global imbalances on the credit risk of banks deserves the attention initiative to transform the Bank for International Settlements into the global lender of last resort. If on the level of national banking systems the central bank acts as the "bank of banks", so the Bank of International Settlements has to become a "bank of central banks". The IMF and the Bank of International Settlements gain functions "operator" of the global financial system. Policymakers' decisions thus are realized through a special mechanism created under the "Group of Twenty" – the Financial Stability Council [11].

The Bank of International Settlements as "bank of central banks" has to accomplish not only supervision on the backbone multinational banks (according to the recommendations of the Basel Committee, these are the 29 largest banks in the world), but also to provide financial support in the form of refinancing in the case of short-term liquidity shortages.

In order to reduce the level of credit risk in the backbone of transnational banks we offer to establish more stringent standards of credit risk that would be determined by a study of global imbalances. The most influence on the credit risk has the ratio of the current account balance and gross domestic investment to GDP. Given this, it is advisable to recommend supervisor of the countries where the lowest value of current account and gross domestic investments to GDP are observed, to set stringent requirements for banks accomplishing active credit operations.

Firstly, it is advisable to limit the operations of banks with high risk credit instruments, namely, credit notes (debt securities that the issuing bank releases simultaneously with the issuance of the loan to its borrower in order to transfer a part of credit risk) and credit swaps (derivatives, purchasing which the bank pays a lump sum once or regular premium to the issuer and gives him some credit risk).

Secondly, it is important to carry out an effective monitoring of terms of securitized assets, the number of which in pre-crisis period reached record numbers. It is the rapid growth of these assets "warmed up" the demand on credit services and led to the emergence of so-called "credit bubbles". If the growth of the securitized assets mega regulator (BIS) has to set limits for banks as for selling their loan portfolios to specialized factoring or other finance companies.

Thirdly, it is appropriate to introduce a mechanism of mandatory stress testing of credit risk on the basis of key indicators that characterize the degree of global imbalances. Such stress tests must be conducted annually BIS, which, together with the Basel Committee must develop an action plan to reform the global financial architecture as a whole, and introducing changes

to procedures regulating the credit risk of banks and other financial market participants.

Fourthly, it appears appropriate to establish a direct relationship between the level of credit rating and the level of credit activity of banks operating in the country. When lowering the credit rating of the country the lending activities of banks of this country should be restricted by establishing certain regulatory restrictions. A list of these constraints and their numerical values should be determined by the central bank of the country. At the same time it seems reasonable to establish a specific BIS scale relationship between credit rating of the country and the amount of credits to GDP.

Fifth, to enhance the efficiency of the global financial system by mega regulator it is desirable to install a critical ratio between the volume of financial assets to GDP, taking into consideration the way central bank sets the threshold for their country and take it into account when developing the main objectives in monetary policy.

Sixth, in countries such as the USA, which is the epicenter of the global financial crisis, it is recommended primarily for their backbone transnational banks to define more stringent standards of credit risk should be calculated as the ratio of debt on loans not to the regulatory, and the liquid capital. The term "liquid assets" is understood as capital, formed only in liquid form. By liquid capital does not include emission difference, transactions with the parent company (investment in subsidiary banks to support their liquidity, etc.), changes in equity as a result of the merger of business, etc. (the so-called "hybrid" capital). In banks, the US share of so-called "hybrid capital" is high. It is dangerous for banks as "hybrid capital" can not be directed to cover their losses due to the onset of the credit risk of banks.

Seventh, in May 2012 the European Central Bank (ECB) put forward the idea of creating banking union that could unite the euro area states, or the majority of EU countries. This will reduce the dependence of national banks from government funds provided for repayment of sovereign debts. In addition, the banking union is advisable to use the task of carrying out strict supervision of the banking sector of the Eurozone and the creation of a pan-European system of deposits' protection. In the case of the formation of such a union for direct recapitalization of European banks the cost of ESM (European Stability Mechanism – the European stabilization fund) could be used. The idea of banking union could be realized in a relatively short time, because it almost does not need much to change legislation and agreements within the EU. At the same time during its formation appear the same contradictions between donor countries and recipient countries of financial assistance [1]. In this context, the banking union is appropriate to coordinate its activity with the BIS.

Eighth, in order to implement the idea of a "renewed multilateralism", which is to ensure a more balanced capital flows between countries to prevent their excessive concentration, it is advisable to form a network of

international financial centers in the developing countries (emerging markets) and create new international financial centers [12]. These new international financial centers would help to reduce significantly global imbalances' level, including those that generate a substantial credit risk.

Thus, the formation of a new financial architecture should be based on consideration of global imbalances that led to the global financial crisis. The landscape of this financial architecture will largely depend on the policy of megaregulator that have to recommend national central banks in case of developing areas of monetary policy in general, and particularly by setting standards of credit risk banks taking into account the factors of global imbalances.

Conclusion. Scientific hypotheses about the relationship between the share of NPLs in total loans and the ratio of individual macroeconomic indicators (balance of current accounts, public debt, gross investment, gross savings and foreign reserves) to GDP were formulated, and their checks using econometric modeling package Gretl 1.9 was made. The hypotheses were confirmed by the following parameters: the ratio of the current account balance of the country to GDP, gross domestic investment to GDP and foreign reserves to GDP, on the one hand, and the share of NPLs in total loans granted of banks on the other.

A set of recommendations for improving the mechanism of megaregulations of credit risk of banks depending on indicators characterizing the global imbalances in the economy was made, including: limiting banks' operations with high risk credit instruments; implementation of effective monitoring in terms of securitized assets; introducing a mechanism of mandatory stress testing of credit risk on the basis of key indicators that characterize the degree of global imbalances; establish direct correlation between the level of credit rating of the country and the degree of credit activity of banks operating in this country; installation by megaregulator critical ratio between the volume of financial assets to GDP; defining more stringent standards of credit risk, which should be calculated as the ratio of debt on loans not to the regulatory, but to the liquid capital for systemically important multinational banks; creating of banking union in Europe, which would combine the Eurozone states or the majority of EU countries; the formation of new international financial centers with a purpose of practical implementation of the idea of "renewed multilateralism".

The implementation of these proposals will help to mitigate the effect of the factors of global imbalances on credit activity of banks what provides the reduction of their credit risk level.

The conceptual statements require further scientific research towards reducing global imbalances' level, including those that generate a substantial credit risk; the change of mega regulator policy that have to recommend national central banks in developing areas of monetary policy in general, and particularly in setting standards of banks' credit risk; take into account the factors of global imbalances.

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Articles submitted to editors office of 24.09.2014.

Шульга Н., Чорний А., Гусач А. Вплив глобальних дисбалансів на кредитний ризик банків.

Постановка проблеми. Глобальні дисбаланси призвели до підвищення рівня кредитного ризику банків. Врахування цієї тенденції дозволить мегарегулятору рекомендувати центральним банкам країн, що їх генерують, встановити для комерційних банків більш жорсткі економічні нормативи.

Аналіз останніх досліджень і публікацій показав, що попри наявність окремих наукових доробок, невирішеною залишається важлива науково-практична проблема щодо впливу глобальних дисбалансів на кредитний ризик банків.

Мета статті – проаналізувати існуючі погляди та запропонувати авторське тлумачення поняття "глобальні дисбаланси", визначити за допомогою економіко-статистичних методів вплив ключових чинників глобальних дисбалансів на кредитний ризик банків, а також на їх основі запропонувати управлінські рішення для мегарегулятора та центральних банків окремих країн.

Матеріали та методи. У процесі дослідження використано методи порівняння, графічний, табличний, економіко-статистичний.

Результати дослідження. Висунуто наукові гіпотези про наявність залежності між часткою проблемних кредитів у загальному обсязі виданих кредитів і співвідношенням окремих макроекономічних показників розвитку країни, а також здійснено їх емпіричну перевірку. За результатами цього дослідження розроблено комплекс пропозицій, зокрема: обмеження високоризикових балансових та позабалансових кредитних операцій банків; запровадження механізму обов'язкового стрес-тестування кредитного ризику з урахуванням ключових індикаторів, які характеризують ступінь глобальних дисбалансів; встановлення прямої залежності між рівнем кредитного рейтингу

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країни та ступенем кредитної активності її банків; встановлення мегарегулятором критичного значення співвідношення між обсягом фінансових активів та ВВП; визначення більш жорстких нормативів кредитного ризику тощо. Реалізація цих пропозицій сприятиме стабілізації ситуації на глобальних фінансових ринках.

Висновки. На відміну від існуючих публікацій, вперше сформульовано наукові гіпотези залежності між рівнем кредитного ризику банків та індикаторами, які характеризують глобальні дисбаланси, а також здійснена їх перевірка шляхом побудови статистичних моделей; розроблено спектр управлінських рішень, спрямованих на встановлення для банків країн, які генерують суттєві глобальні дисбаланси, більш жорстких регулятивних вимог.

Викладені концептуальні положення потребують подальшого наукового дослідження в напрямі зниження рівня глобальних дисбалансів, у тому числі тих, що генерують значний кредитний ризик; зміни політики мегарегуляторів, які мають рекомендувати національним центральним банкам під час розробки напрямів грошово-кредитної політики в цілому, і зокрема, при встановленні нормативів кредитних ризиків банків враховувати чинники глобальних дисбалансів.

Ключові слова: кредитний ризик, глобальні дисбаланси, зовнішній борг, золотовалютні резерви, внутрішні заощадження, валові інвестиції, валовий внутрішній продукт, проблемні кредити, баланс поточного рахунку.

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STATE SPECIALIZED FUNDS IN THE SYSTEM OF ECONOMIC PROGRAMS IMPLEMENTATION

The essence of state specialized funds was analyzed. The principles of operation of state specialized funds in economic direction were suggested. The list of state specialized funds in economic designation in Ukraine was systematized. The interrelation between the activities of state specialized funds on programs of economic development in Ukraine was researched.

Keywords: state specialized funds, Ukrainian State Fund for the Support of Farming, Ukrainian Fund for Entrepreneurship Support, State Innovation Credit and Finance Institution, National Fund for Regional Development.

Волосович С. Государственные целевые фонды в системе реализации экономических программ. Осуществлен анализ сущности государственных целевых фондов. Предложены принципы функционирования государственных целевых фондов экономического направления. Систематизирован перечень государственных целевых фондов экономического направления в Украине. Исследована взаимосвязь деятельности государственных целевых фондов с программами экономического развития в Украине.

Ключевые слова: государственные целевые фонды, Украинский государственный фонд поддержки фермерских хозяйств, Украинский фонд поддержки предпринимательства, Государственное инновационное финансово-кредитное учреждение, Государственный фонд регионального развития.

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Background. Due to macroeconomic instability caused by deep structural imbalances, there was a problem of national economy restructuring, its re-orientation towards high-tech industries and foreign markets. Under such circumstances, the key challenge is to develop economic programs on attraction of investment, introduction of new knowledge, increasing employment and technological modernization of the economy. Addressing these issues will require significant financial resources, on the one hand, and control of their intended use on the other. In this context, the role of such a tool of implementing economic programs as state specialized funds is increasing.

Analysis of recent research and publications. Various issues of state specialized funds functioning studied V. N. Fedosov, V. N. Oparin, S. V. Liovochkin [1], L. I. Vasilenko [2], I. V. Kushnir [3], K. V. Savchenko [4] and others. Despite the high level of theoretical development, issues of improving the activity of state specialized funds in the context of ensuring the development of the national economy require the subsequent solution.

The aim of the paper is to investigate the interconnection between state specialized funds and economic development of the state. To achieve this goal there were established and accomplished the following tasks: clarification of "state specialized funds" notion; systematization of the list of state specialized funds in economic designation in Ukraine; identification of the interconnection between functioning of state specialized funds and government programs of economic development of Ukraine.

The object of the research is state specialized funds of economic direction.

Materials and methods. The study was conducted with the use of such basic methods as theoretical synthesis, system analysis, induction.

Results. The main reason for the creation of state specialized funds (SSF) is the need for separation of expenditures which are extremely important for the public and providing them with an independent source of income. They enforce the implementation of state economic function through most optimal coordination of the strategic directions of development of the national economy.

Analysis of scientific literature demonstrates separation of three approaches to content of SSF. Within the *first* approach state specialized funds are considered as monetary relations of distribution and redistribution of the value of social product and a part of national wealth associated with the formation and use of state funds to finance social needs from the identified sources that have designated use [4, p. 163]. However, this approach requires specification of the indicator that assesses social product. Proponents of the *second* approach note that SSF is a specific form of redistribution and use of financial resources raised both by central and local authorities for financing certain socio-economic, environmental and other needs, as well as their integrated use [2, p. 9]. Here can be observed certain overlapping of goals of fund usage. The *third* approach involves the operation of state specialized funds in accordance with the laws of Ukraine,

which are made up by means of contributions from legal and physical entities [3]. This is a rather one-sided interpretation that ignores the actual purpose of the SSF operation.

On the other hand, in practice, a significant source of revenue for state specialized funds is funds of state and local budgets. Thus, state specialized funds are a system of economic relations that arise during the formation, distribution and use of centralized funds to finance specific programs of national and regional destination. According to the Law of Ukraine № 1621-IV state special-purpose program is a set of interrelated tasks and activities that address the major problems of state, separate industries or administrative units' development, is realized using funds from the State Budget of Ukraine and agreed according to the time of performance, staffing, resource support [5]. State programs, for the financing of which funds are aimed, may be economic, social, environmental, military, scientific-technical and of other directions. At the same time functioning of SSF is partly connected to the budget system [1]. Important place in the composition of state funds take funds of economic designation. The aim of their operation is the development of certain areas of the social economic needs through the impact on the production and infrastructure creation by means of financing, subsidizing and credit provision of economic entities.

Functioning of the economic specialized funds has object-matter and subject aspects. *Object-matter* aspect is realized through the support of innovation policy, creating favorable investment climate, promoting the insolvent companies stabilization. *Subject* aspect is revealed through public financial support of specific sectors or categories of economic entities with the help of certain tools.

The activity of state specialized funds of economic direction should be based on such principles as:

- *unity*: the connection between state programs of economic development, which are an instrument of economic regulation for achieving long-term goals;
- *system*: systematic approach to fund management at all stages of implementation of state economic development program;
- *monitoring*: implementation of ongoing monitoring the achievement of the objectives set for the funds.

To achieve these objectives the economic programs are set out in our country, 9 SSF are functioning (*table*).

The development of entrepreneurship as an important factor for economic growth has always been a priority in public policy. Ukrainian Fund for Entrepreneurship Support was created according to [7] to facilitate the implementation of public policies that support entrepreneurship, the creation of economic, organizational and legal conditions for its development. It became the legal successor of the Ukrainian National Fund for Entrepreneurship Support and Competition Promotion.

Table

**General characteristics of the state specialized funds
of economic direction in Ukraine**

State Specialized Fund	Funding Source	Related Program
Ukrainian Fund for Entrepreneurship Support (UFES), regional business support funds [6–8]	Budget funds, voluntary contributions of physical and legal entities, including foreign ones	National program to promote small business in Ukraine [9]; Economic Reforms Program for 2010–2014 [10]; State Target Economic Program for energy efficiency and the development of energy production sphere on renewable energy sources and alternative types of fuel for 2010–2015 [11]
Ukrainian State Fund for the Support of Farming (USFSF) [12–14]	Funds of the state budget of Ukraine; from the repayment of loans and state financial aid provided by the state budget of Ukraine; voluntary contributions of physical and legal entities; Centralized deductions of regional offices of USFSF, etc.	Public specialized program for the development of the Ukrainian village up to 2015 [15]
Fund for stabilization of companies and organizations listed in the register of insolvency (FSCOLRI) [16]	Funds of the state budget of Ukraine, other revenues that do not contradict the current legislation	The State program of intensification of economic development for 2013–2014 [17]
State Innovation Finance and Credit Institution (SIFCI) [18; 19]	Funds received as a result of loan repayment of the State Innovation Fund and its regional departments, State Enterprise "Ukrainian Innovative financial-credit company", etc.	The state program of industry development for 2003–2011 [20]; The state program of intensification of economic development for 2013–2014 [17]; State specialized economic program of industry development for the period up to 2020 [21]; State Specialized Economic Program "Development of innovation infrastructure in Ukraine" for 2009–2013 [22]
State innovation non-bank financial-credit institution "Fund to support small innovation business" (SIFSSIB) [23]	Funds of the state budget, revenues from operations with securities, loans and borrowings, dividends on shares of the Fund, etc.	State specialized program of industrial development for the period up to 2020 [21]
State specialized fund for financing state expenses in aviation and participation of Ukraine in international aviation organizations (SSFFSEA) [24]	Government charges, voluntary contributions from physical and legal entities, etc.	State program of revitalization of economic development for 2013–2014 years [17]; State specialized economic program of industrial development for the period up to 2020 [21]
State Fund for Regional Development (SFRD) [25]	Funds of the state and local budgets [25]	State program of industrial development for 2003–2011 [20]; State specialized program to support social and economic development of towns for 2011–2015 [26]
State Agency for the recovery of Donbas (SARD) [27]	Not regulated	Peace and economic development in Donbas (bailout plan for Donbas) [28]

The objective of UFES to facilitate implementation of public policy for the development of entrepreneurship is realized by attracting and utilizing financial resources on a returnable and non-returnable basis; cooperation with various financial institutions; participation in the realization of international agreements on financial security of business in Ukraine; participation in the formation of organizations that support entrepreneurship and conform with the National program to promote small business in Ukraine [9], Program of Economic Reforms for 2010–2014 [10], State specialized Economic Program for energy efficiency and the development of energy production from renewable energy sources and alternative fuels for 2010–2015 [11]. The latter, in turn, are based on the provisions of the Concept of State Industrial Policy [29]. To solve its problems Ukrainian Fund for Entrepreneurship Support provides interest-free loans, guarantees to financial institutions for loans; provides partial compensation of interest on loans; organizes the process of raising the level of entrepreneurs' business education; organizes events for training, retraining and skills development of staff for small and medium businesses; organizes and conducts research on entrepreneurship support, etc. Special attention of UFES in the sphere of small businesses is because in the EU countries the share of employment in this sector is about 75 % of the employable population, and in Ukraine – only about 11 % [30, p. 71].

Other countries are also concerned with issues of maintaining business. Thus, the US created the Small Businesses Administration and Fund of restructuring and economic development, in Canada – Agency of Canada Economic Development for the regions of Quebec, Canadian technology partnerships; in Brazil – Brazilian National Bank for Economic and Social Development; in Japan – Corporation of Insurance lending to small businesses; in France – the Foundation for Economic and Social Development; in the Russian Federation – Federation development and support of small business.

For the state support of agricultural complex in Ukraine in 2015 about 20 billion USD is needed [31]. One of the tools for implementing this task is Ukrainian State Fund for the Support of Farming which is a budget-funded agency performing the functions of realizing state policy to support the formation and development of farms. It is a legal successor of the Ukrainian State Fund for the Support of the rural (farm) households, formed according to [13] and resolution of Kiev state administration from 14.03.92 № 133 "On Some Issues the rural (farm) households development" and belongs to the sphere of the Ministry of Agrarian Policy of Ukraine administration. USFSF's activities are associated with the State specialized program for the development of the Ukrainian village for the period up to 2015 concerning improving of mechanism of providing state support to the agricultural sector and provision of the development of rural areas to meet the requirements of the WTO; putting into practice activities to ensure the development of

agricultural market infrastructure; innovation and investment strengthening of the material and technical base of the agricultural sector [15]. This is due to the Strategy of the agricultural sector for the period up to 2020 [32]. Similar funds function in other countries. For example, in Belarus was established Republican fund to support agricultural, commercial products, food and agricultural science. In the US, there is a Fund for the farming loan administration that coordinates agricultural lending at the expense of the Treasury and from the sale of its guarantees.

In the conditions of global competition the state should contribute to the growth of potential of the Ukrainian aviation industry, preservation of its position in the domestic and international markets. Given the system-role of aviation industry in the national economy due to the close connection with other high-tech industries, the aviation industry is able to influence the innovative development of the country. Taking this into account in Ukraine according to [24] was created the State specialized fund for financing state expenses in aviation and participation of Ukraine in international aviation organizations. It has an off-budget status and functions under the State Department of Aviation Transport in order to finance measures to support civil aviation in Ukraine in accordance with the Convention on International Civil Aviation and the participation of Ukraine in international aviation organizations. SSFFEA finances the maintenance of inspection apparatus on safety, aviation security services, certification of operators and maintenance of airworthiness of aircrafts, flight service, equipment procurement, appliances, premises rent, work on the investigation of aviation accidents, aviation security and safety provision, and other expenses provided by the estimate; costs for the participation of Ukraine in international aviation organizations, providing signing international treaties of Ukraine on air transport and external activities, development of aviation regulations, standards and technologies.

In other countries the state public financial support for aviation activities provide both specialized trust funds (State off-budget fund of civil aviation in Belarus, China Aviation Supplies Import and Export Corporation) and funds with multiple purposes (Export Agency of Canada, Japanese Organization of trade and investment insurance).

In order to solve the problems associated with financial debt elimination of companies and organizations listed in the register of insolvent, according to [16] was created the Fund of stabilization of companies and organizations listed in the register of insolvent, whose work is related to the State Program on Economics Development Activation for 2013–2014 [17] within which must be ensured financial stability of the national economy. Such funds operate in other countries. For example, in Belarus there is an off-budget fund of stabilization of the Ministry of Communications and Informatization, which only supports organizations subordinate to this ministry.

For the financial support of innovative business entities activity in Ukraine was created the State innovation finance-credit institution and State

innovation nonbank finance and credit institutions "Fund to support small innovation business". State innovation finance and credit institution was renamed in 2007 to Ukrainian innovation company which has been formed according to [19] instead of State Innovation Fund. It is a legal successor of property rights and obligations (including under the agreements of providing innovative loans) of State Innovation Fund and its regional offices. By September 2014 SIFCI subordinated to the State Agency for Investment and Innovation. Now it is under the jurisdiction of the Ministry of Economy and Trade. State innovation finance and credit institution provides financial support to economic entities of various forms of property within the state innovation policy. Its activity is associated with the State program of intensification of economic development for 2013–2014 [17]. Meanwhile there could be observed a link between SIFCI and the state program of industrial development for 2003–2011 [20], which was based on the Concept of State Industrial Policy [29] to accelerate institutional reforms and improve the structure of industrial production through increased innovation orientation of the industry. Today SIFCI activities are based on State specialized economic program for industrial development for the period up to 2020, according to which the share of innovative products in the volume of industrial production is expected to grow to 50%; and the share of industrial enterprises that are engaged in innovation activities – up to 25% [21]. State Innovation nonbank financial and credit institutions "Fund to support small innovation business" was established in accordance with Art. 19 of the Law of Ukraine "On the innovation activity" of 04.07.2002 № 40-IV. The main activities of SIFSSIB are the organization of a selection of innovative projects to provide financial support for their implementation; the provision for the subjects of innovative activity of financial support for the implementation of innovative projects; attracting domestic and foreign investments for the implementation of innovative projects; aligning closer cooperation with international governmental and non-governmental organizations on innovation and mobilizing financial resources in the economy of Ukraine for joint innovation projects; participation in joint investment schemes.

The funds that finance innovation activity are created in other countries. For example, in Belarus in 2008 legislation provided the formation of innovation funds under the ministries, departments, regional executive committees and the Minsk City Executive Committee, National Academy of Sciences and other public organizations at the expense of contributions from subordinate organizations.

Basing on current conditions and trends in regional economic development, arises a need to ensure environmental protection, rational use of regional resources for industrial development, mitigation of social disparities and creation of conditions for the safety of the population. This led to the establishment of the State Fund for Regional Development, which operates within the state budget. The question of its creation arose within the Program of economic reforms realization in 2011 in the process of defining

basic legal principles and criteria for allocation of subsidies from the state budget to local budgets aimed at the implementation of investment programs or projects. The mechanism of training, assessment and competitive selection of investment programs (projects) that may, in accordance with Article 24-1 of the Budget Code of Ukraine be realized by the State Regional Development Fund, are regulated [25]. Funds of SRDF are allocated for competitiveness and investment attractiveness of regions and individual administrative units, in particular the financing of investment programs (projects) that contribute to the development of infrastructure, job creation, energy saving and environmental protection. This is in line with the State program of industry development for 2003–2011. However, SRDF realizes objectives, set by the State specialized program for the social and economic development of towns for 2011–2015.

As a result of the events in the East of Ukraine were destroyed around 600 enterprises: 396 in the Donetsk region and around 200 in Lugansk. This reason, the destruction of infrastructure and housing caused losses worth about 11.8 billion USD [33]. To overcome the effects of military development was created the State Agency for recovery of Donbas according to [27]. The document stated the name of the new authority, but did not list either quantitative composition or powers, or the budget for this structure.

Conclusion. The study conducted suggests that a significant proportion of state specialized funds of economic direction are based on the mixed financing, providing incorporation of funds both of state and local budgets, as well as of physical and legal entities. However, their operation is normally carried out within the budget of specified level. The result of the establishment and functioning of state specialized funds of economic direction will be radical improvement of the investment climate, the formation of high-quality investment proposals, providing innovative component of economic growth, employment promotion and development of agriculture.

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Волосович С. Державні цільові фонди у системі реалізації економічних програм.

Передмова. У зв'язку з макроекономічною нестабільністю, спричиненою глибокими структурними диспропорціями, постала проблема реструктуризації національної економіки та переорієнтації її на високотехнологічні галузі. З огляду на це ключовим завданням є розробка економічних програм щодо залучення інвестицій, впровадження нових знань, підвищення рівня зайнятості, технологічної модернізації економіки. Державні цільові фонди виступають важливим інструментом їх успішної реалізації. Діяльність державних цільових фондів досліджувалася в контексті їх сутності та функціонування соціальних фондів. Водночас подальшого вирішення потребують проблеми забезпечення розвитку національної економіки за допомогою державних цільових фондів.

Мета статті – дослідження взаємозв'язку державних цільових фондів та економічного розвитку держави.

Матеріали і методи. Дослідження проводилось із застосуванням таких наукових методів: теоретичного узагальнення, системного аналізу, індукції.

Результати дослідження. На основі аналізу наукових джерел запропоновано визначення поняття державних цільових фондів як системи економічних відносин, що виникають при формуванні, розподілі та використанні централізованих фінансових ресурсів для фінансування окремих програм загальнодержавного та регіонального призначення. Діяльність державних цільових фондів економічного спрямування має ґрунтуватися на таких принципах, як єдність, системність, моніторинг. Для досягнення цілей, зазначених в економічних програмах, в Україні функціонують Український фонд підтримки підприємництва, Український державний фонд підтримки фермерських господарств, Фонд стабілізації підприємств та організацій, внесених до реєстру неплатоспроможних, Державний спеціалізований фонд фінансування загальнодержавних витрат на авіаційну діяльність та участь України у міжнародних авіаційних організаціях, Державна інноваційна фінансово-кредитна установа, Державна інноваційна небанківська фінансово-кредитна установа "Фонд підтримки малого інноваційного бізнесу", Державний фонд регіонального розвитку, Державне агентство з питань відновлення Донбасу.

Висновки. Визначено, що значна частка державних цільових фондів економічного спрямування ґрунтується на змішаному фінансуванні, що передбачає у своєму складі як кошти державного і місцевих бюджетів, так і фізичних і юридичних осіб. При цьому їх функціонування здійснюється, як правило, у межах бюджету визначеного рівня. Створення і функціонування державних цільових фондів економічного спрямування сприятиме покращенню інвестиційного клімату, формуванню системи якісних інвестиційних пропозицій, забезпеченню інноваційної складової економічного зростання, зайнятості та розвитку аграрного сектора.

Ключові слова: державні цільові фонди, Український державний фонд підтримки фермерських господарств, Український фонд підтримки підприємництва, Державна інноваційна фінансово-кредитна установа, Державний фонд регіонального розвитку.

UDC 364.35

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INCOME GENERATION OF PAYG PENSION SYSTEM

The article discloses some tools of income generation in PAYG system, determines special aspects of income determination in Ukrainian Pension Fund. It studies the components and the structure of earnings to the system of the first level pension insurance for 2000–2013. The main problems and lacks in income generation of Ukrainian Pension Fund were indicated.

Keywords: pension insurance, Ukrainian Pension Fund, own profits, transferred profits, pension coverage, income of Ukrainian Pension Fund.

Насибова О. Формирование доходной части солидарной системы пенсионного страхования. Раскрыт механизм формирования доходной части солидарной системы пенсионного страхования. Определены особенности образования доходов Пенсионного фонда Украины. Осуществлен анализ состава и структуры поступлений в систему пенсионного страхования первого уровня за 2000–2013 гг. Выявлены основные проблемы и недостатки при формировании доходов Пенсионного фонда Украины.

Ключевые слова: пенсионное страхование, Пенсионный фонд Украины, собственные доходы, переданные доходы, пенсионное обеспечение, доходы Пенсионного фонда Украины.

Background. Current situation in pension system deposes about necessity of correction of the following auditing in pension reform. First by reducing financial pressure on Ukrainian Pension Fund via gradual transition to strengthening the role of storage components in pension system.

Filling of income generation in Ukrainian Pension Fund is one of the most important problem at social protection of population in Ukraine. Constant increasing of social standards during the economic reform demands augmentation of earnings that would provide the needs of stay-at-home population part.

Analysis of recent research and publications. A substantial contribution at researches describing problems has done local experts (B. Zajchuk, A. Libanova [1], V. Melnichuk [2], L. Tkachenko [4], O. Koval [5], B. Nadtochii and others) and foreign experts (A. Karimullin, S. Klane, V. Loginova, G. Patler, O. Ruf-Fidler and others).

The **aim** of the article is disclosing some tools and peculiarities at income determination of PAYG pension insurance system via modern experience of pension insurance system in financial condition that will determine the effective lines of its improvement.

Materials and methods. In the scientific article methods and approaches that let realize the conceptual research integrity are used. Dialectic and structural methods of perception are used for disclosing the main point formation at income generation in Ukrainian Pension Fund at the economic cyclicity system. Methods of analysis and output generation, induction and deduction are used for determination of peculiarities in the first level formation in pension

system, comparison and statistical methods – for finding the reserves and reinforcements at optimization of income in Ukrainian Pension Fund.

Results. Pension system service is complicated in Ukraine. It has different financial forms. Government-owned institutions and non-state legal entities take part at mobilization of funds and set-up of pensions. Under the conditions lack of financial resources of state-owned funding has to provide civil payment of minimum income at retirement. Moreover, disbursement of self-imposed formation of pension funds has the aim to increase pension in via additional payment at the age of retirement from non-state pension provision. Multilevel pension service established in Ukraine should assist of providing obligatory minimum wage for all pensioners and substitution of guaranteed mechanisms with the help of which citizenry can save money for age.

Thanks to analysis of income formation at the first and third level system of pension coverage in the country it's possible to determine problematics of funding filling PAYG pension system and non-state pension provision, money utilization efficiency and balancing of income and costs in Ukrainian pension fund (UPF) that is system governing body providing the first level.

UPF budget structure is characterized by complex multicomponent structure of budget indexes income and costs expenditure budget (figure 1).

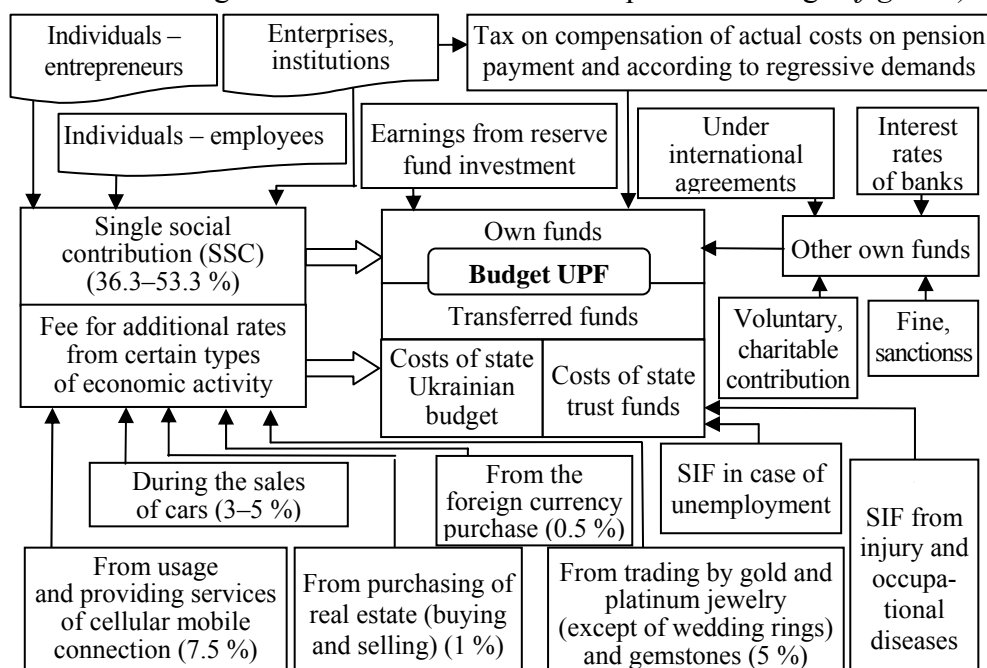


Figure 1. Revenue formation of Ukrainian budget in pension fund

(designed by the author on the Ukrainian legislation basis [6–9])

Under the current law [6] main formation sources in UPF are:

- receipt of single contribution payment at mandatory state social insurance that direct on mandatory state social insurance in size defined by law, except of premiums that direct to memory system of mandatory state pension insurance;

- investment income that is received from investment of costs reserve to cover the budget deficit in Pension Fund in future;
- state budget costs and trust Funds that count in Pension Fund;
- amounts from financial sanctions, applied according to legal and natural persons for violations of established calculation procedure and insurance contribution payments and usage of Pension Funds and also the amounts of administrative penalties, imposed according to legislation on officials and citizens for these violations;
- legal and natural persons' donations;
- other earnings in accordance with legislation.

All incomes that are mobilized in UPF can be divided into own and transferred. Own incomes – earnings in the form of enterprises, institutions and citizens mandatory and voluntary contribution, incomes from investments and earnings in the form of financial sanctions that as a rule have to create the vast majority of the part fund earnings (90 %). In the structure of own earnings over 80 % belong to obligatory contributions to the subjects of enterprise activity. These are enterprise, budget and public institutions and natural persons' contributions set by Ukrainian legislation to UPF. Their volumes depend on the expenditure amount on payment for work paid to workers.

Fundraising to PAYG of pensions is centralized that simplifies procedures of enforcement for payers and the control by the state regulator and provides high effectiveness of interventions application on offenders.

Such way of collective insurance contributions represents the best world practice, it completely fits in nowadays-domestic realities, provides the best possibility of the state control and indirectly encourages to simplification of entrepreneurship conditions.

Transferred incomes are costs that are transferred to the fund from the budgets and target institutions, that are resources transferred to UPF with the aim of pension payments providing that finance due the state budget or social insurance funds. Transfer of such funds is caused by earnings mobilization for providing of these costs conducts by budget institutions and their performer is UPF.

At this stage of system pensions development the issue of financial capability at Pension fund sharpens for the performers' payment despite of rapid increasing UPF budget in 2000–2013. In the *table*, you can see total amount of earnings to Ukrainian Pension Fund that constantly were increasing in 2000–2013. Thus, UPF incomes increased at 2.33 billion UAH in 2001 compared to the previous year, in 2002 – 5.80 billion UAH, 2003 – 3.01 billion UAH, 2004 – 10.91 billion UAH, 2005 – 12.98 billion UAH and 2006 – 13.72 billion UAH. Recorded rapid revenues increase of pension insurance PAYG at 32.73 billion UAH in 2007, that is in 1.52 times more than in 2006. In 2008 – 52.18 billion UAH (at 1.55 times more), that is 35.31 % compared to the previous year, 2009 – 3.29 billion UAH, 2010 – 14.61 billion UAH, 2011 – 27.78 billion UAH (at 1.17 times), 2012 – 22.17 billion UAH (at 1.12 times), in 2013 – 16.84 billion UAH. Increase is scheduled at 0.53 billion UAH in 2014, that is the smallest index during analyzing period.

Table

Composition and structure dynamics of pension receipts to PAYG in 2000–2013

Profits of pension fund	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Own receipts, including an account of remain, billion UAH	11.55	13.28	19.44	23.15	30.01	42.22	52.80	70.44	106.20	114.91	127.04	152.41	165.83	170.82
Money of the state budget of Ukraine, billion UAH	1.83	2.13	1.98	1.85	5.88	6.66	9.74	24.88	41.42	35.82	38.18	40.56	49.17	61.47
Money of state special purpose funds, billion UAH	0.75	0.76	0.84	0.27	0.29	0.28	0.34	0.29	0.17	0.35	0.47	0.50	0.64	0.19
Total profits, billion UAH	14.16*	16.46**	22.26	25.27	36.18	49.16	62.88	95.61	147.79	151.08	165.69	193.47	215.64	232.48
Share of pension receipts in GDP, %	8.31	8.06	9.86	9.45	10.48	11.14	11.56	13.27	15.59	16.54	15.31	14.86	15.28	15.98
Share in total, %:														
own receipts	81.74	80.68	87.33	91.61	82.95	85.88	83.97	73.67	71.86	76.06	76.67	78.78	76.90	73.48
money of the State Budget	12.95	12.94	8.90	7.32	16.25	13.55	15.49	26.02	28.03	23.71	23.04	20.96	22.80	26.44
money of state special purpose funds	5.31	4.62	3.77	1.07	0.80	0.57	0.54	0.30	0.12	0.23	0.28	0.26	0.30	0.08

* In 2000 add 0.03 billion UAH due to the money of local budgets on debt liquidation from payments on the care of child from 1.5 to 3 years old.

** In 2001 add 0.29 billion UAH due to credit resources on coverage of cash break.

Comparative analysis of earnings dynamics to UPF budget shows considerable increase in their volumes (earning part of pension insurance PAYG increased at 218.32 billion UAH), and also their proportion of GDP increase twice – from 8.31 % in 2000 to 15.92 % in 2013. Dynamics of the pension earnings proportion is shown at *figure 2*.

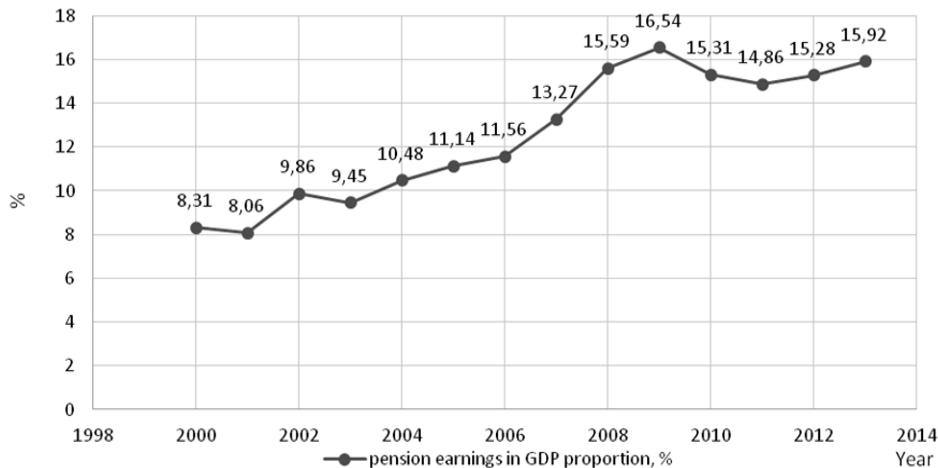


Figure 2. Ratio of income of Ukrainian Pension Fund and GDP, %
(calculated by the author according to data [9; 10])

As we can see from the table an increase of PAYG revenues resulted thank to increasing such sources of accumulation in UPF as own revenues and state public funds in the form of transfer payments.

The main part of earnings from which the first level of pension system is formed own revenues of UPF that rapidly increase every year from 2007. Thus, own revenues increased at 159.27 billion UAH in 2013 compared with 2000 and equaled 170.82 billion UAH that is 73.48 % from the total earnings amount in 2013. From 2000 until 2013 the biggest amount of own revenues was in 2013 that equaled 170.82 billion UAH and the smallest amount in 2000 – 11.55 billion UAH. Own revenues had the upper share in 2003 – 91.61 %, that is met due to formation of UPF income share.

Level of UPF income was increasing in the part of the Ukrainian state budget (USB) from 2000 until 2008. Revenues using USB equaled 41.42 billion UAH. From the beginning 2009 was recorded a tendency to the UPF financial reducing from the state budget that is positive for the UPF income share formation. Nevertheless, there was an increasing burden on the state budget and ratable UPF financial dependence from the state budget in 2010. So, USB earnings for pensions increased at 2.36 billion UAH in 2010 compared with 2009, in 2011 – increased at 2.38 billion UAH compared with the previous year, in 2012 – at 8.61 billion UAH, in 2013 –

at 12.3 billion UAH, that is in 1.25 times. The biggest index of USB earnings that are paid to UPF were recorded in 2013 – 61.47 billion UAH that is 26.44 % UPF total income in 2013. Planned payment orders from USB are bigger – 65.69 billion UAH.

Money from such trust funds as Social Insurance Fund from manufactured accidents and occupational diseases and Social Insurance Fund in the case of unemployment amount a small proportion during the formation of UPF income share relatively own earnings and transfers from USB.

For further identification of problem issues during the formation of UPF incomes, it is necessary to analyze the structure of pension earnings in PAYG for 2000–2013.

Despite the volume own incomes increasing in UPF, their share in the structure of sources reduced during 2000–2013 at 8.26 %. At the same time share income of the state budget increased at 13.5 % that is from 12.95 % in 2000 to 26.44 in 2013. This is negative tendency during the pension formation in Ukraine and shows increasing burden for USB and increasing dependence in general pension system from the state budget. Thus, there is a lack of own resources in pension income system, that is formed because of payments to enterprises, institutions and private persons according to the legislation. Therefore, transfers from the state budget to UPF were 1.83 billion UAH in 2000. They planned 65.69 billion UAH in 2014 that is 35.89 times more. The biggest volume of UPF budget filling at the expense of USB was recorded in 2008 (28.03 % from the total volume earnings).

Ratio volume analysis of UPF incomes gains a special attention with state budget costs in Ukraine without transfers' accounting for PAYG. UPF incomes were 43.99 % costs of USB in 2000 (32.12 billion UAH – without transfers to UPF). The ratio between the UPF incomes and USB costs without transfers' accounting were 43.61 % in 2005, 49.38 % – in 2006, 64.03 % – in 2007, 73.75 % – in 2008, that is increased at 9.72 % (200.39 billion UAH – without transfers to UPF), 72.99 % – in 2009, 62.43 % – in 2010, 73.62 % – in 2011, 62.24 % – in 2012, 64.88 % – in 2013, 61.06 % – in 2014. Therefore, the UPF resources were less twice compared with USB costs from 2000 until 2007, but their volume equaled to 75 % in 2008, 2009, 2011. If it continues UPF resources can exceed USB [11].

Under these conditions, PAYG financial ability depends on the state budget. This is because of violation of principles in obligatory pension insurance that are determined in article of the seventh Ukrainian Law №1058 about obligatory financing at the expense of UPF costs, related with pension payments and providing of social services, established by the existing legislation [12].

Thus, it is necessary to create definite conditions for UPF transformation at self-pay off organization and provide implementation of one of the principles related to obligatory pension insurance by increasing the

volume of own earnings. For the detection of reserves, increasing and optimization in the formation of UPF own earnings it is necessary to analyze their structure.

The increase of share earnings due to USB informs about occurrence of UPF gradually dependence from the budget money and insolvency of financial resources formed by own forces. Such UPF financial dependence from the state budget causes the budget-insurance fund in UPF. This formation of the first level pension system breaks the social insurance principles.

The situation related to the necessity of UPF covering deficit by to budget money and constant increase of transferred incomes indicates the narrowing possibilities of the state budget to finance health care, culture, education and science, that deteriorates material status in these spheres and social mood in general.

The formation of UPF incomes at the same time follows many losses related to a great amount of people that get pensions. There is also incorrectness of issues according to the base of insurance costs. All this leads to the PAYG imbalance and increasing of dependence from the Ukrainian state budget.

Despite constant increase in PAYG share income of pension insurance there is a lack of money in the UPF that is adverse to budget. Whereas there is the highest share accruals of obligatory contribution from the salary to the pension fund in Ukraine – in general 36.3–53.3 % (32.7–42.7 % the employer pays depending from the manufacturing risk, the employee pays 3.6 % by himself). It causes substantial burden on the employers, low level of tender declaration and increase of shady employment among the working-age population. That creates some difficulties in the Ukrainian pension fund formation. Except this, the part of taxes that is paid to the USB is transferred for the pension financing. In this context, it is very difficult to reach the whole lawfulness of incomes among working population.

Conclusion. The data of analysis in current situation at income share budget of Ukrainian pension fund lead to the necessity of creating long-term strategy for the pension system development. It's concerned with low financial effectiveness of the state pensions from own resources, thus progressive strengthening of misbalancing in UPF budget, increasing its dependence from the state-budget transfers, lag in pension income that was formed during the soviet pension legislation.

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Articles submitted to editors office of 08.10.2014.

Насібова О. Формування дохідної частини солідарної системи пенсійного страхування.

Постановка проблеми. Збільшення Пенсійного фонду є одним з найважливіших аспектів соціального захисту населення України. Постійне зростання соціальних стандартів на етапі реформування економіки вимагає збільшення доходів, які забезпечать потреби непрацездатного населення.

Аналіз останніх досліджень та публікацій. Значний внесок у дослідження питання дохідної частини пенсійного фонду зробили вітчизняні науковці Б. Зайчук [3], Є. Лібанова [4], В. Мельничук [1], Л. Ткаченко [2], О. Сміт, [5], Б. Надточій та ін.

Мета статті – проаналізувати механізм формування та особливості дохідної частини солідарної пенсійної системи шляхом проведення аналізу поточних фінансових умов пенсійної системи для виявлення ефективних шляхів її покращання.

Матеріали та методи. У науковій статті застосовано сукупність методів і підходів, які дозволили реалізувати концептуальну єдність дослідження. Діалектичний та структурний методи пізнання використано для розкриття сутності формування дохідної частини Пенсійного фонду України у системі

економічної циклічності; методи аналізу, синтезу, індукції та дедукції – для визначення особливостей утворення першого рівня пенсійної системи; методи аналогій, порівняння та статистичний – для виявлення резервів зростання і оптимізації формування доходів Пенсійного фонду України.

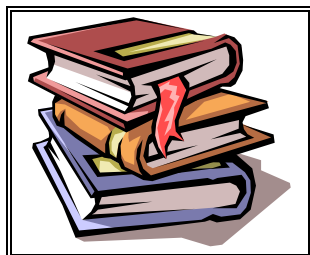
Результати дослідження. Аналіз складових та структури прибутку Пенсійного фонду України показав, що незважаючи на постійне зростання прибуткової частини страхових фондів солідарної пенсійної системи, цього недостатньо для наповнення пенсійного фонду. Зростаюча частка доходу з державного бюджету свідчить про постійну фінансову залежність бюджету Пенсійного фонду і зменшення власних фінансових ресурсів. Тобто Пенсійний фонд поступово стає бюджетно-гарантованим фондом, і процедура формування першого рівня пенсійної системи порушує принципи соціального страхування.

Потреба покривати дефіцит Пенсійного фонду за рахунок бюджетних коштів і постійне збільшення залученого прибутку призводить до скорочення фінансування з державного бюджету таких сфер, як охорона здоров'я, культура, освіта та наука.

Дохід Пенсійного фонду одночасно супроводжується втратами, пов'язаними з великою кількістю людей, які отримують привілейовані пенсії, невирішеними питаннями щодо основ пенсійного страхування, великим тягарем по фонду заробітної платні. Це все призводить до незбалансованості солідарної пенсійної системи, збільшує залежність від державного бюджету України.

Висновки. Аналіз даних поточного стану прибутку державного бюджету України показав необхідність вироблення довгострокової стратегії пенсійної системи. Це зумовлено неналежним забезпеченням фондів громадських пенсійних зобов'язань через свої власні джерела, і тому швидкозростаюча дерегуляція Пенсійного фонду збільшує його залежність від державного бюджету.

Ключові слова: пенсійне страхування, Пенсійний фонд України, власні прибутки, які трансформуються в дохід, пенсії, прибутки Пенсійного фонду України.



BOLOGNA PROCESS

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COMPETENCE-BASED MEASUREMENT OF HIGHER EDUCATION QUALITY

The article studies the essence of higher education quality and the basic principles of its management system, advanced tools to estimate its level, the tasks of high school to ensure the required level of quality according to the content, conditions and learning outcomes, effectiveness of the motivation mechanism and career objectives.

Keywords: higher education quality, competence-based approach, competence, potential of competitiveness, quality standards, educational engineering, fundamentalization of higher education, professional training, learning-doing model, the national qualifications framework.

Гуляева Н. Компетентностное измерение качества высшего образования. Исследована сущность качества высшего образования и основные принципы построения системы управления ею, современные инструменты оценки ее уровня, задачи высшей школы по обеспечению необходимого уровня качества в соответствии с содержанием, условиями и результатами обучения, эффективностью мотивационного механизма и профессиональной ориентации.

Ключевые слова: качество высшего образования, компетентностный подход, компетенция, потенциал конкурентоспособности, стандарты качества, педагогическая инженерия, фундаментализация высшего образования, профессиональные квалификации, модель обучения действием, национальная рамка квалификации.

*"Knowledge is useless without reasoning,
and reasoning without knowledge is dangerous "
Confucius.*

Background. Evolution of quality theory, its interpretation in the field of higher education, establishing measurement instruments and planning, development of criteria and raising the level are the subject of modern scientific discussion and the formation of regulatory framework of administration.

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Structuring the process of assessing the higher education quality, based on social and economic approach to outcome measuring, allows to determine the right direction and design of the quality management system in higher educational institutions based on accepted model of a modern specialist training.

Educational professional community of Europe prefers competence-based model which, unlike a content-based one, largely ensures completeness of parameters and assessment tools and incentives to improve the quality of training.

Different scenarios of graduates' competence of higher educational institution form the basis not only to developing modern regulations to standardize the evaluation process in all aspects, but also to determining areas of training content improvement, training and diagnosis of students' knowledge, their interaction with employers, which creates real prerequisites to consolidate competitive potential of all participants of this process.

Analysis of recent research and publications. Development of higher education, globalization of educational environment require creation of basic conditions of comparability and organic parameters of national educational structures; these are the most urgent issues that are studied intensively by domestic and foreign scholars, teachers, practitioners, professional employers environment.

A newly-formed paradigm of higher education determines the quality as the core category that is formed and evaluated according to certain criteria and approaches. This issues are considered in the works of V. Viktorov [1], S. Honcharenko [2], I. Chemeris [3], A. Lokshyna [4], A. Pospelov, S. Kalnei [5], A. Kupavtsev [6], J. Ramen [7], S. Merkulov [8], D. Dzvinchuk [9], A. Markov, A. Chuchalin et al.

This field of research is dynamic, and this feature is stipulated by the need to systematize the already found assessment tools and incentives to improve the quality of specialists with higher education training.

The aim of the article is to systematize the main approaches to assessing the higher education quality, its essential features, to reveal the contents of the competence-based approach as adopted in the European environment under the new paradigm of training professionalization, to define basic terms of balancing training cycle and the life cycle of knowledge, building competitiveness potential of higher educational institution, and its graduates.

Materials and methods. The study was conducted using the following basic methods as theoretical synthesis, system analysis, induction based on scientific materials and periodicals.

Results. Quality as a complex description of the labour product considering such a scope as higher education has a clear social component due to its focus on the needs of the whole society, certain social strata or groups [10].

In the system of assessing the competitiveness of higher educational institution the quality of education provided is central and considered in

means of society correspondence to the content, conditions and learning outcomes, effectiveness, motivation mechanism and career objectives.

On the basis of the philosophical definition, quality is a combination of properties that makes an integrated unit with the object or phenomenon, inseparable from it, and is the condition of its existence [11]. That desire to improve the quality of the object is essentially a desire to improve the object itself. It is this approach that helps to achieve a systematic theoretical understanding of the process of improving the higher education quality.

It is a mistake to direct the process of improving higher education by an economic measurement result only, i.e. from the standpoint of the consumer (employer, student, to some extent). A large social evaluation component requires graduate of a higher educational institution to achieve a certain level of spiritual development, high personal characteristics, including professional in accordance with applicable regulations, standards, and criteria of community intelligence reflection. So, projecting the following considerations regarding the improvement of the higher education quality, it is necessary to study it as a process of higher education improvement.

According to a general approach, assessment, and hence the way of improving the higher education quality, is materialized in improving system mechanism that can be structured in such conceptual blocks:

- quality of teaching resources, including didactic, logistical, organizational and information base of the educational process;
- quality of scientific and pedagogical staff;
- quality of Learning Objects (basic formation and the ability to practice, the development of personal qualities), etc. [1].

The dual nature of assessing the higher education quality – correspondence to education standards of society and the requirements of customers – is the basis of principles (guidelines) on quality assurance in the European Higher Education Area (EHEA), adopted at a conference in the city of Bergen (September 2005), where components of the education quality include:

- quality of values, norms and objectives required by various consumer groups (students, employers, workers of high school, the economy as a whole);
- quality of conditions characterizing the logistical and information training base, the quality of educational and vocational programs, the initial training of graduates and students;
- the quality of the process that emphasizes the learning content quality (quality of educational and vocational programs, disciplines and their methodological support) and quality of education technologies (availability of innovative components);
- quality of results, measured through the level of graduates training, their perception of the labor market [12].

Creating a quality management system based on the criteria of international quality standards ISO 9000: 2001 in a higher educational institution is a sign of the existing system of management potential and competi-

tiveness. Moreover, such a system should include a monitoring process of all the objects of quality management education, both of the educational process itself and resource provision, and of the result quality from the prospective of consumers and the state estimation.

Construction of the Quality Management System of Higher Education is derived from the process of developing the model of modern specialist training. The appropriate model of such a system should meet the dynamic model of economic development and predict qualitative changes not only of learners (subjects of the educational process), but of the curriculum (the domain objects). Modern teaching engineering offers several models of modern specialist training – content-, structure-, competence-based, which are aimed at developing functional and content components of mental activity of higher educational institutions graduate (HEIs).

The basic model of training in EHEA field is a competence-based model that provides the greatest completeness of criteria, requirements and tools for assessing the quality of higher education and incentives to improve it.

On the basis of the fact that the education quality is determined by the consumer through a graduate degree of adaptation to external demands it is necessary to find such an assessment component which may reflect the willingness and ability of trained professionals to self-analysis, self-improvement and self-development in the professional field and provide a qualitative description of the training results.

The descriptors of the European Qualifications give the following instruments measuring the quality of education as competence (people's ability to use various elements of knowledge and skills in a particular context) and professional competence (professional and statutory opportunities to implement public, social and personal responsibilities in professional activities). In such a case professional competence is seen as a personal professional ability to constructive work within the professional competence.

That is, according to the higher education new paradigm the main task of higher educational institutions is to ensure readiness (competence) and ability (professional integrity) of specialists to realize their professional credentials in practice using the chosen model of training, as opposed to the qualification approach when the formation of a body of knowledge, skills, practical skills of reproductive nature is considered to be a sufficient outcome of studies.

This is a competence-based approach that forms a methodological framework to develop the individual learning trajectories, to implement the principle of the Bologna movement – learning through the whole life (*life long learning (LLL)*), to reconstruct the training content, organization of educational process and its technological support, transformation methods block moving upward from a previous educational qualification (educational and professional) level to the next one.

High dynamics of contemporary processes, rather short lifetime of intellectual products, and a high proportion of its innovative acceleration – all these features of modern human existence are usually comparable to the training cycle.

This competence-based approach based on the fundamentalization of higher education allows to create a sustainable professional viability of a graduate. One of the priorities of the Bologna higher education movement is its fundamental character.

Formation of general and professional competence of a future specialist on the basis of a fundamental level, in contrast to the empirical training is provided as a result of:

- mastery of his fundamental methodological, natural science and cultural knowledge, the ability to the value-semantic self-determination in the current social and cultural, information and professional environment;
- a developed theoretical way of thinking – integrity, consistency, problemativeness, logicity, dialectics, interactivity, predictability, reflexivity of professional thinking, etc. [2; 13].

Formed fundamental worldview attitude of a specialist should ensure the development of his/her intellectual potential to evaluate real economic situations and practical training component – the ability to adapt to specific practical realities as quickly as possible.

Refusal from the knowledge-based paradigm of education changes the system of its goals and objectives. That means the main thing is not the student's knowledge but his/her formed integral experience to solve the vital problems, to perform the professional functions, his/her capacity to social interaction.

There is a definition that professional qualifications is a specialist's potential ability to perform professional activities and competence forms his/her real ability [3]. In such terms, conditions for achieving professional qualifications based on competence are implemented through professional integrity and acquire high social value to the community is a major challenge of modern higher vocational education [4; 14].

Considering the educational process in the competence-based format, the famous British economist and consultant R. Revans (1970) offered the so-called learning-doing model. R. Revans identified the faster learning to be a basic principle of his model, when the rate of competencies acquisition, including those acquired at heuristic component, will exceed the rate of change in the environment, including a professional one [15].

Implementation of this model allows to balance the training cycle and the life cycle of knowledge, to strengthen the specialist competitiveness potential on the basis of fundamentalized contents of existing professional competencies [14].

Recognition of the competence-based approach to be the leading one in the organization of the educational process actualizes the problem of results evaluation, including quality of training.

Thus, according to this approach, the quality of training is considered to be the extent of compliance of the existing system of graduate competencies with a set standard – an adopted competence-based model [16].

Capacity (knowledge and skills) and readiness (experience) in today's activity models are defined to be the main components of competence, structured according to the overall approach as described below in *figure 1*.

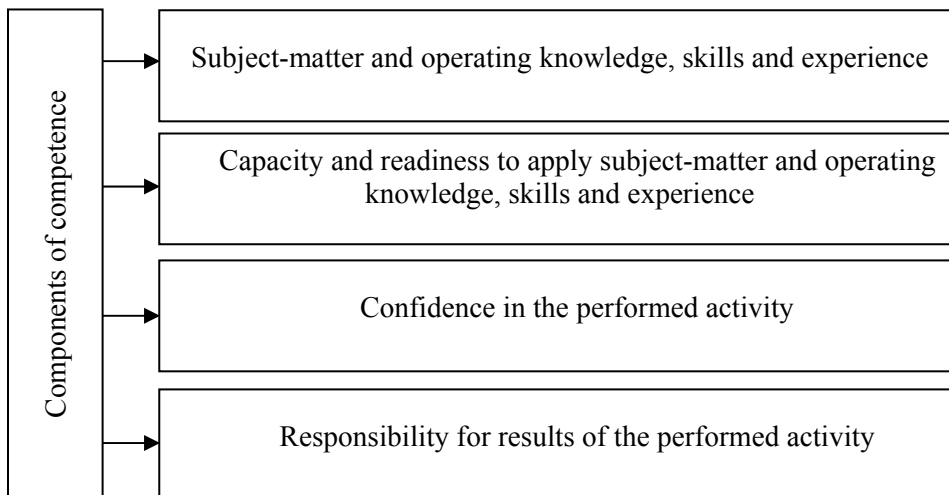


Figure 1. Structuring of specialist competencies according to the activity approach

Source: compiled from [17].

Current approaches to improving the education system is based largely on the so-called three-dimensional competence-based models that are built, for example, according to certain types of competencies (*figure 2*):

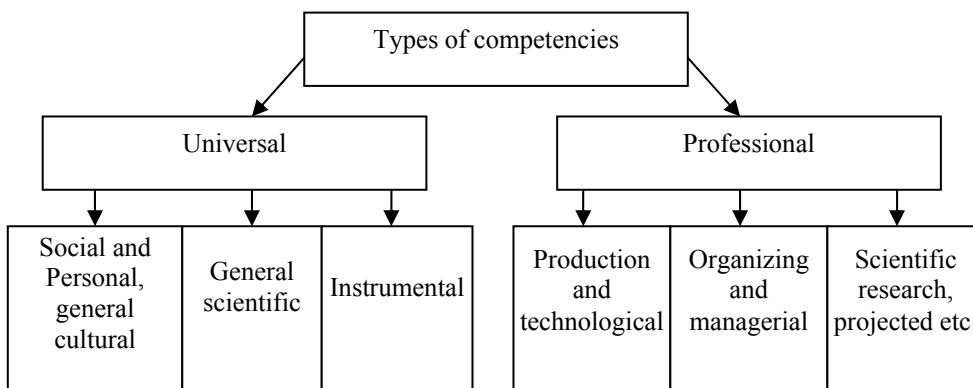


Figure 2. A competence-based model by V. Baydenko, Ju. Tatur and S. Korshunov [18]

Current industry-specific standards of higher education in Ukraine (EQC of Master's and Bachelor's degree) are developed according to a similar approach. It is not annulled even by the Law of Ukraine "On Higher Education" introduced in September 2014.

Structuring professional competencies, some authors suggest the following triad: key, basic and special competencies. The key competencies are treated as general ones necessary for social and productive activities, basic – as competencies in specific areas of professional activities and special – as necessary to solve a specific professional problem [17; 19].

It is widely used a structural composition of professional competencies according to professional field – methodology, pedagogy, research, calculation, communication, experience (cognition), information, etc. [8; 17].

To evaluate the outcome of a specialist training in the coordinates "competencies – qualification" it's necessary to develop an appropriate system of criteria, quantitative characteristics, benchmark levels. Is this procedure exhausted with the existing standardized tools of higher education quality diagnosis and other tools of students' knowledge assessment, used in higher educational institutions?

Despite the involvement of the leading practitioners in the relevant professional field, scholars to state certification, this stage of training quality diagnosis has the character of internal control. The completeness of training quality assessment is provided by the employers and university graduates conclusions, higher educational institution ratings they compile. Thus, it is important to determine the ability of the graduate to professional adaptation, its duration (the competencies experience component), the extent of his/her expectations to meet production and personal needs (motivation and evaluative aspect of assessment), his/her employment by specialty (realized competitiveness potential), and so on.

A research considering such training quality characteristics is usually carried out after the student graduation from higher educational institutions. Although such opportunities are available during his/her work experience internship and pre-diploma practice.

While making the assessment tools in this period, higher educational institutions rely on standardized requirements and qualification descriptors of educational qualification characteristics of specialists, which are developed in accordance with the National Qualifications Framework. Modern technologies of students' knowledge diagnosis and state certification envisage not the "knowledge-based" methodical base, but the "learning-doing" one. In such a case the results of this assessment really reveal the potential of training quality, the implementation of which is materialized after the employment of graduates as information structured on the criteria, characteristics, specific indicators can be obtained and analyzed with the help of various

means of feedback (expert way) – surveys, thematic roundtable discussions, webinars featuring employers, graduates, etc. This approach is rapidly being introduced in KNUTE.

The competence-based approach envisages that the results of feedback such as a real integrated characteristic of training quality should be laid in the base of educational programs development, strategic scientific and practical partnerships according to the systematic formation of the integrated set of professional and personal specialists' abilities that are able to act constructively in polyfunctional and polisubject environment.

Expanding the contents of education quality definition under the competence-based approach, it is necessary to include is not only the ability of the education product to meet the needs of the society (individual consumers) in a system of characteristics, but also the efficiency of its formation, which is assessed through the optimal unit costs for university training.

After the introduction of the new Law of Ukraine "On Higher Education" the issues of higher education quality acquire the nationwide status. It creates a national system that has both institutional and social components. It develops the new principles of higher education, the procedural provisions of its operation mechanism, which the basic principles of higher educational institutions are organic for.

High public confidence in higher education system of Ukraine is expressed in the law through declaring the principles of autonomy and self-government in the activities of the higher educational institutions, the expansion of their rights and duties, responsibilities.

Exercising the right of a higher educational institution to form the parameters of the financial and economic and other activities, to manage their own revenue, particularly that one from providing services on fee-paying basis is envisaged by a major functional – providing the highest quality of service, efficient use of all resources and to maximizing the social and economic impact.

Conclusion.

- Quality of education services provided, occupies a central position in the system of assessing the competitiveness of higher educational institutions, it has a clear social component, measured through the graduate achievement of a certain level of spiritual development, high personal characteristics, including professional ones;

- development of the quality management system of higher education is derived from the process of developing the model of modern specialist training that should correspond to the dynamic model of economic development;

- a competence-based model that measures the training quality through the assessment tools such as competence and professional competence has been adopted as a basic model of training on the territory of the European Higher Education Area;

- implementation of models of educational process organization in the competence-based format allows to balance the training cycle and the life cycle of knowledge, to build the graduate competitiveness potential on the basis of contents fundamentalization of professional competencies;
- in the implementation of competence-based approach such issues as the evaluation of specialist training outcome in the coordinates "competencies – qualification", creating the appropriate system of benchmarks, quantitative characteristics of reference levels are emphasized;
- after the introduction of the new Law of Ukraine "On Higher Education" the issues of higher education quality acquire the nationwide status, materialize in the national system, which has institutional and social components, correspond to basic principles of national higher educational institutions – autonomy and self-governance.

The ways of improving the system of modern specialists in the new paradigm of higher education on the basis of quality criteria allow to create a nationwide system mechanisms of developing and monitoring the professional characteristics of graduates using such measurement tools as experience and competence, to target higher educational institutions of Ukraine to rational approaches of competitiveness capacity consolidation in the construction of their educational process and their own work in general.

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Гуляєва Н. Компетентнісний вимір якості вищої освіти.

Постановка проблеми. Еволюція теорії якості, її тлумачення у сфері вищої освіти, створення інструментарію виміру і планування, розвиток системи критеріїв і напрямів підвищення рівня є предметом сучасної наукової дискусії і формування нормативної бази адміністрування. На основі різних сценаріїв формування компетентностей випускника вищого навчального закладу визначаються напрями вдосконалення змісту підготовки, організації навчання і діагностики знань студентів, взаємодії з роботодавцями, що створює реальні передумови зміцнення потенціалу конкурентоспроможності всіх учасників цього процесу.

Аналіз останніх досліджень і публікацій. Розвиток системи вищої освіти, глобалізація освітнього середовища вимагає створення базисних умов зіставності й органічності параметрів національних освітніх конструкцій, і це є найактуальнішими питаннями, які інтенсивно досліджуються вітчизняними і зарубіжними науковцями, викладачами-практиками, професійним середовищем роботодавців.

Мета статті – систематизувати основні підходи до оцінки якості вищої освіти, її сутнісних ознак, розкрити зміст компетентнісного підходу як прийнятого в Європейському просторі за новою парадигмою професіоналізації підготовки, визначити базисні умови врівноваження циклу підготовки і життєвого циклу знань, формування потенціалу конкурентоспроможності як вищого навчального закладу, так і його випускника.

Матеріали та методи. Застосовано наукові методи теоретичного узагальнення, системного аналізу, індукції, наукові та періодичні видання.

Результати дослідження. Досліджено сутність якості вищої освіти і основні принципи побудови системи управління нею, сучасні інструменти оцінки її рівня, завдання вищої школи із забезпечення необхідного рівня якості відповідно до змісту, умов і результатів навчання, ефективності мотиваційного механізму і професійної орієнтації.

Висновки. Визначені напрями вдосконалення системи підготовки сучасних фахівців за новою парадигмою вищої освіти на основі критеріїв якості дозволять у національному масштабі створити системні механізми формування і моніторингу професійних характеристик випускників з використанням таких інструментів виміру, як компетентність і компетенція, орієнтувати вищі навчальні заклади України у конструюванні навчального процесу і у власній діяльності в цілому на раціональні підходи зміцнення потенціалу конкурентоспроможності.

Ключові слова: якість вищої освіти, компетентнісний підхід, компетенція, потенціал конкурентоспроможності, стандарти якості, педагогічна інженерія, фундаменталізація вищої освіти, професійні кваліфікації, модель навчання дією, національна рамка кваліфікацій.