



Scientific Center of Innovative  
Researches  
(Tallinn, Estonia)



Academy of International  
Business and Technology  
(Prague, Czech Republic)



«KROK» University  
(Kyiv, Ukraine)

# 2nd International conference on economics, accounting and finance

November 05, 2021

*Tallinn, Estonia*

### CONFERENCE ORGANIZERS AND SPONSORS:

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**THE PROGRAM**  
**of the 2nd International conference on economics, accounting and finance (ICEAF)**  
**(November 05, 2021)**

Time	Name&Title
2021-11-05	On-line conference
<b>KEY SPEAKERS</b>	
10:05 AM	<i>Alla Dombrovska</i> BLOCKCHAIN AND INTELLECTUAL PROPERTY
10:20 AM	<i>Volodymyr Marchenko</i> APPLICATION OF BLOCKCHAIN TECHNOLOGIES IN PUBLIC ADMINISTRATION
10:40 AM	<i>Iryna Mihus</i> USING BLOCKCHAIN TECHNOLOGY TO PROTECT SHAREHOLDERS' PROPERTY RIGHTS
11:00 AM	<i>Olksandra Liashenko</i> ECOLOGIZATION OF STRATEGIC ENTERPRISE MANAGEMENT
11:20 AM	<i>Sergiy Shcherbyna</i> MODERN ASPECTS OF UKRAINE'S FOOD SECURITY IN THE CONTEXT OF EUROPEAN INTEGRATION
11:40 AM	<i>Liudmyla Melko, Ganna Uvarova</i> BLOCKCHAIN TECHNOLOGY IN THE TOURIST SPHERE: REALITIES OF TODAY

**SECTION 1. MODERN ASPECTS OF ECONOMIC DEVELOPMENT OF THE STATE AND ENTERPRISES**

12:00 PM	<i>Oksana Morhulets, Antonina Verhun, Julia Bondarchuk</i> CREATIVE INDUSTRIES DEVELOPMENT AS BASIS FOR ECONOMIC DEVELOPMENT OF UKRAINE
12:05 PM	<i>Mykola Denysenko, Zoryna Yurynets, Yulia Biriukova</i> ECONOMICS OF TOURIST HOTEL BUSINESS
12:10 PM	<i>Mykola Denysenko, Zorina Shatska</i> FUNCTIONS OF BUSINESS STRUCTURES IN THE DEVELOPMENT OF THE NATIONAL AND WORLD ECONOMY
12:15 PM	<i>Iryna Radionova, Iryna Trots</i> IT COMPANIES PLATFORMS AS A SUBJECT OF "CREATOR ECONOMY"
12:20 PM	<i>Ljudmila Shumak, Alexander Filippov</i> MODERN ASPECTS OF MANAGING THE ECONOMICS OF DESIGN ENTERPRISES
12:25 PM	<i>Nataliia Shevchenko</i> PROBLEMS OF MANAGEMENT INVESTMENT CASH FLOW BY UKRAINIAN JOINT STOCK COMPANIES
12:30 PM	<i>Iryna Mala</i> IMPROVING THE EFFICIENCY OF THE MANAGEMENT OF THE METALLURGICAL ENTERPRISE
12:35 PM	<i>Oksana Kyrychenko</i> IMPLEMENTATION OF VENTURE FINANCING TOOLS FOR INNOVATIVE INDUSTRIAL DEVELOPMENT PROJECTS
12:40 PM	<i>Olena Bielova, Iryna Rybalko</i> CLIMATE AND ENVIRONMENTAL MANAGEMENT AS THE BASIS FOR SUSTAINABLE DEVELOPMENT OF A MODERN ENTERPRISE

- 12:45 PM *Zinaida Zhyvko, Muhammad Uhaib As'ad*  
BUSINESS SECURITY SYSTEM AND COMMUNICATIONS
- 12:50 PM *Marta Karpa, Oleksandr Akimov, Liudmyla Akimova*  
PROBLEMS OF INFORMATION SPACE MANAGEMENT IN THE PUBLIC  
SECTOR OF UKRAINE
- 12:55 PM *Liudmyla Shulhina*  
PERFORMANCE MARKETING AS A MODERN PARADIGM OF  
BUSINESS
- 01:00 PM *Andrii Ramskyi*  
FORMATION OF THE INFORMATION ECOSYSTEM OF THE  
UNIVERSITY IN THE TRENDS OF DEVELOPMENT OF THE DIGITAL  
ECONOMY
- 01:05 PM *Mykola Denysenko, Nataliia Lesiuta*  
PREREQUISITES FOR THE DEVELOPMENT OF SOCIAL  
ENTREPRENEURSHIP IN UKRAINE
- 01:10 PM *Iryna Burlakova, Oleksiy Sheviakov, Tetiana Kondes*  
COACHING AS A TOOL FOR THE FORMATION OF CORPORATE WELL-  
BEING
- 01:15 PM *Serhiy Petrukha*  
AGRARIAN-CONSTRUCTION CLUSTERS: SCHOLASTICITY OF  
ECONOMIC POLICY FACTORS AND IMPACT OF CORONA-CRISIS
- 01:20 PM *Nina Petrukha*  
REFLECTIONS OF ECO-INNOVATIONS IN CONSTRUCTION
- 01:25 PM *Yevgeniy Bobrov*  
DEMAND FOR CRITICAL MINERALS IN THE CONTEXT OF ENERGY  
SECURITY DURING THE TRANSITION TO CLEAN ENERGY
- 01:30 PM *Dmytro Bondarenko*  
NEW TRENDS OF BIOECONOMIC DEVELOPMENT THROUGH COVID-  
PRISM
- 01:35 PM *Oleksandr Hudenko*  
ALTERNATIVE DIRECTIONS OF THE ENTREPRENEURSHIP  
DEVELOPMENT FINANCING IN ZHYTOMYR REGION
- 01:40 PM *Dmitro Tkach*  
EXTERNAL FUNCTION OF THE STATE AS A CONSTITUTIONAL AND  
LEGAL CATEGORY
- 01:45 PM *Viktoriya Karyuk*  
ADVANTAGES OF USING BLOCKCHAIN TECHNOLOGIES IN THE  
ACTIVITY OF MODERN ENTREPRENEURSHIP STRUCTURES
- 01:50 PM *Kateryna Stakhova, Illia Demydonok*  
BEST PRACTICES OF PUBLIC-PRIVATE PARTNERSHIP ABROAD:  
EXPERIENCE FOR UKRAINE
- 01:55 PM *Anastasiia Mazur, Mykola Maltsev*  
DESTRUCTIONS OF SMALL AND MEDIUM AGRICULTURAL  
DEVELOPMENT IN UKRAINE
- 02:00 PM *Victoria Vorobiova*  
THE MAIN PROBLEMS OF THE AGRO-INDUSTRIAL COMPLEX OF  
UKRAINE AND WAYS TO OVERCOME THEM
- 02:05 PM *Nadiia Chayun*  
TUTORING: ESSENTIAL FUNDAMENTALS, PRACTICE, PERSPECTIVES
- 02:10 PM *Natalia Blaga*  
THE PRIORITY FIELDS OF INNOVATION DEVELOPMENT IN UKRAINE

- 02:15 PM *Viktor Alkema*  
PECULIARITIES OF APPLICATION OF MANAGEMENT ANALYSIS IN  
DIAGNOSIS OF SUPPLY CHAIN FUNCTIONING
- 02:20 PM *Serhiy Filatov*  
IMPACT OF SUPPLY CHAIN SECURITY ON THE DEVELOPMENT OF  
UKRAINE'S INTERNATIONAL TRANSPORT CORRIDORS
- 02:25 PM *Olexander Sumets*  
KEY ASPECT OF ORGANIZATION OF LOGISTICS COSTS ACCOUNTING  
AT PRODUCTION ENTERPRISES
- 02:30 PM *Ruslana Levkina, Yana Kotko, Artur Levkin*  
SUSTAINABLE DEVELOPMENT OF AGRICULTURAL ENTREPRENEURS
- 02:35 PM *Nataliia Gavkalova, Israel Oluvaseidayo Idris*  
DIRECTIONS OF IMPROVEMENT OF PUBLIC HEALTHCARE IN  
UKRAINE

## **SECTION 2. FINANCIAL, MANAGEMENT AND TAX ACCOUNTING: FROM THEORY TO PRACTICE**

- 02:40 PM *Maxim Barvinok*  
VIRTUAL MARKETING AS A MODERN TOOL OF COMMUNICATION OF  
THE ENTERPRISE
- 02:45 PM *Valeriia Loiko, Yelyzaveta Loiko*  
FEATURES OF MARKETING STRATEGY OF INTERNET PROMOTION OF  
SERVICES
- 02:50 PM *Svitlana Havryliuk*  
MODERN TRENDS OF OPERATING ACTIVITIES DEVELOPMENT OF  
TOURISM ENTERPRISES IN UKRAINE
- 02:55 PM *Svetlana Andros*  
INCREASING OPPORTUNITIES FOR AGRICULTURAL ENTERPRISES  
ACCESS TO FINANCING WITH STATE PARTICIPATION
- 03:00 PM *Igor Moshlak*  
MARKETING DIRECTION OF DEVELOPMENT OF SYSTEM OF  
ATTRACTION OF DIRECT FOREIGN INVESTMENTS ON THE  
ENTERPRISES
- 03:05 PM *Volodymyr Hobela, Halyna Leskiv*  
ROUND-TRIP INVESTMENTS AND OFFSHORING: THE RELATIONSHIP  
ANALYSIS
- 03:10 PM *Oksana Motuzenko*  
SECURITY OF THE INSURANCE MARKET OF UKRAINE IN THE  
REALITIES OF DEVELOPMENT AND ATTRACTION OF FOREIGN  
CAPITAL
- 03:15 PM *Stepan Melnyk, Solomia Vasylieva*  
THE ESSENCE AND PLACE OF INVESTMENT SECURITY IN THE  
SYSTEM OF ECONOMIC SECURITY
- 03:20 PM *Svitlana Greben*  
FEATURES OF STATE CONTROL OVER THE FINANCING OF  
VOCATIONAL EDUCATION IN UKRAINE
- 03:25 PM *Oleksandr Kushneruk, Nataliia Alekseienco*  
ECLECTICS OF TAX COMPLIANCE AND SUSTAINABLE  
DEVELOPMENT
- 03:30 PM *Olha Chumachenko, Vsevolod Bielanovskyi*  
FINANCIAL STATEMENTS IN FINANCIAL MANAGEMENT

- 03:35 PM *Olha Pylypenko, Valeria Zozulia*  
TARGETING THE INVESTMENT ACTIVITIES OF ENTERPRISES IN  
TERMS OF RISKS
- 03:40 PM *Ihor Rummyk, Darya Stepanchuk*  
FINANCIAL SECURITY OF THE ENTERPRISE IN MODERN ECONOMIC  
CONDITIONS
- 03:45 PM *Ivan Piskun, Kateryna Kotsuba*  
GENERAL DESCRIPTION OF MANUAL LABOUR AS AN  
ADMINISTRATIVE PENALTY

### **SECTION 3. FINANCIAL LEVERS OF DEVELOPMENT OF ENTERPRISES AND INSTITUTIONS**

- 03:50 PM *Sharad Kumar*  
EXAMINING FINANCIAL MANAGEMENT IN PROMOTING  
SUSTAINABLE BUSINESS PRACTICES & DEVELOPMENT
- 03:55 PM *Ihor Rummyk*  
CONTRADICTIONS OF ECONOMIC EVALUATION OF FINANCIAL  
ACTIVITY OF ENTERPRISES IN THE FIELD OF AGRIBUSINESS
- 04:00 PM *Victor Grushko*  
THE NEED TO REFORM THE COUNTRY'S PENSION SYSTEM
- 04:05 PM *Zinaida Zhyvko, Svitlana Rodchenko, Mariia Rodchenko*  
ENSURING ECONOMIC SECURITY OF THE STATE BY FINANCIAL  
INTELLIGENCE UNITS
- 04:10 PM *Mariia Tarasenko*  
ADVANCED EXPERIENCE OF DECENTRALIZATION AND  
DEVELOPMENT OF FINANCIAL CAPACITY OF LOCAL GOVERNMENT  
BODIES
- 04:15 PM *Anna Pazieieva*  
THE CURRENT STATE OF HEALTH INSURANCE DEVELOPMENT IN  
UKRAINE AND ITS PLACE IN THE SOCIAL PROTECTION SYSTEM
- 04:20 PM *Yana Koval*  
WAYS OF EFFECTIVE IMPLEMENTATION OF PUBLIC-PRIVATE  
PARTNERSHIP
- 04:25 PM *Nataliia Gavkalova, Danylo Yaremko*  
IMPROVING THE EFFICIENCY OF EXPENDITURE OF LOCAL BUDGETS  
OF UKRAINE
- 04:30 PM *Nataliia Litvin, Svitlana Tkalenko*  
PROSPECTS FOR ATTRACTING EUROPEAN INVESTMENT IN  
UKRAINE'S ECONOMY
- 04:40 PM Coffee Break
- 05:00 PM *Vasyl Moskov*  
**WORKSHOP "BLOCKCHAIN TECHNOLOGY AND ITS ROLE IN ECONOMIC  
AND SOCIAL PROCESSES"**

Discussion of the results of the conference and testing of knowledge gained during the workshop

## CONTENTS

<b>INTRODUCTION</b>	12
<b>SECTION 1. MODERN ASPECTS OF ECONOMIC DEVELOPMENT OF THE STATE AND ENTERPRISES</b>	13
CREATIVE INDUSTRIES DEVELOPMENT AS BASIS FOR ECONOMIC DEVELOPMENT OF UKRAINE <i>Oksana Morhulets, Antonina Verhun, Julia Bondarchuk</i>	14
ECONOMICS OF TOURIST HOTEL BUSINESS <i>Mykola Denysenko, Zoryna Yurynets, Yulia Biriukova</i>	16
FUNCTIONS OF BUSINESS STRUCTURES IN THE DEVELOPMENT OF THE NATIONAL AND WORLD ECONOMY <i>Mykola Denisenko, Zorina Shatska</i>	18
IT COMPANIES PLATFORMS AS A SUBJECT OF "CREATOR ECONOMY" <i>Iryna Radionova, Iryna Trots</i>	20
MODERN ASPECTS OF MANAGING THE ECONOMICS OF DESIGN ENTERPRISES <i>Ljudmila Shumak, Alexander Filippov</i>	23
PROBLEMS OF MANAGEMENT INVESTMENT CASH FLOW BY UKRAINIAN JOINT STOCK COMPANIES <i>Nataliia Shevchenko</i>	26
IMPROVING THE EFFICIENCY OF THE MANAGEMENT OF THE METALLURGICAL ENTERPRISE <i>Iryna Mala</i>	27
IMPLEMENTATION OF VENTURE FINANCING TOOLS FOR INNOVATIVE INDUSTRIAL DEVELOPMENT PROJECTS <i>Oksana Kyrychenko</i>	29
CLIMATE AND ENVIRONMENTAL MANAGEMENT AS THE BASIS FOR SUSTAINABLE DEVELOPMENT OF A MODERN ENTERPRISE <i>Olena Bielova, Iryna Rybalko</i>	31
BUSINESS SECURITY SYSTEM AND COMMUNICATIONS <i>Zinaida Zhyvko, Muhammad Uhaib As'ad</i>	33
PROBLEMS OF INFORMATION SPACE MANAGEMENT IN THE PUBLIC SECTOR OF UKRAINE <i>Marta Karpa, Oleksandr Akimov, Liudmyla Akimova</i>	35
PERFORMANCE MARKETING AS A MODERN PARADIGM OF BUSINESS <i>Liudmyla Shulhina</i>	38
FORMATION OF THE INFORMATION ECOSYSTEM OF THE UNIVERSITY IN THE TRENDS OF DEVELOPMENT OF THE DIGITAL ECONOMY <i>Andrii Ramskyi</i>	40
PREREQUISITES FOR THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN UKRAINE <i>Mykola Denysenko, Nataliia Lesiuta</i>	42
COACHING AS A TOOL FOR THE FORMATION OF CORPORATE WELL-BEING	

<i>Iryna Burlakova, Oleksiy Sheviakov, Tetiana Kondes</i>	44
AGRARIAN-CONSTRUCTION CLUSTERS: SCHOLASTICITY OF ECONOMIC POLICY FACTORS AND IMPACT OF CORONA-CRISIS	
<i>Serhiy Petrukha</i>	46
REFLECTIONS OF ECO-INNOVATIONS IN CONSTRUCTION	
<i>Nina Petrukha</i>	50
DEMAND FOR CRITICAL MINERALS IN THE CONTEXT OF ENERGY SECURITY DURING THE TRANSITION TO CLEAN ENERGY	
<i>Yevgeniy Bobrov</i>	53
NEW TRENDS OF BIOECONOMIC DEVELOPMENT THROUGH COVID-PRISM	
<i>Dmytro Bondarenko</i>	55
ALTERNATIVE DIRECTIONS OF THE ENTREPRENEURSHIP DEVELOPMENT FINANCING IN ZHYTOMYR REGION	
<i>Oleksandr Hudenko</i>	58
EXTERNAL FUNCTION OF THE STATE AS A CONSTITUTIONAL AND LEGAL CATEGORY	
<i>Dmitro Tkach</i>	60
ADVANTAGES OF USING BLOCKCHAIN TECHNOLOGIES IN THE ACTIVITY OF MODERN ENTREPRENEURSHIP STRUCTURES	
<i>Viktoriya Karyuk</i>	63
BEST PRACTICES OF PUBLIC-PRIVATE PARTNERSHIP ABROAD: EXPERIENCE FOR UKRAINE	
<i>Kateryna Stakhova, Illia Demydonok</i>	65
DESTRUCTIONS OF SMALL AND MEDIUM AGRICULTURAL DEVELOPMENT IN UKRAINE	
<i>Anastasiia Mazur, Mykola Maltsev</i>	69
THE MAIN PROBLEMS OF THE AGRO-INDUSTRIAL COMPLEX OF UKRAINE AND WAYS TO OVERCOME THEM	
<i>Victoria Vorobiova</i>	71
TUTORING: ESSENTIAL FUNDAMENTALS, PRACTICE, PERSPECTIVES	
<i>Nadiia Chayun</i>	73
MODERN ASPECTS OF UKRAINE'S FOOD SECURITY IN THE CONTEXT OF EUROPEAN INTEGRATION	
<i>Sergiy Shcherbyna</i>	75
ECOLOGIZATION OF STRATEGIC ENTERPRISE MANAGEMENT	
<i>Olksandra Liashenko, Ruslan Markov</i>	77
THE PRIORITY FIELDS OF INNOVATION DEVELOPMENT IN UKRAINE	
<i>Natalia Blaga</i>	78
PECULIARITIES OF APPLICATION OF MANAGEMENT ANALYSIS IN DIAGNOSIS OF SUPPLY CHAIN FUNCTIONING	
<i>Viktor Alkema</i>	80
IMPACT OF SUPPLY CHAIN SECURITY ON THE DEVELOPMENT OF UKRAINE'S	

INTERNATIONAL TRANSPORT CORRIDORS <i>Serhiy Filatov</i>	82
KEY ASPECT OF ORGANIZATION OF LOGISTICS COSTS ACCOUNTING AT PRODUCTION ENTERPRISES <i>Olexander Sumets</i>	84
USING BLOCKCHAIN TECHNOLOGY TO PROTECT SHAREHOLDERS' PROPERTY RIGHTS <i>Iryna Mihus</i>	86
SUSTAINABLE DEVELOPMENT OF AGRICULTURAL ENTREPRENEURS <i>Ruslana Levkina, Yana Kotko, Artur Levkin</i>	88
DIRECTIONS OF IMPROVEMENT OF PUBLIC HEALTHCARE IN UKRAINE <i>Nataliia Gavkalova, Israel Oluvaseidayo Idris</i>	90
BLOCKCHAIN TECHNOLOGY IN THE TOURIST SPHERE: REALITIES OF TODAY <i>Liudmyla Melko, Ganna Uvarova</i>	93
<b>SECTION 2. FINANCIAL, MANAGEMENT AND TAX ACCOUNTING: FROM THEORY TO PRACTICE</b>	95
VIRTUAL MARKETING AS A MODERN TOOL OF COMMUNICATION OF THE ENTERPRISE <i>Maxim Barvinok</i>	96
FEATURES OF MARKETING STRATEGY OF INTERNET PROMOTION OF SERVICES <i>Valeriia Loiko, Yelyzaveta Loiko</i>	98
MODERN TRENDS OF OPERATING ACTIVITIES DEVELOPMENT OF TOURISM ENTERPRISES IN UKRAINE <i>Svitlana Havryliuk</i>	100
INCREASING OPPORTUNITIES FOR AGRICULTURAL ENTERPRISES ACCESS TO FINANCING WITH STATE PARTICIPATION <i>Svetlana Andros</i>	102
Marketing direction of development of system of attraction of direct foreign investments on the enterprises <i>Igor Moshlak</i>	105
ROUND-TRIP INVESTMENTS AND OFFSHORING: THE RELATIONSHIP ANALYSIS <i>Volodymyr Hobela, Halyna Leskiv</i>	107
Security of the insurance market of Ukraine in the realities of development and attraction of foreign capital <i>Oksana Motuzenko</i>	109
THE ESSENCE AND PLACE OF INVESTMENT SECURITY IN THE SYSTEM OF ECONOMIC SECURITY <i>Stepan Melnyk, Solomia Vasylieva</i>	111
FEATURES OF STATE CONTROL OVER THE FINANCING OF VOCATIONAL EDUCATION IN UKRAINE	

<i>Svitlana Greben</i>	113
ECLECTICS OF TAX COMPLIANCE AND SUSTAINABLE DEVELOPMENT	
<i>Oleksandr Kushneruk, Nataliia Alekseienco</i>	115
FINANCIAL STATEMENTS IN FINANCIAL MANAGEMENT	
<i>Olha Chumachenko, Vsevolod Bielanovskyi</i>	117
TARGETING THE INVESTMENT ACTIVITIES OF ENTERPRISES IN TERMS OF RISKS	
<i>Olha Pylypenko, Valeria Zozulia</i>	119
FINANCIAL SECURITY OF THE ENTERPRISE IN MODERN ECONOMIC CONDITIONS	
<i>Ihor Rummyk, Darya Stepanchuk</i>	120
GENERAL DESCRIPTION OF MANUAL LABOUR AS AN ADMINISTRATIVE PENALTY	
<i>Ivan Piskun, Kateryna Kotsuba</i>	123
<b>SECTION 3. FINANCIAL LEVERS OF DEVELOPMENT OF ENTERPRISES AND INSTITUTIONS</b>	126
Examining Financial Management in Promoting Sustainable Business Practices & Development	
<i>Sharad Kumar</i>	127
CONTRADICTIONS OF ECONOMIC EVALUATION OF FINANCIAL ACTIVITY OF ENTERPRISES IN THE FIELD OF AGRIBUSINESS	
<i>Ihor Rummyk</i>	128
THE NEED TO REFORM THE COUNTRY'S PENSION SYSTEM	
<i>Victor Grushko</i>	130
ENSURING ECONOMIC SECURITY OF THE STATE BY FINANCIAL INTELLIGENCE UNITS	
<i>Zinaida Zhyvko, Svitlana Rodchenko, Mariia Rodchenko</i>	132
BLOCKCHAIN AND INTELLECTUAL PROPERTY	
<i>Alla Dombrovska</i>	135
APPLICATION OF BLOCKCHAIN TECHNOLOGIES IN PUBLIC ADMINISTRATION	
<i>Volodymyr Marchenko</i>	137
ADVANCED EXPERIENCE OF DECENTRALIZATION AND DEVELOPMENT OF FINANCIAL CAPACITY OF LOCAL GOVERNMENT BODIES	
<i>Mariia Tarasenko</i>	139
THE CURRENT STATE OF HEALTH INSURANCE DEVELOPMENT IN UKRAINE AND ITS PLACE IN THE SOCIAL PROTECTION SYSTEM	
<i>Anna Paziieieva</i>	142
WAYS OF EFFECTIVE IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIP	
<i>Yana Koval</i>	144
IMPROVING THE EFFICIENCY OF EXPENDITURE OF LOCAL BUDGETS OF UKRAINE	
<i>Nataliia Gavkalova, Danylo Yaremko</i>	147

PROSPECTS FOR ATTRACTING EUROPEAN INVESTMENT IN UKRAINE'S  
ECONOMY

*Nataliia Litvin, Svitlana Tkalenko*

150

## INTRODUCTION

*The economic system is the basis of development of any state. And economic relations between different actors directly affect the development of society as a whole.*

*The economic crises that arise from time to time in different countries cannot be stopped without knowledge of economics, accounting and finance. Our conference is dedicated to these issues.*

*Due to the COVID-19 pandemic, we are holding our conference online for the second year in a row.*

*During the 2nd International Conference on Economics, Accounting and Finance (ICEAF), keynote speakers were scholars who spoke about the possibilities of using blockchain technologies in finance, public administration, intellectual property protection and education.*

*The traditional continuation of the conference was the workshop "Blockchain technology and its role in economic and social processes" by Vasyl Moskov, Ph.D. professor, rector of Academy of International Business and Technology (Prague, Czech Republic).*

*I hope that our International Conference on Economics, Accounting and Finance (ICEAF) will be an annual platform for discussing economics, accounting and finance.*

*As Chair of the International Conference on Economics, Accounting and Finance (ICEAF), it is a great pleasure and honor to welcome you all to the first edition of our conference!*

*Tallinn, Estonia  
November 05, 2021*

*Iryna Mihus, ICEAF'2021 Chair*

# **SECTION 1**

## **Modern aspects of economic development of the state and enterprises**

## CREATIVE INDUSTRIES DEVELOPMENT AS BASIS FOR ECONOMIC DEVELOPMENT OF UKRAINE

**Oksana Morhulets<sup>1</sup>, Antonina Verhun<sup>2</sup>, Julia Bondarchuk**

<sup>1</sup>D.Sc. (Economics), Professor, Kyiv National University of Technologies and Design, Kyiv, ORCID: <https://orcid.org/0000-0001-6530-1478>

<sup>2</sup>PhD in Economics, Associate Professor, Kyiv national university of technologies and design, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-2825-9511>

<sup>3</sup>PhD in Philology, Associate Professor, Kyiv national university of technologies and design, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-4851-8701>

In 2019, the United Nations General Assembly declared 2021 the International Year of the Creative Economy for Sustainable Development, recognizing the growing role of the creative industry in the economic development of both developed and developing countries. The importance of CI, which lies at the crossroads of art, business and technology, is constantly growing, they have become a strategic direction for increasing competitiveness, productivity, employment and sustainable economic growth (UNCTAD 2019) [1, 2].

Creative industries are types of economic activities aimed at creating added value and jobs through cultural (artistic) and / or creative expression, respectively, their products and services are the result of individual or joint creativity, skills and talent [3].

These economic activities include activities that are directly related to the creation of a creative product. At the same time, a significant contribution to the creative economy is made by related areas that provide support, facilitate, service and / or enable the creation, production and distribution of a product generated by the creative industries.

UNESCO has defined the creative industries as industries whose purpose

is to “create, produce and commercialize creative content that are intangible and cultural in nature”.

The contribution of creative industries to Ukraine's economy is growing rapidly. The number of economic entities (EEs) gradually increased in all sectors of the creative industries during 2019-2020; despite quarantine measures in 2020, the registration of new EEs and the opening of new businesses did not stop.

In 2019, the gross value added of creative industries amounted to 117.2 billion UAH (or 3.95% of total value added). In total, in 2019, CIs employed 352 thousand people, or 3.8% of employees, and compared to 2013, the growth was almost 40% [4, 5].

In absolute terms, the largest increase in the number of EEs showed the following TOP-5 sectors: new media and IT; advertising, marketing, PR; design; audio-visual art; visual art [5].

It can be concluded that these sectors have suffered the greatest losses from the introduction of quarantine measures. In 2020, businesses in the creative industries paid taxes in the amount of 26 billion UAH - nominally 15.8% more than in 2019 [5].

The role of creative industries is growing in Ukraine's international trade, in particular in trade of services.

Exports of creative services (30% of total exports of services) are growing rapidly. Compared to 2013, exports of creative services increased by 68% to 5.4 billion dollars. The United States prosper due to the rapid growth of computer services, while exports of other services are still 36.7% less than in 2013 [4].

The main directions of creative goods export are Germany, the Russian Federation, Poland, Denmark, Belarus and Latvia. The largest suppliers of creative goods to Ukraine are China, Turkey, Poland, Germany and Italy.

Over the last two decades, there has been a growing understanding of the importance of creative industries for society and the economy through the dissemination of concepts, ideas, skills, knowledge, which contribute to the development of innovation, technological progress, quality of life, etc. In particular, creative industries are important drivers of economic and social innovation in the economy. Creative industries contribute to the introduction of new ideas and technologies in other sectors, increase their productivity and competitiveness.

**Keywords:** creative economy, creative industries, economic and social innovations in economics.

### References:

1. UNCTAD, 2019. How the creative economy can help power development. <https://unctad.org/news/how-creative-economy-can-help-power-development>
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## ECONOMICS OF TOURIST HOTEL BUSINESS

**Mykola Denysenko, Zoryna Yurynets, Yulia Biriukova**

<sup>1</sup>*Doctor of Science (Economics), Professor, Professor of the Department of Economics and Services, Kyiv National University of Technologies and Design, Kyiv, Ukraine, email: profden3@gmail.com, ORCID: <https://orcid.org/0000-0001-8767-9762>*

<sup>2</sup>*Doctor of Economic Sciences, Professor of the Department of Management, Ivan Franko Lviv National University, Lviv, Ukraine, e-mail: zoryna\_yur@ukr.net, ORCID: <https://orcid.org/0000-0001-9027-2349>*

<sup>3</sup>*Graduate student of the Department of Economics and Service, Kyiv National University of Technology and Design, Kyiv, Ukraine, e-mail: shevchuk.ya@knu.d.edu.ua, ORCID: <https://orcid.org/0000-0003-4860-1676>*

In modern society, the tourist hotel business is a major factor and element of tourism infrastructure and services. The state of the tourist hotel business has a strong influence on the creation of tourist and hotel services and the development of key elements of the national economy (trade, transport, telecommunications, communications, construction, etc.). Therefore, the economics of tourism hotel business has an impact on economic transformations in any country.

In our opinion, the tourist hotel business is a complex of multifunctional type of economic activity that provides hotel and tourist services [1].

The main goal of the tourism hotel business is to provide accommodation, food, etc. and get the maximum profit in the long run.

The economics of tourism hotel business is the organization and management of the development of the tourist hotel business, the process of purposeful influence of managers on the tourist hotel business.

The economics of tourism hotel business is based on approaches that have undergone changes in society over a long period of time. The tourism hotel business is closely linked to culture, travel, social connections and communications. The tourist hotel

business reflects the cultural features of different eras and peoples. Cultural features are embodied in accommodation, methods and models of guest service.

The main factors of the economics of tourism hotel business are: scientific and technological progress, economic and social factors, cultural and political factors, natural resources and historical factors.

Tourist hotels must consist of a minimum number of hotel rooms and provide a variety of tourist and hotel services. The minimum number of hotel rooms is determined by the legal documents of the country. This is the difference between tourist hotels and other accommodation facilities.

The complex tourist hotel product can be divided into two parts: tangible and intangible services [2]. The tangible services include the number of rooms, furniture, interior, equipment, food, etc. An intangibles services include service, atmosphere, initiative, hospitality, friendliness, etc. Tourist hotel service acquires the meaning of a product (the result of human labor), which is provided to the tourist during his stay in the hotel and is an element of the tourist product [3].

In the enterprises of tourist hotel business all accommodation services, restaurant services and other additional

services complement each other. In most cases, all services are interdependent and accepted by the tourist as a unit.

A tourist hotel develops a certain type of hotel product, which depends on the combined set of services. A certain type of tourist hotel business (business hotel, family hotel, ski resort hotel, motel, camping, etc.) is formed according to the following factors:

location of the tourist hotel, contingent of tourists, purpose of stay, social orientation of the consumer, length of stay. That is why the properties of a tourist hotel product depend on the type and category of tourist hotel business and a combined set of services.

The economics of tourism hotel business still needs further study by scientists.

**Keywords:** society, tourist, hotel, business, hotel services, development.

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## **FUNCTIONS OF BUSINESS STRUCTURES IN THE DEVELOPMENT OF THE NATIONAL AND WORLD ECONOMY**

**Mykola Denysenko<sup>1</sup>, Zorina Shatska<sup>2</sup>**

*<sup>1</sup>Doctor of Science (Economics), Professor, Professor of the Economics and Services Department, Kyiv National University of Technology and Design, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-8767-9762>*

*<sup>2</sup>Ph.D.(Economics), Associate Professor at the Department of economics and services, Kyiv National University of Technology and Design, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-1600-1481>*

The impact of globalization process leads to the reformatting of the structure of the world community, resulting in the transformation of enterprises with a simultaneous transition to more effective forms, which are the business structure. Moreover, "the company alone may have certain achievements in a particular area, but the achievement of real success and profit depends on cooperation with other businesses that carry out related activities in the field" [1]. Under the business structure understand the voluntary association of several enterprises of different forms of ownership and individual business entities, which takes place on the basis of entrepreneurship in a single complex open system operating in a globalized environment, combining the interests of participating companies in order to develop and commercialize innovative products [3, p.111-124]. That is why the need to ensure sustainable development of enterprises in the context of globalization, puts forward in the first place the need to unite them and create new forms of integration in the form of business structures [2, p.138-65].

Business structures are a key part of economic development, perform certain functions, which are based not only on economic groups of functions, but also social and integration. The

innovative function promotes the application of innovative methods management of business structure, which gives impetus to the introduction of new methods of production, the transition to high-tech production, which meets the growing consumer demand. The resource function provides the introduction of energy-saving technologies, which facilitates the transition of the business structure high-tech production. The motivational function gives impetus to the use of new methods of stimulating the staff of the business structure, increasing the level of their skills, education, etc. The function of business structures in the development of the national economy is that these structures are one of the main sources of replenishment of the state budget. The social function is aimed at ensuring employment of the population, creating new jobs as one of the most powerful employers. The function of business structures in raising the level of education of the population is manifested through the implementation of training and retraining of employees in their own training centers. The function of business structures in solving social problems of mankind is aimed at reducing unemployment, etc.

Unlike traditional enterprises, business structures have a special class of functions - integration, which are

unique to these structures. The gradual process of merging enterprises into business structures contributes to the transformation of the competitive environment, in which integration processes transform national and world markets. Business structures have the function of creating new industries, which is manifested in the fact that the formation of such a structure is a reaction of enterprises to problems in the industry and attempts to overcome

them by merging. The function of business structures in accelerating scientific and technological progress is provided by their innovative activity, which contributes to the development and implementation of new technologies and products, which ensures the transition of the world economy to a higher technological level. Performing these functions, business structures contribute to the development of world economy.

**Keywords:** business; economics; development; business structures.

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## IT COMPANIES PLATFORMS AS A SUBJECT OF "CREATOR ECONOMY"

**Iryna Radionova<sup>1</sup>, Iryna Trots<sup>2</sup>**

<sup>1</sup>*Doctor of Economic Sciences, Prof. Habil., Kyiv National Economic University named after Vadym Hetman, Kyiv, Ukraine; Head of KROK University Theoretical and Applied Economics Chair, Kyiv, Ukraine, <https://orcid.org/0000-0002-0941-2867>*

<sup>2</sup>*Doctor of Philosophy (Economics), Associate Professor of KROK University Theoretical and Applied Economics Chair, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-9608-0591>*

The term "Creator Economy" began to be used by researchers in the 2010s. The new term reflects new features of the economy and new relationships between its subjects. An important point in the identification of the concept of "economy of creators" was the acknowledgment of the crucial influence of information technology and the corresponding information transformations of society.

There are numerous interpretations of the concept "creator economy" with an emphasis on the technical (technological) side of this phenomenon. In our opinion, it is no less important to focus on the economic aspect of this new phenomenon.

The emphasis on the economic aspect of the phenomenon of "creator economy" implies, at least, the following:

- recognition of the "creator economy" as a segment of modern national economy, which in a special way it is "embedded" in it, gradually changing the nature of the whole economy;
- the realization that the "creator economy" becomes part of the general economic cycle with special economic entities.

As part of the general economic circular flow, the "creator economy" can be characterized in terms of:

- features of the subjects which formed this particular segment of economic relations;
- features of resources, products, revenues and expenditures, the movement of which forms the content of the new segment of the economy.

The activities of the "creator economy" - the creators of new information, its consumers, interested in innovation and advertising of new business products - are made possible by the platforms of IT companies. As a result, IT platforms function as key players in the "economy" of creators. This means that they own production resources, create products, make expenditure and have revenues (incomes).

Factual data on 14 platforms, by stages of their origin (from those with a longer history, to the latest) and by areas of their application have been researched by us and presented in the scientific work [1, p.52-54]. In particular, IT platforms can be divided into two groups:

1. those that are mainly related to the fields of science, politics, journalism, education (Seti@home, Folding@home, Facebook, YouTube, Twitch, Medium, Patreon, Substrack);
2. those that are mostly related to the area of entertainment and media

(Twitter, Instagram, Sapchat, TikTok, OnlyFuns, Clubhouse).

In the already mentioned work [1], the authors on the basis of factual analysis made conclusions about the specific products, resources, revenues and costs of the platforms of the world's most famous IT companies. No less important is a similar, according to the same methodological approach, analysis of Ukrainian platforms.

The most well-known Ukrainian IT platforms are related to education sphere. These are Prometheus [2] and EdEra [3]. The defining features of the mentioned Ukrainian platforms include the following:

- rapid expansion of the circle of consumers of educational information products;
- rapid variability of content in terms of its content;
- adequate response to the current needs of consumers of educational services;
- taking into account the needs and interests of creators of new content and creating the necessary conditions for creativity in education.

The results of the analysis of the two Ukrainian platforms according to the main characteristics of their activity as economic entities are presented below.

### ***Prometheus***

#### **1. Resources:**

- The founders' own funds, grants, volunteer and sponsorship support, as well as the sales of certificates.
- Intellectual resources of the founders I. Primachenko and O. Molchanovsky and employees.

#### **2. Products:**

- Online courses at university level (200 courses), publications of the latest

methodological and scientific developments of creators – teachers and scientists.

#### **3. Expenditure:**

- On the IT setup process of online teaching.
- On electronic publications.
- To pay the fees of content creators (authors of courses, e-textbooks and other scientific and methodological literature).

#### **4. Revenues (Incomes):**

- From subscribers of paid online courses and consumers of electronic publications (about 1.8 million people)
- From private individuals through Patron. From sponsorship funds of public, international, governmental organizations.

### ***EdEra***

#### **1. Resources:**

- The founders' own funds, grants from UNDP, WNISEF and "Renaissance".
- Most of the funding comes from B2B orders - the team sets up online platforms for turn-key business, consults, creates content.

#### **2. Products:**

- Online courses of various educational levels, publications, interactive textbooks and other methodological developments of creators - teachers, lecturers and scientists.

#### **3. Expenditure:**

- On technical support and IT settings of the platform.
- To study modern learning technologies.
- On screenwriting, graphics and video work
- To pay royalties to the creators.

#### 4. Revenues (Incomes):

• From sponsorship funds international organizations and foundations, from public and private institutions, in particular, the United Nations Development Program in Ukraine, Osvitoria, EdCamp Ukraine, KSE, WNISEF, VoxUkraine, ImpactHubOdessa, UNICEF.

Analysis of the basic aspects of economic activity of the two educational Ukrainian IT platforms gives grounds for the following generalizations:

• all IT platforms become subjects of the economic cycle flow, and hence subjects of the "creator economy",

precisely because they possess certain production resources, some of which are unique; provide creation of unique information products; have traditional and non-traditional directions of expenses, as well as receive income in the form of payments for services by individual consumers of information products, interested businesses and charitable (sponsor) organizations;

• the two studied Ukrainian IT platforms do not fundamentally differ from international IT platforms in the main parameters of economic activity, namely as subjects of the new segment of national economy – the "creator economy".

**Keywords:** "creator economy"; economic circular flow; IT platforms; Prometheus; EdEra; educational Ukrainian IT platforms

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## MODERN ASPECTS OF MANAGING THE ECONOMICS OF DESIGN ENTERPRISES

**Ljudmila Shumak<sup>1</sup>, Alexander Filippov<sup>2</sup>**

<sup>1</sup>Postgraduate student of the Construction Economics Department, National University of Civil Engineering and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-5738-5744>

<sup>2</sup>Postgraduate student of the Construction Management Department, Kiev National University of Civil Engineering and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-4601-1966>

Examples of design enterprises: research institutes, design institutes, design bureaus, design bureaus, marketing and PR agencies, software development and supplier companies, consulting companies, and other programs. How to form a portfolio of projects for the future and assess the effectiveness of the implemented project, as well as stimulate performers and manage project costs, if the company's activities are organized according to project principles, and the main stages of project implementation are non-standard, creative in nature? The main activity of design enterprises is the implementation of projects.

The result of the project: report on the results of the study; structural, technological and design documentation; report with recommendations; advertising campaign, professional opinion, etc.

The costs of maintaining the project team in all cases constitute a significant part of the cost of the "product", as well as material costs and equipment costs. Today, the issue of managing the economics of design enterprises is an acute issue. In Soviet times, classical design enterprises (research institutes, design bureaus, design institutes) had no problems with managing the economy. The work plan, as well as the staff and payroll for the next year, were approved by the line ministries. Their economic independence was realized through the performance of contract work for individual enterprises and organizations. As a rule, the volume of such work was small.

Many project companies showed some inertia as soon as the country's economic model changed. Industrial and financial enterprises, which are characterized by a short and medium-term period of turnover, mastered the management of their economy at that time - to solve the issues of forecasting, pricing, planning, analysis and accounting of income and expenses.

Most of the classic design companies, for which the turnover period is long, work as before: pricing is estimated adjusted for current prices, the profit from the "symbolic", since the main one is from the lease of premises; self-financing of the boiler room.

In order not to develop the principles of the economic system in which the new principles of management work, enterprises of classical design ask the following questions:

1. Is the proposed project economically viable for the enterprise?
2. How profitable is the project business of the enterprise as a whole?
3. Is the project profitable?
4. How are the profitability of the enterprise as a whole and the profitability of the project related?
5. How to plan and take into account the resources used in the project, and first of all - the work of the staff?
6. Who of the employees is ballast, and who is effective?

New design analogue enterprises have appeared that did not have in Soviet times: marketing and PR-agencies, design bureaus, consulting companies, auditing,

appraisal and others, for which all of the above is also relevant.

The approach to pricing has changed dramatically:

1. Resource prices have become less stable.
2. The organizational and technical conditions for the performance of work have changed: the principles of interaction between performers, technologies, equipment, tools, materials.
3. For each market economic entity, the balance of work and resources is now brought together separately.
4. Nobody does standardization centrally.

Traditional costing today: a means of communication between the customer and the contractor. The only possible remedy under current conditions, although not always effective. Today, cost management and, in a broader sense, the management of the economy of a project enterprise as a whole and of an individual project is now a "personal" problem for each project enterprise. Estimated norms solve the problem of managing the proceeds of a project enterprise, and not its costs. They are tied to the result of the work, and not to the resource that operates it. Therefore, it is incorrect to use traditional estimates, even if they are adjusted for current prices. Enterprises that are built according to the design principle and the type of projects being implemented have proven themselves well in practice.

The following models of managing the economics of projects and project enterprises in general are possible.

"Piecework" model. 1. Nature of the projects: - The result of the project is a mass market product. - The result of the project has a relatively small added value. - There is a proven implementation of the project. - The project is of an applied nature. - There are generally accepted requirements for the project results or there is a fairly clear expectation regarding

the form of the project results. - The result of the project is achieved in the short term ("operational") perspective. - The project requires, as a rule, the participation of highly specialized performers. - Members of the project team perform relatively independent tasks; The composition of the project team will change during the course of the project. - The duration of the project is relatively short.

2. Availability of standards for cost and labor intensity: - There are generally accepted standards for cost and labor intensity of work that are used directly or at least can be adopted. as a basis.

3. The nature of the personnel of the project enterprise: - Employees with a psychological type of "practitioner" with dominant material motivation prevail. - The majority is accepted by employees with a narrow specialization. - The labor market is well represented by specialists with preferred qualifications. - The enterprise can quickly attract the necessary personnel.

4. Business position of the project company: - The company's income is unstable. - The company is a "profit center" and / or operates independently.

**Salary model.** 1. The nature of the projects: - The result of the project is unique, not widely disseminated in the market. - The result of the project has a great added value. - The project is non-standard. - The project is fundamental. - Requirements for project results are individual or the form of project results is determined. - The result of the project is achieved in the long term ("investment") perspective. - The project can be implemented by a group of small performers of a wide profile. - The project team practically does not change during the project and works together. - The duration of the project is relatively long.

2. Availability of norms and standards of cost and labor intensity: - The cost and

labor intensity of work is determined by specialists.

3. Personnel character of the project enterprise: - Employees with the psychological type “researcher” with dominant professional motivation prevail. - Employees with a wide specialization prevail. - Specialists with the required qualifications are unique and difficult to find in the labor market. - The organization should invest heavily in developing its own staff, achieving the required performance, and then retaining that staff.

4. Business position of the project company: - The company's income is stable. - The enterprise is a "cost center" in the holding and / or in a longer value chain, within which the income of the enterprise can be stabilized. The "salary" model allows you to increase the efficiency of employees, reduce costs and maintain a high level of responsibility of

the company's management for its business. “Piecework” model - a significant share of the responsibility for the lack of orders is shifted by the company to the employees.

Specialists lose control as people start crawling into places where there are orders. In the context of a shortage of personnel to solve such problems in the labor market and the importance of joint work on projects, this circumstance reduces the efficiency of the enterprise as a whole. Practice has shown that similar enterprises operating according to the “piecework” model are experiencing difficulties and leave the market. Under certain conditions, depending on the specifics of the project conditions being fulfilled, personnel and business situation of the enterprise, each of the models is effective. The analysis of these conditions helps the project company to choose the most suitable model for it.

**Keywords:** design; enterprises; consulting companies; project.

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## PROBLEMS OF MANAGEMENT INVESTMENT CASH FLOW BY UKRAINIAN JOINT STOCK COMPANIES

Nataliia Shevchenko<sup>1</sup>

<sup>1</sup>Teacher, Ukraine

Modern joint stock companies are active participants in the stock market. Joint stock companies carry out two main activities in the stock market - as issuers of securities and investors. At the same time, they try to effectively manage incoming and outgoing cash flows.

In economic literature, investment cash flow is determined as totality of money that came from the sale of securities, their emission or money that were expended in payment of dividends or purchase of securities. Investment cash flow is both positive and negative. The modern investment cash flow of joint stock companies that operating in the stock market is influenced by a number of factors:

- political situation in the country;
- the level of development of the country's stock market;
- investment attractiveness of Ukrainian joint stock companies;
- financial stability of joint stock companies;
- low capitalization of stock exchanges, virtual markets;
- low level of income of households - potential investors;
- legislative insecurity of investors, issuers, financial intermediaries;
- discrepancy with international standards of investment and emission activities;
- insufficient level of market capitalization of joint stock companies compared to developed countries;
- non-availability of state incentives in the field of investment activity (attractiveness) of joint stock companies;

- insufficient support for the development of financial intermediation in the stock market.

A large number of negative factors significantly affect the volume of incoming investment cash flows of joint stock companies. Also, in the last few years the cryptocurrency markets develop quickly. Investors are able to quickly obtain income from investing in cryptocurrency, NFT, fiat money, futures contracts, thus reducing investment in securities of joint stock companies - stocks, bonds.

For the last three years, virtual cryptocurrency exchanges have been trading not only cryptocurrency (coins), but also corporate shares. Such shares must meet the following requirements: a high level of capitalization, world-known joint stock companies, have a blue rating (blue chips), high liquidity in the market.

Untimely provision of information on the activities and financial condition of joint-stock companies significantly hinders the inflow of cash flows from investment activities of joint-stock companies. Activity and financial statements are out of date, sometimes incomplete or untrue. This situation reduces the confidence of the potential investor. In order to ensure the investment attractiveness of Ukrainian joint-stock companies in the future and increase investment cash flows, it is necessary to develop a clear long-term strategy not only for joint-stock companies themselves, but also for stock exchanges and state investment regulators in Ukraine.

**Keywords:** stock market; investment; cryptocurrency

## **IMPROVING THE EFFICIENCY OF THE MANAGEMENT OF THE METALLURGICAL ENTERPRISE**

**Iryna Mala**

*<sup>1</sup>Senior Lecturer of the Department of Management Technologies, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-0773-5336>*

The problem of ensuring the efficiency of the enterprise in the current conditions of economic development becomes especially relevant as the consequences of incorrectly chosen strategy and tactical activities of the enterprise in a highly competitive environment become critical and threaten its existence. Enterprise management determines the main directions of its development, opportunities and risks associated with the external environment and internal processes. Effective management contributes to the formation of long-term competitive advantage, which determines the position of the enterprise in conditions of fierce competition. The purpose of the study was the process of improving the management of the metallurgical enterprise - PJSC "Interpipe NTZ".

A study of the economic activity of PJSC "Interpipe NTZ" showed that the company produces high quality products, but due to global overproduction of metal products, trade wars, the company is forced to adapt to global trends, which allows it to remain competitive [1]. According to the analysis of financial and economic indicators of the metallurgical plant it is evident to highlight sharp decrease in productions and sales volumes. Note that the company's debt to external creditors is 90%. Today, the company is in a position to develop a strategic solution for the structure of sales and increase revenues to solve financial problems [2].

A foreign economic strategy has been proposed to improve the company's competitive position and financial

position. To do this, a marketing study of the US and European Union markets for pipe products was performed. It is determined that for the last three years the workload of the US metallurgical industry was 45.8% [3]. Interpipe has the opportunity to enter this market with its products, taking into account certain risks: foreign currency exchange rate fluctuations (UAH to USD), oil and gas pipelines demand and construction dependence from oil prices and domestic laws and regulations, US trade wars with Canada, China, Europe and Mexico.

The European market is highly competitive, with a significant share of demand for pipe products covered by imports from European producers. The EU market is gradually shrinking due to the lack of new projects and overproduction. Interpipe is in the lower price range and can compete with Eastern European manufacturers in terms of price and product quality.

To enter new export markets, it was proposed to produce casing pipes with its own premium connection UPJ-M, certified in accordance with the requirements of CAL IV ISO 13679. The implementation of the strategy of PJSC "Interpipe NTZ" will increase profitability without reducing staff and opening a new credit lines, as in 2018 the company purchased a Danobat pipe cutting machine. The proposal is of practical importance and under the conditions of its implementation the company will be able to obtain the projected growth of net income and net profit, respectively, by 4% and 6%; profitability of sold pipe products

- at the level of 23.1-23.5%; the efficiency of pipe exports will be: to the US - 1.06, to European countries - 1.11.

To strengthen the competitive position of Interpipe, it is proposed to implement the QFD methodology, which will allow management decisions focused on the most important characteristics of products to ensure its quality, i.e. in accordance with the requirements and expectations of consumers [4]. With the introduction of the method the metallurgical company, thanks to lean manufacturing, will be able to save resources and time, strengthen the competitiveness of metal products on the

world market. The application will practically mean - the transition to a project lifestyle, team form of work organization, management decisions on a cognitive approach and the development of the concept of total quality management.

Therefore, above measures can be proposed for the implementation by Interpipe NTZ and will provide an opportunity to improve competitiveness and profitability as a result of the effectiveness of the company's management.

**Keywords:** enterprise management, competitiveness, management efficiency, QFD methodology.

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## **IMPLEMENTATION OF VENTURE FINANCING TOOLS FOR INNOVATIVE INDUSTRIAL DEVELOPMENT PROJECTS**

**Oksana Kyrychenko<sup>1</sup>**

<sup>1</sup>*Ph.D. (Economics), Associate Professor of the Technology Management Department, KROK University, Kyiv, Ukraine, ORCID: <http://orcid.org/0000-0001-5244-8323>*

The introduction of venture financing of innovation activities in Ukraine, investment support for the innovative development of industry requires the formation and implementation of a mechanism for such financing, since this mechanism is a fundamental economic tool that is effectively used by western countries to introduce innovations and implement effective industrial changes.

The issues of prospects for the introduction of venture financing of innovation activity were investigated in their writings by leading domestic and foreign scientists: L. Antonyuk [1], V. Boronos, T. Vasilyeva [2], O. Dzhusov [3], T. Kalineska [4], O. Kuzmin [5], M. Pashko [6], M. Pereverzeva [7], E. Ruzavin [8], O. Stavinsky [9], V. Yukimenko [10] and others.

The introduction of a venture funding mechanism in the country in order to finance the innovative development of industry requires the use of a set of tools for state regulation of venture investment, namely: institutional regulatory and legal regulation of venture activities, organizational support for venture activities and state incentives for the development of venture financing. The instruments of the institutional organizational mechanism of state regulation of venture investments can be divided into three main groups.

The first group is a tool for institutional legal regulation of venture activities. Such tools are the development of the concept for the development of venture financing of the country's industry; formation and implementation of a unified state policy for the protection of venture investors attracting and oculating venture investments; development of the securities market; adaptation of the national stock market to international standards; creation and adoption of a regulatory framework for regulation and stimulation of venture activities; improvement of intellectual property protection legislation; development of local institutions through the opening of regional cents of venture activities.

The second important group of instruments of state regulation of venture activity are organizational support tools, which include the formation of information bases of enterprises engaged in innovative activities; formation of innovative projects bank; information support for information companies to form public opinion on the need to participate in collective investment institutions; placing a state order for the training of specialists in the organization of venture activities; development of venture investment infrastructure and development of innovative infrastructure.

The third group of instruments of state regulation and stimulation of venture financing development is a group of instruments aimed at activating and accelerating the introduction of venture capital investments through the introduction of financial incentives for investing in venture funds: providing state

guarantees on loans to venture funds; state insurance of loans provided for the implementation of innovative projects; improvement of tax policy: granting tax benefits to venture funds; introduction of tax holidays for small firms engaged in innovative, venture capital activities.

**Keywords:** investments; venture capital investments; state regulation of venture investment; innovation activities.

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## **CLIMATE AND ENVIRONMENTAL MANAGEMENT AS THE BASIS FOR SUSTAINABLE DEVELOPMENT OF A MODERN ENTERPRISE**

**Olena Bielova<sup>1</sup>, Iryna Rybalko<sup>2</sup>**

<sup>1</sup>PhD, Associate professor at Marketing and Behavioral Economics department, Member of EU Erasmus + KA2 project (higher education capacity development) CLIMAN, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-9359-6947>

<sup>2</sup>Senior Lecturer at the Department of Project and Process Management, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-5332-2666>

Many modern economic processes have led to the development of enterprises. To stay competitive in the marketplace, businesses invest in innovation and development projects. All these elements influenced the significant and rapid development of scientific and technical activities, as well as production activities. These phenomena in their bulk took place in the 20th century, and as a result, now, in the 21st century, one can observe a significant change in the natural environment and ecology, which also affects the climate in general [1,2]. Thus, today there is an interest in climate and environmental management, since knowledge and actions in these areas can help resolve the contradictions that have arisen between nature and society. As a result, more and more enterprises are concerned about their sustainable development and are implementing climate and / or environmental management systems in all areas of their activities.

Sustainable development of an enterprise can be defined as a kind of socio-economic development that is carried out in harmony with the natural environment. Sustainable development implies the provision and satisfaction of real social needs without harming the interests of future generations,

which implies the application of environmental and climate management.

Many studies emphasize that for an enterprise, when transitioning to a sustainable development model, it is necessary to ensure: 1) economically stable and further development due to rational economic activity based on low-waste and resource-saving technologies; 2) contribute to a change in the structure of production and consumption, since there is a need to compare production volumes with the rates of depreciation and consumption.

Thus, for the implementation of the above factors of sustainable development of the enterprise, it is necessary to make a transition to a qualitatively new way of managing economic activities. This is possible with the introduction of environmental and climate management into the activities of the enterprise. So, environmental and climate management is a special system for managing production processes. This system should be aimed at achieving a balance between the climatic, environmental and economic performance of any enterprise. To achieve this balance, the main goal will be to ensure climate and environmental safety, as well as the profitability and productivity of the company based on

environmentally sustainable development.

Environmental and climate management affects many areas of the enterprise: organizational culture of the enterprise; natural resource management; waste management; security management; energy management at the enterprise; product life cycle management, etc.

It should be noted that the introduction of climate and environmental management at an enterprise is determined both by the opinion of stakeholders (external and internal) and by the norms and laws on environmental protection, which become more stringent every year.

Thus, the tightening of requirements for environmental and climate management, as well as trends in the development of environmental

legislation, are forcing enterprises to deal with various environmental enterprises and allocate a separate budget category for them.

The effectiveness of climate and environmental management also depends on the following factors: the level of qualifications of personnel; motivation of management and staff; resource endowment; the level of responsibility at the enterprise (both individual and collective). It is these factors that create the basis for the formation of effective climate and environmental management, as well as contribute to its effective functioning. After all, it is the role of each employee and the team as a whole (their talents, skills, ideas, innovations, projects) that forms and raises the level of the company's sustainable development system.

**Keywords:** climate management; environmental management; sustainable development

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## BUSINESS SECURITY SYSTEM AND COMMUNICATIONS

**Zinaida Zhyvko<sup>1</sup>, Muhammad Uhaib As'ad<sup>2</sup>**

<sup>1</sup>*Doctor of Science (Economics), Professor, Lviv State University of Internal Affairs, Lviv, Ukraine, ORCID: <https://orcid.org/0000-0002-4045-669X>*

<sup>2</sup>*Dr. Sc., Lecturer Faculty of Social and Political Sciences, Islamic University of Kalimantan, Banjarmasin, Indonesia, ORCID: <https://orcid.org/0000-0003-3645-2706>*

Mass media differ in the time required to receive information (receipt and delivery) and the size of the audience. The press, for example, requires the consumer, above all, free time, but the timing of the reading is not fixed rigidly throughout the day. Appeal to the radio, and to a certain extent to television, does not exclude other parallel activities: for example, you can do homework and listen to text and music. On the other hand, a book should be distinguished, read with any degree of regularity - at a convenient time, and mass media that operate on a clear schedule. Appeal to the media of communication is a constant and regular type of activity, characterized by a given social rhythm, while reading books is a more selective process, individualized.

The conducted analytical study made it possible to determine key characteristics and differences between individual mass media, their degree of distribution and impact on the formation of human capital.

Firstly, the significant socio-psychological difference between printed texts (book, press, Internet) from different types of sound, speech communication is in the maximum individualization of perception, which has a slightly different character than, say, in the cinema. The text is perceived by the eyes and silently. Reading does not absorb other people present in communication, like speaking, does not create obstacles and does not distract them. The reader is detached from the environment, completely immersed in a specific world, reflected in the content of the text. Thus, the printed text develops the individuality of the reader, balancing

the integrating influence of audio-visual media and thereby contributing to the harmonious and comprehensive development of the individual, that is, human capital.

Secondly, the perception of TV shows is considered traditional, in this sense, a "natural" act similar in character with everyday personal communication (perception of the text of the presenter) or with the observation of life situations (movies). Every modern person has been involved in such activities since childhood. Similar in nature is the perception of radio broadcasts. So, the results of psychological research indicate that the message is better perceived if they transmit it on television; the next place is broadcast, then a lecture, and the lowest indicators of understanding and assimilation are given by printed text.

Thirdly, the printed text is organized much more complicated: it is relatively more generalized, abstract, rational. The ability to perceive it provides, in contrast to the "naturalness" of entering the world of television or radio, a special education (usually formal). Therefore, if the entire population turns to television and radio, then print information (especially books) is used primarily by people who have received school education (usually at least seven to eight classes).

Fourth, reading develops memory, trains the brain, makes understanding of logical connections, gives the reader freedom of imagination, allowing him to imagine the heroes of the book and events in his own way, that is, that is, it develops human capital. Television offers only to

consume ready-made images and schemes. Reading is an active process, watching television is passive. This is best seen in children. Thus, studies conducted in the 80s showed that two-thirds of West German children constantly watched television, with all the literature giving preference to comics. Unlike the "reading" children, they languished and did not know what to do with themselves, if the TV was turned off, they lacked imagination. Instead of giving food to the mind and imagination, they simply killed time (Zinaida Zhyvko (2020)).

Fifth, in the press (newspapers, magazines, etc.) Compared with the entertainment and emotionality of television, the reader sees mainly analyticity, which allows a deep and versatile coverage of the most important social problems. Therefore, in newspapers, readers primarily seek information about political events.

Sixth, printed sources, turning first to the reader's mind and then to the senses, allow him to more consciously, actively, purposefully, systematically and creatively assimilate cultural values and understand social norms. Printed materials are also irreplaceable in training, education and upbringing, wherever independent creative

work is necessary for assimilation, accumulation of knowledge, skills, abilities, for cognition of various problems, aspects of reality. Particularly important is the role of the printed word in the performance of cumulative functions inherent in the QMS, including the accumulation, storage, ordering and systematization of spiritual values developed by mankind throughout its history. Printed texts are the simplest, most playable, and effective form of people's family memory. Due to their structural specificity, they remain the best way to capture cultural information.

The effectiveness of managing the economic security of an enterprise whose personnel in the integrated system of economic security simultaneously plays the role of both the object and the subject of economic security is most dependent on human capital, the growth of which can be ensured by the active receipt of information by readers through readers' communications (printed book and the Internet) that contribute most to the development of memory, train the brain, produce an understanding of the logical connection, the meaning of power impair the intellectual potential of man.

**Keywords:** information; economic security; enterprise.

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## PROBLEMS OF INFORMATION SPACE MANAGEMENT IN THE PUBLIC SECTOR OF UKRAINE

**Marta Karpa<sup>1</sup>, Oleksandr Akimov<sup>2</sup>, Liudmyla Akimova<sup>3</sup>**

<sup>1</sup>*Doctor of Science in Public Administration, Associate Professor, Professor of the Department of Public Administration and Administration, Hryhorii Skovoroda University in Pereiaslav, Pereiaslav, Ukraine, ORCID: <https://orcid.org/0000-0001-8141-4894>*

<sup>2</sup>*Doctor of Science in Public Administration, Associate professor, Honored Economist of Ukraine, Professor of the Department of Public Administration, Interregional Academy of Personnel Management, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-9557-2276>*

<sup>3</sup>*Doctor of Science in Public Administration, Ph.D. in Economics, Professor, Honored Worker of Education of Ukraine, Professor of the Department of Finance and Economic Security, National University of Water and Environmental Engineering, Rivne, Ukraine, ORCID: <https://orcid.org/0000-0002-2747-2775>*

The relevance of the scientific and practical problem for the formation of the information space and its use is confirmed by the functional load on the public authorities. For example, the basis of the activities of the treasury authorities is to work with information about the availability and movement of financial resources of the state. More than 90% of the total amount of monetary circulation with budgetary funds and extra-budgetary trust funds is carried out in non-cash form. Consequently, there are only records of funds and transactions with them on the appropriate media, that is, information that, under certain conditions, can materialize. Consequently, in the Treasury authorities, the automation of the main production is reduced to the automation of information processing, which is, in fact, the subject and product of labor not only of the relevant information systems, but also of the body as a whole [1].

In order to analyze the functional load of the subjects of the formation of space, it is advisable to give an example of division into groups of subjects according to the competence component in the context of the structure of the institutional mechanism of the policy of public authorities that have a certain institutional and procedural specifics of their activities.

The first group is made up of central government authorities, which, within the framework of their general competence,

determine the basic principles of state information policy and, within the framework of the latter, resolve issues of state electronic information resources (Verkhovna Rada of Ukraine, President of Ukraine, Cabinet of Ministers of Ukraine).

The second group is the central executive authorities with special competence in the information sphere and the implementation of state information policy in the field of electronic information resources.

The third group includes other state and local government authorities, for which the implementation of the state information policy in the field of electronic information resources is an auxiliary activity and is carried out within the framework of information support of the main directions of their activities.

Usually, a public information policy defines strategic information security issues, and the central executive authorities, security and defense sector structures should detail and concretize its requirements in other regulatory documents. The risk today is the issue of the lack of mechanisms for coordinating the actions of the subjects of the formation of the information space in the field of information security. The existing today particular cases of horizontal interaction of government authorities, public or volunteer movements only confirm the need for an official need, defined in the

normative field, indicating the competencies of each subject of coordination on the part of the state. The need for centralization of activities, the use of coordination and control algorithms is urgent, but further mechanisms for their implementation have not yet been worked out [2].

It is clear that the information competence of institutions is formed directly by the institution and its territorial divisions (departments, services, etc.). The information criterion for determining the competence of public authorities cannot be considered in its pure form, since it is difficult to completely exclude the influence of other criteria, both from a theoretical and practical point of view.

The public interest of management raises the question of satisfying the public interest, including of territorial communities. This concept is partially disclosed in the subjects of jurisdiction or competence of local self-government bodies. After all, a capable territorial community is the territorial communities of villages (townships, cities), which, as a result of a voluntary association, are able, independently or through the relevant local government authorities, to ensure an adequate level of service provision, in particular in the field of education, culture, health care, and social protection, housing and communal services, taking into account human resources, financial support and development of the infrastructure of the corresponding administrative-territorial unit. - independently resolve issues of local importance within the framework of the Constitution and laws of Ukraine. Thus, in a broad sense, municipal information about the interests of the population can be divided into groups that arise in the field of local self-government: interests of the territory; interests of the territorial society; interests of self-organizing

groups; interests of a particular resident [3].

The legislation of Ukraine provides for the need to promulgate both the normative legal acts of local self-government and their projects. Accordingly, information managers are obliged to publish: regulatory legal acts, acts of individual action (except for intraorganizational ones) adopted by the manager, draft decisions to be discussed, information on the regulatory and legal framework of activity [4, 5]. The specified information is subject to mandatory disclosure without delay, but no later than five working days from the date of approval of the document.

By action in space, acts of local self-government can be divided into:

- acts, the effect of which applies only to the territory where local self-government is exercised (council decision);
- acts, the effect of which extends to parts of the territory where local self-government is exercised (decision of the self-organization body);
- acts that extend beyond the territory where local self-government is exercised (decision of the council (executive committee) in relation to a utility company serving several communities).

Regarding the aspects of information support of local self-government, in the charter of a territorial society, if adopted, it is also advisable to determine the official printed publications of the council, the executive committee and the terms for promulgating decisions, orders and other official information in these publications [6-9]. Also, here can be written out the general principles of informing the public through the official website of the community, norms for the reception of citizens by officials of local government, consideration of appeals and requests, etc.

Consequently, the following list of issues to be made public can be summarized:

- regulatory legal acts, acts of individual action of local councils, executive committees, officials;
- drafts of normative legal acts (including regulatory) and acts of individual action of local councils and their executive committees;
- information on the legal and regulatory framework for the activity;
- notification of the promulgation of the draft regulatory act, analysis of the regulatory impact of the regulatory act.

Scientists and experts in the field of information and communication technologies recommend the creation of a

central executive institution that ensures the formation and implementation of state policy, the development of the information society, informatization, telecommunications, programming, information security and cybersecurity, the introduction of electronic governance technologies, electronic document management, electronic signatures, etc. As proposal is transfer to the specified institution of other executive authorities related to this area, is important clearly delineate powers between executive authorities in these areas. An important problem is the development of a program and a plan of measures to increase the competence of civil servants and officials of local self-government authorities.

**Keywords:** information; space; government; communication.

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## PERFORMANCE MARKETING AS A MODERN PARADIGM OF BUSINESS

**Liudmyla Shulhina<sup>1</sup>**

*<sup>1</sup>Doctor of Economics, Professor, Professor of Industrial Marketing Department, National Technical University of Ukraine "Igor Sikorsky Kyiv Polytechnic Institute", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-9554-6185>*

One of the biggest problems of business throughout the entire period of commodity market relations was the impossibility of correctly determining the necessary funds for promotion goods and services. Nowadays, in the course of trade being digitized, all the marketing activity including advertising policy has benefited from being able to perform increasingly precise evaluations of marketing cost effectiveness. This has become possible because the marketing activities of enterprises are increasingly going online, in turn the significant part of online marketing is geared towards measurable performance.

Performance marketing is a comprehensive term for online marketing and advertising programs where advertisers pay only when a specific action occurs. These actions can include a generated lead, a sale, a click, and more.

Performance marketing generally consists of four areas:

1) Online marketing activities, including SEO, SEA, Affiliate Marketing, EMail Marketing, Couponing, Newsletter Marketing, Social Media Marketing, Display Advertisement, Guerilla Marketing, and so on.

2) Target definition of conversion (the quantity of users or website visitors to take a desired action), or

conversion rate (the percentage of buyers in the sum of visitors), or measures towards the conversion rate optimization (CRO) as the process for increasing the percentage of users or website visitors.

3) Controlling by using analysis tools such as Google Analytics, reports from the Google AdWords customer center, Business Intelligence programs that can handle Big Data.

4) Optimization of the methods used in performance marketing.

To effectively realize performance marketing marketers should understand the innovative and unique value that they provide to the world. This value can be described with the set of indicators and first of them is "Figuring out & Monetizing Traffic Sources" thanks to using Facebook, Google or even by creating new platforms.

The next five kind of activities that marketers are really good at and that are reflexed in certain indicators are following: "Connecting Products With Audiences and Buyers", "Generating Massive Revenue & Awareness for Brands", "Scaling Customer Acquisition (across sources, geos, demos, etc.)", "Optimizing Ad Creatives and Funnel to Improve Customer Acquisition", "Development of Robot Friendly Skills".

Given the rapid pace of development of information technology and the implementation of a significant array of

routine work by robots, it is worthwhile to dwell on developing of robot friendly skills among the marketer's competences.

First of all, they can be focused on developing creative and angle testing, getting new products and new categories working, sales funnel optimization, developing strong partnerships to make the best circumstances for creating the product, doing logistics or customer support. The next things are: cracking ad

platforms and ad units, scaling campaigns across geos and demographics, managing profitable ad campaigns for multiple brands, diversifying revenue to support scaling of organisation and then finally, building, engaging and monetizing audiences of buyers.

Thus, the performance of all these functions of marketing performance is evidence of the company's compliance with the modern business paradigm.

**Keywords:** business; marketing; developing; business paradigm

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## **FORMATION OF THE INFORMATION ECOSYSTEM OF THE UNIVERSITY IN THE TRENDS OF DEVELOPMENT OF THE DIGITAL ECONOMY**

**Andrii Ramskyi<sup>1</sup>**

*<sup>1</sup>Doctor of Economics, Professor, Professor of the Department of Finance and Economic, Boris Grinchenko Kyiv University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-7368-697X>*

Modern rapid digitalization of all spheres of human life is caused, on the one hand, by the development of innovative technologies and rapid scientific and technological progress, and, on the other hand, by the need to communicate and exchange information under quarantine restrictions caused by the COVID-19 pandemic. The education system was faced with the choice of technology for training.

Many higher educational establishments in Ukraine have switched to distance learning using Moodle technology. The education system was faced with the task not only to provide knowledge and skills to future professionals in the context of distance learning, but also to form the information ecosystem of the university. The very concept of information ecosystem is quite new in research. In the broadest sense, an information ecosystem is a system that is able to build relationships between objects and manage information flows. The term "ecosystem" implies that living organisms are adapted to exist in a particular environment and form a single whole with it. In the context of digitalization of the economy, the term "information ecosystem" can be defined as a system that includes information infrastructure and information content, means of production, transmission, dissemination

and protection of information, means of information consumption through the use of modern technologies.

The information ecosystem of a university differs from other information ecosystems in that all information infrastructure, means of transmission, protection and consumption of information content are carried out in order to educate students, provide them with knowledge, develop professional competencies and skills.

Features of the information ecosystem of the university form the requirements for it: special requirements for relevance, completeness and accessibility for students to understand the content of educational material; speed and the reliability of the technological support of the educational process; ensuring reliable protection of the university information system; storage and timely updating of information; protection of intellectual property rights. Under the conditions of distance learning in universities in connection with the entry into force of quarantine restrictions due to the COVID-19 pandemic, the issue of ensuring the security of the information ecosystem of universities has become more acute. Applicants were faced with an unusual distance learning format, which required the acquisition of additional skills in working with information technology.

Teaching staff faced a significant increase in workload due to the need to arrange educational material in accordance with the requirements of the university and place it in electronic resources, as well as the need to master new forms of training through video conferencing. The challenges of digitalization of educational activities have prompted many participants in the educational process to acquire new skills and competencies at a very fast pace.

Undoubtedly, those universities that were able to quickly organize advanced

training courses for research and teaching staff on the digitalization of the educational process were in a better position. For applicants for higher education, as future professionals, conducting training sessions using modern information technology is an unconditional advantage for the formation of their digital skills.

University information ecosystems are just beginning to gain practical experience in terms of their effective development, protection and further improvement.

**Keywords:** education; information; COVID-19 pandemic; ecosystems.

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## **PREREQUISITES FOR THE DEVELOPMENT OF SOCIAL ENTREPRENEURSHIP IN UKRAINE**

**Mykola Denysenko<sup>1</sup>, Nataliia Lesiuta<sup>2</sup>**

<sup>1</sup>*Doctor of Science (Economics), Professor, Kyiv National University of Technologies and Design, Kyiv, Ukraine*

<sup>2</sup>*Student, Kyiv National University of Technologies and Design, Kyiv, Ukraine*

Creating a business-friendly environment for existing small and medium-sized enterprises (SMEs) and potential entrepreneurs is one of the main goals of the EU, voiced by the European Commission (European Commission). This line of EC activity is an unconditional basis for promoting the achievement of sustainable goals Development (CSD) as the main strategic guidelines for human development (Sustainable Development Goals). Domestic the regulatory framework and the package of strategic documents are also aimed at business development. Weight support in this process is provided by international programs and funds through the system of international technical assistance (ITD), such as the Competitive Economy (USAID).

Entrepreneurship itself, in its diversity of types and forms is the basis for the development of socio-economic systems. AND its impact on the labor market is crucial - from general economic and employment to social stratification through income differentiation. At the same time, the impact of social entrepreneurship is certainly significantly wider and stronger than the development of small and medium-sized businesses. Its peculiar role is formation of a significant share of GDP, employment, including socially exclusive segments

of the population, and targeting a large set of community problems.

We believe that the key to social entrepreneurship is the presence of a social component during implementation of business activities. Most often, the choice of social mission and purpose is based on solving problems of a certain category of population or on a partial solution to the global problems of mankind (in accordance with the CSB). The generalization of human problems, as well as the way to solve them, has been implemented in the Sustainable Development Goals (Sustainable Development Goals), which in 2015 17 were adopted based on the analysis and revision of the Millennium Goals and the achievement of which is planned for 2030.

These goals are the basis of strategic development documents of the European Union and separately - European countries. Ukraine's integration into the world community has led to a revision of the directions of development and implementation of the Global goals of the UN and the EU Development Strategy to state and regional development strategies in all areas: «Strategy Sustainable Development of Ukraine 2020», State Strategy for Regional Development until 2020 and others. IN in turn, national level strategies are reflected in strategic documents at the oblast levels

and cities. The Decree of the President of Ukraine approved ensuring compliance with the goals of sustainable development until 2030, proclaimed by United Nations General

Assembly resolution of 25 September 2015 № 70/1 and the results of their adaptation taking into account the specifics of the development of Ukraine, set out in the National Report «Sustainable Goals Development: Ukraine 2017»

Obviously, social entrepreneurship, the essence of which is the primary solution to the problem of using business tools, and only then the actual economic enrichment, aimed at eliminating a set of problems that define the CSB as a whole. We can say that social entrepreneurship is the quintessence of the CSB, because it is aimed at solving global problems through local dimensions and, at the same time, is a tool for achieving CSR.

A number of issues that are reflected in the goals 1 «Overcoming poverty in all its forms and everywhere», 5 «Ensuring gender equality, empowerment of all women and girls», 8 «Promoting progressive, inclusive and sustainable economic growth, full and productive employment and decent work for all», 10 «Reducing inequalities within and between countries» are directly linked to the labor market in terms of its quantitative

or qualitative content. The National Report «Sustainable Development Goals: Ukraine» deals with the development of entrepreneurship in terms of the labor market: task 8.3 - to increase the level of employment; 8.4 - reduce the share of young people who do not work, study or do not acquire professional skills; 8.6 - create institutional and financial opportunities for self-realization of potential economically active part of the population and the development of the creative economy.

In the report prepared by the State Employment Service «On employment and unemployment (according to State Statistics Service of Ukraine)» emphasis is placed on the key problematic aspects of the labor market, which are identified for 2019 compared to 2018. Namely: - the employment rate among men is 64.0%, then among women - only 52.9%; the highest unemployment rate among young people under 25 is 15.4% of the labor force of the corresponding age (almost twice as high) higher than among the whole population). Compared with the average for European countries, where there was a decrease from 15.2% to 14.4%, above. This outlines the problem field and, accordingly, the scope of social application entrepreneurship in Ukraine.

**Keywords:** social entrepreneurship; development; strategy

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## COACHING AS A TOOL FOR THE FORMATION OF CORPORATE WELL-BEING

**Iryna Burlakova<sup>1</sup>, Oleksiy Sheviakov<sup>2</sup>, Tetiana Kondes<sup>3</sup>**

*<sup>1</sup>Doctor of Psychological Sciences, Professor, professor of the Department of Psychology and Pedagogy, Dnipropetrovsk State University of Internal Affairs, Dnipro, Ukraine, ORCID: <https://orcid.org/0000-0002-6043-4359>*

*<sup>2</sup>Doctor of Psychological Sciences, Professor, Professor of the Department of Psychology and Pedagogy, Dnipropetrovsk State University of Internal Affairs, Dnipro, Ukraine, ORCID: <https://orcid.org/0000-0001-8348-1935>*

*<sup>3</sup>Ph.D. (Psychology), KROK University, Associate Professor of the Psychology Department, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-8514-9389>*

The issue of corporate well-being is relatively new and insufficiently studied in our country and abroad. Not all organizations are still quite clearly aware that in modern conditions the formation of corporate well-being is a serious problem, present and future. This issue can no longer be solved using the recipes of the past, but requires new technological approaches to its solution.

Corporate well-being gives people a sense of belonging, commitment; promotes business communications, initiative; creates a platform for efficiency, stability, a sense of movement in the right direction, that is, it contributes to the creation of a productive workplace. Employees connected to the mission of the company can find the best ways to solve problems aimed at increasing the efficiency, competitiveness and well-being of the company and themselves (1).

To do this, it is necessary to organize a process that allows you to create a common vision of the problem by all participants and involve them in finding a solution. This is possible through individual and team coaching sessions.

Coaching is about the fact that each person is strong, with the potential and capabilities to realize their goals and

dreams. Coaching teaches you not to be afraid of mistakes, to be confident, open and flexible, which is the basis for success in life and career. And the best tool that develops these skills is coaching.

The difference between coaching and training is that the training is aimed at transferring the necessary knowledge and skills to the participants, that is, it is focused on the transfer of ready-made content, and coaching is such an organization of the process of interaction between the participants, in which the content is created by them themselves (2).

Thus, the coach should not be an expert in the area considered at the session, on the contrary, he refrains from advice as much as possible and is responsible for the quality of the process. In the development of professional self-awareness, professional competencies and economic behavior of an individual, team coaching gives: team cohesion, increased employee engagement and uniting people to achieve a common goal, since work has been done with the motivation, beliefs and values of the team.

Focus of thinking on resources, opportunities, goals, achievements, and not on problems, weaknesses, failures. It's not about not seeing the negative.

And about seeing a problem or a task and solving it. To be "here and now". Do not wander through the nooks of the past and do not run into dreams of the future.

Team coaching allows you to change the behavior patterns of participants in the team and improve the communication process in the team (3). Thus, as a result of one coaching session, several options for specific action plans are created to achieve the best result, and their authors are inspired to put the plans into practice.

In addition, when employees themselves are involved in the process of finding the best ways to solve a

problem, and find the answers themselves, they thereby take responsibility for executing decisions. And the feeling of the importance of their own contribution significantly increases their motivation and improves the overall climate in the team.

The use of coaching tools in the formation of corporate well-being, allows you to create a motivating and productive environment for learning and working at different stages of development.

The coaching approach is a quality foundation for change and change management in an organization.

**Keywords:** corporation; well-being; coaching.

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## **AGRARIAN-CONSTRUCTION CLUSTERS: SCHOLASTICITY OF ECONOMIC POLICY FACTORS AND IMPACT OF CORONA-CRISIS**

**Serhiy Petrukha<sup>1</sup>**

*<sup>1</sup>Ph.D. (Economics), Associate Professor, Doctoral Student of the Department of Management in Construction, Kyiv National University of Construction and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-8859-0724>*

In the economic policy, in general, and its agrarian and construction branches, in particular, in developed countries, various directions of research have become widespread, and which are associated with the development and operation of multi-forms of economic clusters, inter alia, localized in individual branches or inter-branch complexes using the collaboration technology and programmed ontogenesis towards a bioeconomy as a prerequisite to ecological sustainability and deep processing of agricultural raw material.

Agrarian-construction clusters present a global economy phenomenon known and efficiently operating for more than 100 years, taking a modern look resulted from the new globalization and generated by the UN Sustainable Development Goals, the need to provide not only food security but also a biodiversity. Concurrently, a number of studies devoted to agrarian-construction clusters in the domestic science lags far behind the foreign science. In particular, in both the domestic and foreign literature, there is no clear methodology of collaboration of agrarian and construction-infrastructure systems, consistent methods of the identification of such subsystems and the evaluation of the efficiency of the development of agrarian-construction clusters as a holistic system. However,

the latter has obtained a new “challenge” in developing approaches, tools and methodologies resulted from a phenomenon of the corona crisis, its penetration into the pre-crisis-functioning stability of the operation of agro-food value added chains. We remind that resulted from the inertia of the COVID crisis, the average value of the FAO Food Price Index (FFPI), in September 2021, made up 130.0 points that is by 1.5 points (1.2 %) higher than the August level and by 32.1 points (32.8 %) higher than an indicator for the same period of the previous year. A rise in the FFPI value in September of the current year is caused mainly by an increase in prices for most cereals, vegetable oil, dairy products and sugar [1]. This, by FAO estimates [2], has generated the need to use an external aid to provide food for 45 underfed countries inter alia, 34 in Africa, 9 in Asia, 2 in Latin America and the Caribbean.

For this very reason, most researchers position agrarian-construction clusters as an essential factor for the provision of local food sovereignty, local food security and local valued added. Moreover, in addition to the scientific recognition, agrarian-construction clusters have gained active support of practicing economists and politicians that is expressed in the mass distribution of programs of development of these

structures at the regional level in developed and developing countries. Ukraine is at the first stages of this path forming, through decentralization processes, a regulatory potential of bodies of local self-government for the appearance of agrarian-construction clusters as a phenomenon of a new agrarian policy and a policy of the territorial organization of power in the country. Such development of agrarian-construction clusters in our country generates a scholastic effect, which, in classical interpretation, means randomness. That is to say that although the economic policy on the whole and the Economic Stimulus Program to Overcome the Consequences of the COVID-19 Epidemic approved by the government has prerequisites to develop local value added in the decentralization conditions, however, it fails to sufficiently correlate with the inertia of the economic policy, in general, and sectoral programs of development of agriculture and construction, in particular.

As for the factors, which had an impact on the development efficiency dynamics, it can be noted that an agrarian-construction cluster is characterized by low localization in terms of the number of the employed, with a comparatively stable growth in terms of localization of the turnover of enterprises. Such dynamics, obviously, leads to the stagnation of the localization intensity factor and being of this cluster near the ordinate axis on the development efficiency matrix evaluation model. In case of such dynamics, an objective necessity arises to study the factors, which caused such

a movement. The main method to identify such factors will be a correlation-regression analysis, which will enable to identify the impact of the factors including those not formally associated with a parameter under study.

According to the results of the correlation analysis conducted, the variables, correlating the most with a resulting parameter of the factors of the group, were extracted from each criterion:

1) “human” – a localization factor of employees having higher education in the agrarian-construction cluster within the total amount of employees having higher education;

2) “technical-technological” – a lead factor for a share of fixed assets in use in the agrarian-construction cluster of the specific territorial location (in the amalgamated territorial community) in comparison with national averages;

3) “institutional” – investment localization factor in the agrarian-construction cluster of the specific territorial location in comparison with national averages;

4) “organizational factor” – a lead factor for the profitability of products of the agrarian-construction cluster of the specific territorial location in comparison with national averages.

On the basis of the regression model built, taking identified interrelation factors into account, it is possible to formulate the following main directions potentially promoting to improve the efficiency of developing agrarian-construction clusters and overcome the scholasticity of the factors of the economic policy and the impact of the corona crisis:

- first, developing the activity of specialized educational organizations or dualization of training programs for higher education institution students aiming to provide the economy of the rural territory, in general, and agrarian-construction clusters, in particular, with skilled staff resources. Human resources are selected by various researchers [3] as one of the key factors for developing agrarian-construction clusters. Moreover, activating the educational activity closely interrelated with agricultural and construction enterprises will enable to increase their competitiveness and is able to lead to the growing efficiency of the development of the agrarian-construction cluster;

- second, increasing in the investment activity of enterprises-stakeholders of the agrarian-construction cluster. The investment activity aiming, inter alia, to acquire engineering and technologies providing the cluster's transition onto the Agro 4.0 development model [4], serves as a general economic basis for expanded reproduction, is a framework condition for the advanced development of the agrarian-construction cluster of the specific territorial location in comparison with other types of activity and branches of the economy of Ukraine. In addition, the investment activity of large cluster-forming agro-construction enterprises lays the foundation for further formation of an aggregate of ancillary, binding and intermediary types of activity around a cluster sector that, in its turn, will promote transition of the agrarian-construction cluster to the next lifecycle phases – a bioeconomy –

provided by the Sustainable Development Goals;

third, developing an entrepreneurial initiative and creating conditions for the organizational development of the cluster – direct state support for the institutionalization of the agrarian-construction cluster (subsidization of expenses etc.), indirect support measures (incl. tools of the tax policy, fiscal support for the formation of local value added by clusters and stimulation of non-agricultural employment [5]). Herewith, it is worth noting an essential significance of the effect of the economy of scale on the development of large enterprises of agriculture, food and construction industry being foundational in developing an agrarian-construction cluster.

Basing on the identified scholastic dependence, factor variable effect force as well as taking common dependences in the development of the national economy into account, we will focus on three factors: localization of employees having higher education, localization of investments into the fixed capital and a share of fixed assets in use. Undoubtedly, an organizational-entrepreneurial factor expressed through the product profitability has an essential level of significance, however, we will note that the product profitability being a function of the balanced financial result reflects thereby the enterprise operation efficiency being, in its turn, in the functional dependence on the volume and quality of resources used (both labor and investment resources).

Taking formulated conclusions and identified regularities of the

development of the agrarian-construction cluster into account, it is deemed necessary to formulate, at the national level, a strategic task for increasing the efficiency of the tools of their creation and stimulating to the ontogenesis, in particular, by involving – in already existing agro-production clusters – installation-construction organizations, which will provide its transformation into an agrarian-construction cluster as well as will determine the places of the state policy

in the rural economy in developing agrarian-construction clusters within the complex of possible tasks. Such an approach will provide a transition from the scholasticity of factors determining the economic policy in the corona crisis conditions to the programmed development of agrarian-construction clusters taking the potential of the bioeconomy and development of local regulatory institutions generated by the decentralization reform, into account.

**Keywords:** agrarian-construction clusters; food security; development.

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## REFLECTIONS OF ECO-INNOVATIONS IN CONSTRUCTION

**Nina Petrukha<sup>1</sup>**

<sup>1</sup>Ph.D. (Economics), Assistant at the Department of Management in Construction, Kyiv National University of Construction and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-3805-2215>

Eco-innovations are a broad concept covering a large layer of innovations in various spheres of human activity to provide the capacity of products, services and technologies to better use the resources concurrently reducing a human activity impact on the environment. It arose and develops in response to global challenges associated with a scarcity of natural resources, a climate change and an increasing need for developing and implementing more productive ecologically-safe technologies to support the mankind's sustainable development as well as is timely in response to struggling against a corona-crisis.

There is no single approach to eco-innovations in construction but there is a scientific and social consensus on the nature of eco-innovations [1–4]:

these are innovations directed to considerably reduce or prevent an impact on the environment or aimed to considerably reduce or prevent an impact regardless of whether such an impact was anticipated or not;

have a broad cover impacting products, processes, sales methods, a management sphere, are, by the nature, both technological and non-technological.

Eco-innovations in construction take various forms and are classified by various categories, in particular:

Forms:

(1) incremental – such as small progressive changes introduced in existing products and processes;

(2) adaptive – cover significant changes introduced in existing products, processes, organizational structures in order to apply them in new conditions and replace them by goods and services able to perform the same functions and serve as an alternative to other products;

(3) radical – development and introduction of essentially new products, processes, procedures, organizations and institutions.

Classification categories:

- long-term – a payback period makes up at least 10 years; predominantly financed by the state;
- medium-term – a payback period is 3-10 years; carried out by large and medium-sized enterprises;
- short-term – implemented by the small business, a payback period is no longer than three years;
- desirable – new construction waste recycling technologies, in which a recycling process is nature and human safe;
- allowable – in construction waste recycling, a little harm is done to the eco-system;
- unallowable – construction waste recycling itself does harm to the nature and a human;
- advanced – allow to reduce the amounts of waste accumulated in construction;

- restraining – recycling is a little behind of arrival (accumulation) of new waste in construction;
- lagging – a small part of waste is recycled;
- complete – leave no waste or it may be used in other production (construction);
- partial – a part of waste is not subject to further recycling;
- preserving innovations – allow to preserve waste until the mankind learns to recycle it;
- disposal – allow to safely dispose of waste, if it is not possible to recycle it.

Systems eco-innovations are a series of interrelated innovations, which, in the nearest future, will be able to improve the activity of the whole economic system concurrently reducing a negative impact on the environment [5].

Such eco-innovations may be applied to the systems of various types and size, from “folding products” (energy-efficient buildings) to holistic social systems covering the production and consumption (sustainable cities, sustainable mobility).

For a full-scale introduction of eco-innovations in construction in Ukraine, there is a number of barriers, which might be considered by us through two vectors: vector I – innovative: insignificant state financing of research activity (0.48 % of GDP); a lack of the state order for innovation projects stimulates selling scientific developments at reduced prices without bringing results to the implementation; a lack of the state innovation activity financing fund; a poor communication between innovation generation and

their implementation into production; a lack of motivation to patenting the results of research and their commercialization; a lack of infrastructure support for innovation activity (information/knowledge platforms based on information-communication technologies, clusters, techno parks); vector II – ecological: a weak demand for a clean environment from the population, weak incentives to reduce contaminations and construction waste; an inefficiency of the ecological audit in construction, an ineffectiveness of ecological inspections that reduces enterprises’ motivation to implement ecological measures; an exclusion of the expenditures of the ecological fund from a list of protected items of the State Budget; a complexity of administrative procedures and high costs of ecological measures, in particular, for small and medium-sized enterprises.

Bright examples of eco-innovations in construction and agriculture are: zero emissions buildings (Net Zero Buildings, works on creating buildings (in particular, schools) with zero emissions into the environment); vertical farming (as the population grows and the space reduces, new farming methods are required. Vertical farms providing an “upward movement” offer more prospects in this branch. For example, the Vertical Harvest farm in Jackson, Wyoming, is a three-layer hydroponic 9 x 45 m house. Despite small sizes, it is capable of producing 16 tons of vegetables, 2 tons of greens and 19 tons of tomatoes a year. It is worth comparing this production level with standard farms,

for which a hundred of hectares is required to obtain a similar harvest. Moreover, these vertical greenhouses protect plants against weather conditions that enables to grow

products in locations where it is usually impossible. As cities and human settlements keep on growing, this unique solution with small sizes becomes increasingly topical).

**Keywords:** construction; eco-innovations; development.

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## **DEMAND FOR CRITICAL MINERALS IN THE CONTEXT OF ENERGY SECURITY DURING THE TRANSITION TO CLEAN ENERGY**

**Yevgeniy Bobrov<sup>1</sup>**

*<sup>1</sup>Doctor of Science (Economics), Associate Professor, Professor of the National Economy and Finance Department, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-7397-3132>*

Energy based on "clean" energy technologies is significantly different from energy that uses traditional hydrocarbon resources. Since 2010, along with the growth in the use of renewable energy sources, the average amount of minerals required for a new unit of installed capacity for electricity production has increased by 50%.

The gradual transition to "clean" energy should lead to a significant increase in demand for these minerals, as the energy sector is becoming a driving force in the mineral markets. By the mid-2010s, the energy sector accounted for a small share of total demand for most minerals. However, as the energy transition began to gain momentum, "clean" energy technology became the fastest growing segment of demand.

In the scenario corresponding to the goals of the Paris Agreement, the share of "clean" energy technologies in total demand will increase significantly over the next two decades to more than 40% for copper and rare earth elements, 60-70% for nickel and cobalt and almost 90% for lithium [1]. Electric motors and batteries have already supplanted consumer electronics from the segment of the largest consumers of lithium, and now they are also increasing the consumption of stainless steel, as by 2040 they will become the largest end users of nickel.

Developed countries are stepping up their efforts to reduce emissions, but

they also need to make sure that their energy systems remain sustainable and secure. Modern international energy security mechanisms are designed to insure against the risks of disruptions or spikes in the supply of hydrocarbons, especially oil. Decarbonisation of energy requires those who shape energy policy to pay attention to new potentially vulnerable positions of energy security, in particular the provision of critical mineral resources. Therefore, concerns about price volatility and security of supply are growing in developed countries, whose energy systems have a significant share of renewable energy sources [2].

Current plans for the supply of minerals and investment in their extraction do not meet the level required for the transformation of the energy sector in developed countries, which increases the risk of delays or increases in the price of energy transition. However, we can identify common features for all these projects: high geographical concentration of production; long project development time; reducing the quality of resources; increasing control over environmental and social indicators; higher impact of climate risks [3].

The magnitude of demand and its trajectory will be adjusted according to the growing role of a particular type of "clean" energy technologies. Thus, the growth of the electric vehicle fleet,

according to expert scenarios, will increase the demand for minerals for use in electric vehicles and batteries (lithium, graphite, cobalt and nickel), the expansion of electrical networks will increase the demand for copper. Hydropower, bioenergy and nuclear energy will generate a small but still demand for mineral resources. The

growth of the hydrogen energy sector will meet the demand for nickel and zirconium for electrolyzers and for platinum group metals for fuel cells [4]. Accordingly, we can predict that prices for mineral resources will also affect the development of certain energy technologies.

**Keywords:** energy; "clean" energy; technology; energy security.

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## NEW TRENDS OF BIOECONOMIC DEVELOPMENT THROUGH COVID-PRISM

**Dmytro Bondarenko<sup>1</sup>**

<sup>1</sup>*Candidate of the Department of Construction Management, Kyiv National University of Construction and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-2802-2397>*

Bioeconomics is an economy based on the use of biotechnology that uses renewable biological raw materials. This is a high-tech part of the economy, which provides opportunities to increase energy efficiency, waste reuse, develop renewable energy based on biomass, green the industrial sector, increase the sustainability of agriculture, produce new food, develop medical technology.

Until 2019, countries, society and business focused financial and institutional efforts on socio-oriented and environmental issues. It would seem that this vector will become dominant in the coming years. The volume of the bioeconomy by 2025 was to be almost 8 trillion dollars [1]. But two global circumstances in the first months of 2020 have challenged all the usual scientific and social debates of today: the coronavirus pandemic and the collapse of oil prices are two new markers of a new reality that call into question all previous predictions and assumptions.

The breakdown of global trends that occurred in early 2020 set new colors and trends in the development of the bioeconomy and, accordingly, there was a rethinking of state participation in the stimulating processes of its ontogenesis:

1. New models of industrial and food consumption.

2. According to the most optimistic forecasts, the economic imbalance and

a sharp increase in the number of unemployed will continue in the coming years. The recovery of the world economy will be uneven both in countries and in individual sectors. Demand for the bioeconomy will depend on the speed and scale of these recovery processes.

3. Transformations of the energy sector are inevitable under the influence of fluctuations in oil prices and climate policies. Some of them, primarily European, have almost completed the transition to a low-carbon economy. In other countries, including Ukraine, traditional energy sources still dominate. Whether biofuels will become a key source of energy, at least in the horizon of 2025, especially given the growing focus of the agricultural sector on meeting the priority food needs of the population, is a big question.

4. Transition from socio-oriented and environmental priorities to the principles of rationality, efficiency and pragmatism on the part of both the consumer and the producer in the short term. However, in the medium term of 5-7 years, humanity, especially the younger generation, will return to the realization of the need to maintain the trend of integration with nature, but at a new level.

5. The transition from "green", "blue" and "smart" to "efficient" – the main vector of bioeconomy development for the next decade. The

steady growth of biotechnology-related segments (both intermediate and final) will have to withstand the new competitive environment [2]. If at the end of 2019 the main slogan of many companies was not profit, but transparency of business, social orientation and responsible business, then being on the verge of "extinction", business can return to the origins of wild capitalism, when the key factors of competitiveness were price, profit and quality products.

6. Increasing the cost of health and a healthy lifestyle creates significant niches for the bioeconomy - Life Science, agro-industrial complex, pharmaceutical industry. The global trend of "human enhancement", which for many years has been a powerful driver of biotechnology development, is likely to make a pit stop on "human survival".

7. The slowdown in bio- and eco-infrastructure projects will be caused by the difficulty of obtaining money at low interest rates and may lead to the accumulation of negative infrastructure effects for the bioeconomy. Unfinished "long-term construction" - biomass and waste processing plants, the introduction of digital technologies, a network of power stations for electric vehicles - risk being overlooked: the future, production chains and demand will no longer be the same after the crisis. Without a well-established and efficient infrastructure, bioeconomic growth is impossible.

8. Global changes in logistics and production chains. Many participants in bioeconomic transformation have long been embedded in existing chains, often acting as subversive innovators or

relying on demand from environmentally responsible consumers. Without additional incentives, the bioeconomy, without passing a kind of "break-even point" and without additional incentives, can roll back to the very beginnings of its development.

Such conditions are the foundation for new standards and guidelines for the bioeconomy as an integral part and a necessary condition for new value chains in the world.

9. Temporary restoration of biodiversity is perhaps one of the most positive effects that the bioeconomy will have from the crisis. The cessation of many industries that significantly pollute nature, the self-isolation of millions of people is already manifested in the fact that nature is beginning to recover. But the damage caused by humanity is so great that without special efforts and investment, full recovery is impossible.

10. Total digitalization has connected not only the regions within the states, but also the countries into a single system. In a number of sectors of the bioeconomy, digital ecosystems already have significant positions, for example, the concept of "precision and smart agriculture" can reduce production costs by at least 10-15% [3]. Those countries and sectors of the economy that have already invested in technological modernization will complete it at a faster pace.

11. The slowdown in science and technology caused by the global crisis may affect the bioeconomy as an ecosystem to a lesser extent. For biotechnology experiments, the coming years will be under increased scrutiny

from society and the state, which have seen the potential consequences of biological warfare or biohacker attacks.

However, the world's inability to quickly find a scientific and technological response to the pandemic will lead states and companies to understand the need to increase investment in basic science, including biotechnology, breeding and genetic research, the use of artificial intelligence to solve complex problems on big data.

12. National priorities of human health and safety will be expanded and manifested not only in the application of financial mechanisms to support the

population, but also in the larger transformational functions of the state as an institution.

13. The slowdown in the transition to a low-carbon and cyclical economy is due to low oil prices and the pandemic, which negatively affects the basic values of the circular economy – a ban on disposable plastic, separate garbage collection, etc. [4]. But the orientation of many countries to self-sufficiency can push business and society to the rational use of certain technologies and products and the creation of closed systems, if not at the level of the whole country, then certainly – a single household.

**Keywords:** bioeconomics; high-tech; economy; COVID.

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## **ALTERNATIVE DIRECTIONS OF THE ENTREPRENEURSHIP DEVELOPMENT FINANCING IN ZHYTOMYR REGION**

**Oleksandr Hudenko<sup>1</sup>**

<sup>1</sup>Graduate student of the Financial Research Institute State educational and scientific establishment "The Academy of Financial Management", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-5651-0371>

In order to effectively find and attract financial resources for business, it is necessary to consider alternative sources of funding so that the entrepreneur can weigh the options and choose the most profitable for him. Finding sources of funding is a responsible stage of attracting funding, because it depends on how optimal the decision will be. However, in Ukraine there is a rather limited number of options for financing the development of existing enterprises and the creation of new enterprises, this applies to all regions, including Zhytomyr region.

However, having studied the foreign experience of alternative sources of financing, it can be noted that all over the world it is important to find new ways to finance business. Back in 2015, the OECD published a report on new approaches to financing small and medium-sized businesses [1]. Therefore, among the new ways of financing business development are the following:

1) Asset-based lending (ABL) and Asset Financing (AS). This type of lending is ideal for financing assets such as cars, machines or other equipment that has a significant value. In practice, this means that the asset financing provider buys the equipment directly on behalf of the business, in turn, the business agrees to lease or lease the equipment for a certain period. The company then makes

regular payments for use during the agreed period (usually during the useful life of the equipment). The financier also usually agrees to insure and maintain the asset during its useful life. This type of financial company is widespread, for example, in the UK, where there are more than 100 such companies, financing in the amount of 1 thousand to 10 million pounds for a period of 1 to 7 years [2]. This helps companies that need to invest in new assets to allocate costs. Creating a budget is easier because the cost is usually fixed, which gives a known monthly payment that facilitates the movement of funds. This allows you to invest in expensive, innovative equipment that not only supports business growth, but will also be more environmentally friendly and energy efficient. In this case, the entrepreneur does not distract valuable capital that can be used elsewhere.

2) Also an interesting way to finance payments can be the so-called financing of accounts, invoices, invoices (invoice financing). With the help of invoice financing, the company sells its unpaid invoices (receivables) to a third party as a percentage of their value. Existing invoices serve as a guarantee for the lender, who then provides the borrower with a percentage of outstanding invoices as a loan. This advance allows the company to use cash, which should arrive at the

company in the near future (usually 30, 60, 90 days). Invoice financing is a flexible type of borrowing. Because it is based on cash that is about to appear, firms can increase their borrowing capacity as turnover increases. There are two main forms of invoice financing: discounting invoices and factoring invoices.

When discounting invoices, the company retains responsibility for credit control in ensuring the payment of bills. The third party provides a loan based on the value of these accounts. After paying the bills, the money goes to the lender, and the company also pays interest on the loan.

When factoring accounts, the company transfers unpaid bills to a third party in exchange for a share of the face value. They take responsibility for collecting payments. When the bill is paid, they will pay the remaining amount less expenses.

Account financing is flexible and suitable for companies that have a flow of invoices, it is a form of unsecured borrowing, so assets are not exposed to risk as it could be in a business position. Such lending may also be suitable for those who need business financing but do not qualify for traditional business loans. However, there is still a need for a reasonable customer base to accept invoice financing.

3) P2P (peer-to-peer) means “user to user”. The P2P platform is an alternative to financial companies and investors. P2P lending is a mechanism for borrowing money between individuals through special online platforms. Online platforms accumulate all kinds of lenders and borrowers,

giving them the opportunity to meet and offer mutually beneficial terms. Thus, future lenders and borrowers register on P2P platforms – Internet resources or programs that are installed on smartphones, and enter into loan agreements there, agree on their terms, discuss the amount of debt and maturity. This financing tool is suitable for small businesses that need immediate credit. The first intermediary company working under the concept appeared in the UK in 2005. And in 2006, such a tool began to develop in the United States, where it is becoming increasingly popular for business.

4) Programs related to competitions and relevant financial awards can be a kind of source of funding for entrepreneurship. There are a significant number of them in the countries already mentioned: more than 10 in the United States and more than 25 in the United Kingdom. The organizers of such competitions may be various professional, non-profit or state-sponsored organizations, as well as major industry leaders, banking institutions, creditors and more. A number of business competitions and awards are open to small and medium-sized businesses in the UK, which can provide funding, support, promotion in the press and much more. For businesses at an earlier stage, these competitions can be a great way to support and test new business ideas or concepts and to provide resources or scale a startup. For more developed businesses, the awards can offer industry popularity, prestige and, in some cases, capital for growth (up to £ 50,000). Eligibility criteria for small

business awards in the United States can be as diverse as awarding organizations. Some will require companies to garner a certain number of votes online for them to be reviewed, while others ask for a video, essay, or small press release to review [3]. Some applications for such competitions will be free, while others will be paid.

However, in this way, large companies, banks and other large businesses support small businesses, including innovative startups, which will take care of the environmental friendliness of their own business and implement the concept of sustainable development in the enterprise.

**Keywords:** financial resources; business; development; competitions.

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## EXTERNAL FUNCTION OF THE STATE AS A CONSTITUTIONAL AND LEGAL CATEGORY

**Dmitro Tkach<sup>1</sup>**

<sup>1</sup>*Doctor of Political Sciences, Professor, Vice Rector, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-6947-2036>*

The problem of state formation, which today is one of the most pressing problems in Ukraine given the qualitative changes both within the country and on the world stage, requires a clear definition of the functions of the modern state given the impact of globalization and integration processes in the modern world. implementation of its external functions.

Ukrainian scientist Andrusenko OM defines the external functions of the state as the main activities of the state, revealing its essence, lie in the sphere of its foreign policy and due to the most favorable external conditions for the existence and development of the state [1].

To the external functions of the state, their modern researchers usually include primarily the functions of defending the country from external threats, maintaining international peace, economic cooperation [2].

At the same time in the modern theory of the state and the law concerning external functions of the state there is other approach offered by M.Menez (Maeszyslaw Maneli), W. Weighelt (Wolfgang Weic) J.Janev, M.Piskotin. These scholars argue that the state implements its foreign policy through a single syncretic (merged, undivided) function - external. This function is not unitary, it extends to various areas of external activity of the

state: defense, cooperation with other countries, international organizations and more. In particular, M. Piskotin identifies as part of a single external function of the state two of its main aspects: the defense of the state and the organization of economic, political and cultural ties with other states [3].

The latest type of international relations, taking into account such factors as globalization, the transformation of modern society from post-industrial to informational makes significant changes in the interaction of various external activities of the state. Take, for example, the defense function of the state, which directly depends on its integration into collective security systems. On the other hand, the military-political alliance, the North Atlantic Treaty Organization, accepts into its ranks only those states that adhere to the common values of democracy, individual freedom, the rule of law and the peaceful settlement of disputes. In order to meet these requirements, every country striving for Euro-Atlantic integration needs to do a tremendous job in the domestic political life of the country. In turn, this determines the priorities for diplomatic (or even military-political) activities and formulates certain tasks in the context of foreign policy.

The foreign policy of the modern state has recently been decisively affected by global threats, namely:

international terrorism, illegal migration, the spread of global pandemics, widening the gap between rich and poor countries, the use of high-tech inventions against humanity, environmental catastrophes, global climates, conflicts provoked by the Russian Federation, the growth of fundamentalist and extremist movements of a global nature, etc.

Returning to the understanding of the problem of external functions of the state, we take as a basis the approach proposed by Ukrainian scientist Andrusenko O.M. He believes that at the present stage there is one general external function of the state, which acts as a broader scientific abstraction. Within the framework of this general external function, separate external functions subordinate to it can be distinguished, or subfunctions of the external function of the state, which are the means of realization of the general external function, are in fact a condition for its implementation. These subfunctions of the external function

are also a kind of abstract categories that correspond to more specific homogeneous areas of external state activity compared to the general external function, and are part of the general external function as an element of its internal structure.

The scientist identifies the following subfunctions of the syncretic external function of the modern state:

- foreign policy (diplomatic);
- defense of the state from external military aggression;
  
- foreign economic;
- establishment of international humanitarian relations;
- environmental, or ecological (participation in international environmental protection);
- combating international terrorism and international organized crime;
- foreign information [4].

We will try to use these approaches in the study of the external function of Ukraine in our further scientific research.

**Keywords:** diplomatic; foreign economic; environmental; information.

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## ADVANTAGES OF USING BLOCKCHAIN TECHNOLOGIES IN THE ACTIVITY OF MODERN ENTREPRENEURSHIP STRUCTURES

**Viktoriya Karyuk<sup>1</sup>**

<sup>1</sup>Ph.D., Associate Professor at the Department of Tourism, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-2800-6565>

Today, the era of significant transformations has come for the economy and business. Well-known corporations and innovators have already assessed the potential and are implementing blockchain solutions to increase trust and transparency in supply chains in the global market, in the field of international payments, global food supplies, etc.

Corporations such as Nestle, Dole, Unilever and Wallmart are actively using blockchain technology. They have teamed up to track their products across a complex network of interactions between farmers, brokers, distributors, processors, retailers, regulators and consumers. And Microsoft, based on Azure, offers a blockchain as a service [1].

The ability of the blockchain to automatically check, record and store large amounts of digital information has created many opportunities for their use: letters of credit, transparent exchange of documents, simplification of business processes in connection with the Internet of Things and more. The study identified the following benefits of blockchain for businesses:

1. Blockchain is an effective defense mechanism against external interference. The system can not be influenced and modified in the coding or data set, so the level of trust of ordinary users of the system in business increases many times over.

2. Global network performance - this means that in a certain environment, it is easy for an entrepreneur to concentrate around his business a large customer base, because users of system elements quickly learn all the information.

3. Security, which requires a small amount of money. To attack such a system requires powerful computing resources, which makes the attack simply unprofitable for attackers.

4. The use of blockchain in long chains of suppliers, distributors, manufacturers, contractors eliminates the error. Each member of the network can verify the accuracy of the data. If something went wrong, you can easily determine at what stage it happened.

5. By using the blockchain in the process of settlement transactions, entrepreneurs can significantly reduce operating costs and increase working capital. The technology speeds up trading operations and reduces companies' costs, because with the use of blockchain technology, the entire cycle - from payment to final settlement - takes place simultaneously. For digital asset owners, this has two benefits: reduced postoperative waiting time and reduced transaction risks.

6. Simplification of accounting operations. Now each company conducts accounting operations separately, and it takes time and human resources to reconcile the data. Using blockchain transaction information,

contracts are written to the general register in real time, so compliance checks are done automatically. Which will significantly increase the operational efficiency of organizations [2].

7. The use of blockchain technologies between contractors makes the audit process more transparent, significantly reduces its time. Automation of processes based on blockchain technologies leads to the evolution of the role of the auditor in the company, leads to the emergence of services such as blockchain consulting

and audit of blockchain solutions, which is supported by the new digital age [3, 4].

Thus, blockchain technologies have a wide range of applications. Blockchains can facilitate payments using cryptocurrencies, digitization of contracts, digital content management, transaction verification, trading, or can be used in many other areas of economic activity.

Scientists believe that the next important step in the development of blockchain technology will be the introduction of "smart contracts".

**Keywords:** development; blockchain technology; digitization

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## **BEST PRACTICES OF PUBLIC-PRIVATE PARTNERSHIP ABROAD: EXPERIENCE FOR UKRAINE**

**Kateryna Stakhova<sup>1</sup>, Illia Demydonok<sup>2</sup>**

<sup>1</sup>Graduate student of the Financial Research Institute State educational and scientific establishment "The Academy of Financial Management", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-3854-7963>

<sup>2</sup>Graduate student of the Financial Research Institute State educational and scientific establishment "The Academy of Financial Management", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-9158-8695>

The practice of simultaneous use of related terms "public-private partnership" and "public-private partnership" has been formed in the scientific community. A public-private partnership is usually understood as a contract legally binding on the parties between a private entity and a public authority (local government), under which the private partner undertakes to provide public services, invest its own resources, and take over part of liability for certain risks of providing such services (note that payment to a private partner is made only in exchange for services actually provided) [1]. Instead, the legislative consolidation of the concept of "public-private partnership" objectively determines the priority of its use in research on the legal regulation of the interaction of public administration bodies and individual public law institutions with the private sector.

Public-private partnership (PPP) today is one of the most popular forms of cooperation between the state and business in the world. This is an economic category that is a mechanism for public structures and private partners to implement long-term investment projects to achieve the objectives of socio-economic development of public entities, increase the availability and quality of public services, which is achieved through risk sharing and private resources.

In order to summarize the experience of PPP implementation in different countries of the world, we can distinguish three generalized stages of PPP development,

which combine the relevant characteristics of these stages and groups of countries.

The first stage of development (higher), where the state has created the conditions and prerequisites for the effective implementation of PPP, should include the United Kingdom and Australia. These countries are characterized by the use of different models of partnership and risk sharing of partnership models, covering all periods of the project life cycle, attracting different categories of investors, including private and pension investment funds. The PPP London Underground development project, which has raised tens of billions of pounds to modernize the London Underground and brought profits to investors involved in the project, is world famous.

The example of the United Kingdom in the context of PPP is very illustrative. This country is one of the world leaders in the implementation of PPP projects. Today, more than 130 PPP projects are being implemented in the healthcare sector alone, including the construction of the St. Bartholomew worth £ 1.1 billion.

Most developed countries are in the middle stage, including the United States, Japan, France, Canada and Germany. The application of the PPP institute in these countries is close to the first group in terms of the variety of applied models, but there is some lag in the scale of coverage of industries and territorial levels. At the same time, the level of development of PPP models can be described as high. In the companies of these countries that implement infrastructure projects, special

units are formed, use a wide range of tools to finance them.

The countries of the third group, which are at the initial stage of development, including Ukraine, are just beginning to form the legal framework and institutional environment of PPP, PPP issues have only recently begun to be discussed at various levels of government and business community. The forms of the applied models do not differ in variety. The purpose of this stage is a comprehensive study of the experience of other countries and their own achievements, as well as the formation of public opinion and staff of specialists in structuring projects on the models of PPP. In this group of countries at the initial stage are also China, India, Slovakia, Latvia, Czech Republic, Poland, Hungary, Belgium, Finland, Mexico, Brazil, Russia.

The use of PPP mechanisms allows countries to increase their competitiveness, which is a common integrated assessment of the development of the country as a whole. Countries with a high level of competitiveness are characterized by a developed institutional environment that generates income, high-quality infrastructure, stable macroeconomic environment, high quality health care systems and higher education. Open market and a developed financial sector create the basis for the rapid introduction of innovations that improve the quality of life.

Features of PPP implementation in Ukraine. For Ukraine, PPP is one of the most promising ways to attract investment in state and municipal infrastructure. Today, thanks to the information campaign launched by the authorities together with the domestic media around the relevance of PPP, society has a generalized idea of the nature and benefits of PPP and the mechanism of its action when public facilities, including roads,

airports, seaports, water and water energy supply, etc., are transferred under certain conditions to a private partner. The range of application of PPP and concession mechanisms in domestic practice is much richer and more diverse, which enriches our experience and exposes potential risks.

1. Lviv castles and palaces. The idea of transferring locks to concession was born in 2007, when the list of state-owned objects that can be granted in concession was updated. The list identified three Lviv castles as potential objects of concession. However, in practice all attempts were unsuccessful - project funding was never started.

2. Urban improvement. An example of a common format of domestic PPP is the Kolomyia agreement, the subject of which was the construction of a sports complex and the improvement of the city lake. The benefit of the private partner was to obtain a plot of land in the city and the right to build houses on it.

3. Apartment buildings. Today, the construction of apartment buildings is no longer hidden behind the slogans of the development of urban social infrastructure, but directly declared as the purpose of the project to participate in the competition. At the same time, the percentage of the total area of premises in the house, which the winner of the tender (private enterprise) must transfer to the customer (state) under the terms of the tender, ranges from 5-20%.

4. Re-equipment of boiler-houses. The popularity of energy service contracts is due primarily to the availability of budget guarantees. Nevertheless, such projects are a positive example of community initiative, although they are only a temporary measure.

5. Garbage recycling. The idea of implementing the project of construction of a complex for processing of solid household waste in Poltava region was to

build several plants that would serve the region. For this purpose, separate agreements were signed with all village councils, a total of 109 agreements were signed [2]. This idea failed, so of all the concession agreements concluded, in practice there were zero implemented projects. These cases are not isolated and indicate that domestic statistical reporting and practical effectiveness of PPP projects are far from each other.

PPP skeptics often appeal to the lack of full-fledged, special PPP legislation. In fact, the Law of Ukraine “On Public-Private Partnership” adopted in 2010 did not work so well. However, even the current civil and commercial legislation allows to implement projects in the format of a classic PPP. Proof of this are a number of projects whose failure is not due to the lack of special legislation.

There have been many attempts in Ukraine to implement PPP projects. Most of the projects concerned the development of infrastructure facilities and mining, which is typical of this type of cooperation between the state and business in Ukraine. Consider the most interesting projects both in terms of implementation model and in terms of preparation stages.

I. Simferopol International Airport Joint Development Project. Launched in the summer of 2011, the project was planned to be implemented jointly with the Shanghai Construction Group (private partner, China), Investkep (coordinating partner, UK) and the Council of Ministers of the Autonomous Republic of Crimea (state partner, Ukraine). The total cost of the project was about \$ 300 million. The PPP implementation model involved the creation of a special project company (SPV). For the purposes of financing the project, in addition to the funds of a private partner, it was planned to attract borrowed capital from the China Development Bank (CDB) and the

Export-Import Bank of China (China Eximbank). The Simferopol International Airport PPP project passed all stages of coordination within the Council of Ministers of the Autonomous Republic of Crimea and was submitted to the credit committees of CDB and China Eximbank. The meetings of the committees were scheduled for spring 2014, but the events of February-March 2014 did not allow to bring the project to a logical conclusion.

II. The project of concession of berths of the Evpatoria sea trade port on Fr. Donuzlav, which started in December 2010. A private partner was the Chinese company CNTIC (China National Technical Import & Export Corporation), the coordinating partner was the Agency for Regional Development of the Autonomous Republic of Crimea, and the Ministry of Infrastructure of Ukraine planned to become a state partner. The project provided for the construction of a full-fledged commercial port on the island. Donuzlav with an estimated value of over 1 billion US dollars. The project was stopped at the stage of preparation of the feasibility study due to political force majeure.

III. In the context of the history of PPP preparation in Ukraine, it is worth mentioning the failed production sharing agreements (PSAs) within the framework of prospecting, exploration and production of hydrocarbons at the Yuzivsky and Olesky deposits. Private partners under these agreements in 2013 were Shell (Yuzovskoye field) and Chevron (Oleskoye field). Shell and Chevron later withdrew from PPP projects. The reasons for the refusal are current events in eastern Ukraine and scandals surrounding the coordinating partner for both projects.

Thus, the development of PPP allows to create a synergy of capabilities of public administration and local government, as well as the efficiency of private capital,

allows to attract significant investment in the economy. The PPP mechanism, when properly functioning, provides broader benefits from investment, creating favorable conditions for sustainable development.

Ukraine has a large potential for the development of many forms of public-private partnership, but its practical application requires the solution of a number of fundamental issues. First, the real interests of all parties to the agreement must be taken into account. In our country, the so-called political tradition is strong, when the state plays an exceptional role and sometimes interferes in the autonomous spheres of society, including the competence of business, not always justifying its actions by law. Negative political events also do not contribute to the introduction of PPP in Ukraine. All this prevents the

establishment of trusting and constructive relations with entrepreneurs.

Ukrainian private business remains largely an immature participant in cooperation with the authorities. The social orientation of business is still underdeveloped. Large, medium, and small businesses show a desire for the most part to make a profit, redistribute budget funds, and not to invest or otherwise participate in global projects that are of particular importance to the country's economy. An effective partnership is possible only if the strategy of further development of the country is completely clear and predictable. In countries with developed market economies, sufficient experience of PPP has been accumulated, which, taking into account the specifics of the country, can be applied in Ukraine.

**Keywords:** public-private partnership; cooperation; state; business.

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## DESTRUCTIONS OF SMALL AND MEDIUM AGRICULTURAL DEVELOPMENT IN UKRAINE

**Anastasiia Mazur<sup>2</sup>, Mykola Maltsev<sup>2</sup>**

<sup>1</sup>Graduate student of the Financial Research Institute State educational and scientific establishment "The Academy of Financial Management", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3073-6134>

<sup>2</sup>Graduate student of the Financial Research Institute State educational and scientific establishment "The Academy of Financial Management", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3190-2659>

Despite the fact that in recent years the state and local authorities have provided a number of positive steps to simplify business activities (reforming and improving the system of administrative services, completing the transfer of powers to state registration of legal entities and individuals, real property rights property, optimization of permitting procedures in the field of economic activity and the process of starting a business), it should be noted that along with the positive changes that have been achieved in the development of small business there are problems that need to be addressed and remain relevant. In particular:

- lack of a single comprehensive system of state support for the development of small and medium enterprises at the state and regional levels;

- limiting the opportunities of business entities to finance the modernization and technical re-equipment of production at the expense of credit and own funds;

- imperfection and burden for the business of the tax administration system;

- Insufficient level of real partnership between business, local governments and executive power at the level of districts, individual cities and towns in the conditions of decentralization of power;

- lack of effective mechanisms to counteract monopolies, especially in the agricultural sector and in rural areas;

- ineffective financial management at the level of united territorial communities.

Internal (strengths and weaknesses) and external (favorable opportunities and

threats) factors that hinder the development of small and medium-sized businesses in Ukraine are identified, using the tools of SWOT-analysis. In particular, the strengths include such components as: ease of business registration; competitive cost of labor; highly qualified labor resources; initiation of effective regulation processes; success in removing barriers to trade, adaptation to EU standards; improvements in public procurement; large domestic market; Simplified tax system; favorable geographical location; public participation in the formation of public policy. To the weak: unfavorable macroeconomic situation; high levels of corruption and regulatory pressure; lack of established coordination between stakeholders to meet the needs of small and medium enterprises and assess their needs for educational services; lack of affordable and long-term financing; low level of energy efficiency and internationalization of small and medium enterprises; high level of shadow economy; complex process of closing enterprises; difficulties during the tax administration of small and medium enterprises; low level of purchasing power of the population. Among the main opportunities are: support from the international community; Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, and other free trade agreements; Ukraine 2020 Sustainable Development Strategy and Comprehensive Reform Program; further

development of the public procurement system; participation in the EU Framework Program for Research and Innovation “Horizon 2020” and the EU program “Competitiveness of Small and Medium Enterprises (COSME) (2014-2020)”; full use of the opportunities of the European network of enterprises; high growth rates of information and telecommunication technologies and informatization; the ability of the banking sector to lend to small and medium enterprises; increasing the level of energy efficiency; increasing the level of capacity of business associations, cooperation; interaction of stakeholders who provide support to small and medium enterprises. And threats are usually: the continuation of geopolitical instability in the east of the country; slow economic recovery or new macroeconomic shocks; slow pace of implementation of reform programs; unforeseen changes in legislation.

It is also necessary to emphasize the priority areas of small and medium-sized businesses:

- production of agricultural products (including the cultivation of new and non-traditional for the region products, livestock, crop production, beekeeping, etc.);

- processing of agricultural products (production of food, eco- and bio-products, production of processed raw materials of plant and animal origin, etc.);

- introduction of energy saving technologies and implementation of energy efficient projects;

- tourist and recreational spheres (development of hotel business, rural green tourism, production of souvenirs, revival of folk crafts);

- provision of social and household services to the population in rural areas.

In addition, it should be noted that a total of UAH 4.5 billion was provided in the State Budget for 2021 to support small and medium-sized agricultural producers [1]. The main administrator of the budget program and the responsible executor is the Ministry of Economic Development, Trade and Agriculture. Accordingly, the Government has expanded the list of areas in which small and medium-sized agricultural producers could receive state financial support [2]:

- state support of agricultural insurance;
- compensation for losses from damage to crops due to emergencies of man-made and natural nature;

- state support of agricultural producers who use reclaimed lands;

- state support for producers of organic agricultural products;

- state support of potato producers;

- state support of agricultural producers by allocating budget subsidies per unit of arable land.

These issues are also regulated by the Law of Ukraine “On State Support of Agriculture of Ukraine”.

**Keywords:** economic; financial management; development; business.

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## THE MAIN PROBLEMS OF THE AGRO-INDUSTRIAL COMPLEX OF UKRAINE AND WAYS TO OVERCOME THEM

**Victoria Vorobiova<sup>1</sup>**

<sup>1</sup>*Postgraduate student, manager of administrative activity of the Department of Management Technologies, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-6305-8782>*

The agro-food sector has always been and still remains a priority link in economic development and a leading sector of our country's economy. This is due to the fact that Ukraine has positioned itself as a powerful producer of agricultural products for many years. The advantage of such success was primarily developed industry, favorable economic and geographical location in sales markets, significant advantages in the territorial division of labor, favorable natural and climatic conditions, in particular, the most fertile soils of chernozem and extensive experience in effective management on the land [1].

For the future functioning of the agroindustrial complex of Ukraine, various forms of organization of agricultural production are created and successfully operating, namely: agro-industrial associations, limited liability companies, agricultural plants, agricultural firms, associations, farms, private agricultural enterprises, production and research and production systems, etc. [2]. Analyzing the dynamics of changes in the structure of agricultural enterprises by organizational forms of management by 2020, it can be traced that farms occupy 74.9%, business associations - 15.3%, cooperatives - 1%, private enterprises - 7.1%, state-owned enterprises - 0.4% and enterprises of other forms of management - 1.3%. It was established that such an organizational form of management as a farm prevails in the institutional structure of the agroproduct complex and is considered one of the most promising forms of agriculture [3].

In addition, Ukraine was recognized as one of the leaders in the export of basic agricultural goods of wheat, sunflower and sugar. According to the SSSU, in 2018, 65,951.5 thousand tons were produced. tons of grain crops, with an average cost of 3381.9 UAH. tons, and the price of sunflower was 3381.9 UAH. ton. According to experts, the 45 largest agricultural companies in Ukraine cultivate about 4.1 million hectares of agricultural land with a total revenue of more than 10.8 billion hectares. \$100,0 [4] Accelerated development of cattle breeding, pig breeding and poultry farming is envisaged.

Despite certain positive factors of the agricultural sector in the country, the analysis of modern professional literature indicates the presence of the main problems of domestic agricultural enterprises, namely:

- lack of opportunities for agricultural logistics and supply chain management of Ukraine; our agrologistics are less integrated, manageable and rational than in the USA and EU countries, and its entities are raw materials business units of international supply chains;
- considerable losses of products due to imperfection of agricultural market infrastructure, non-industrial technologies of storage logistics;
- instability of competitive positions of domestic agricultural products and food in the foreign market due to unfinished processes of adaptation to European requirements for the quality and safety of agricultural raw materials and food products;

- unsustusttable legal field of activity of entrepreneurial structures in the field of agriculture and branches of the agro-industrial complex;
- demotivating system of entrepreneurship taxation;
- lack of modern innovative agrotechnics in production; low rates of technical and technological renewal of production; risks of increasing production costs due to increased equipment depreciation and the use of outdated technologies;
- lack of qualified logistics specialists and potential reluctance of managers to change sustainable job stereotypes against the background of general low legal and managerial culture;
- ignorance of most agricultural producers about market conditions and business conditions in the industry;
- limited capacity of the domestic market of agricultural products and food, due to the low solvency of the population;
- underdeveloped transport infrastructure that does not meet modern requirements (51.1% of Ukrainian roads do not meet the requirements of international standards for equality, 39.2% - strength; average speed on roads is 2-3 times lower than in Western European countries. Almost 90% of Ukrainian roads are designed to load a car maximum of 6 tons, which is much less than in European countries. and high tariffs for rail transportation lead to a reduction in the use of this type of transport. Also, the

possibilities of river transport in the transportation of goods are poorly used.

- incomplete land reform.

Based on the above and analyzed, we can conclude that modern agricultural companies are developing, but the current economic situation of the country is unstable, the unstable dollar exchange rate and the volatility of prices for major agricultural crops in world markets force enterprises to invest in improving production efficiency and increasing yields. This leads to a decrease in the cost of production and greater independence of agricultural holdings from the negative factors of the modern market.

Therefore, to eliminate these shortcomings and solve these problems, it is proposed to improve the comprehensive management of the agricultural industry, improve the quality of products and reduce costs, increase profits, provide financial assistance to the development of the agrarian complex by the state, increase the competitiveness of agricultural products, improve the quality of agricultural machinery production and develop agricultural logistics by creating new roads, railways, ports for transportation agricultural products. Thus, the issues of improving the forms, methods and methods of logistics management of agricultural formation play a very important and relevant role in the functioning of the agro-industrial complex and require research in these areas.

**Keywords:** agro-food; economy; market; management.

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## **TUTORING: ESSENTIAL FUNDAMENTALS, PRACTICE, PERSPECTIVES**

**Nadiia Chayun<sup>1</sup>**

<sup>1</sup>*Ph.D. (Pedagogy), Associate Professor of Technology Management Department, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-3734-8751>*

In the domestic and international educational environment in the process of comprehensive reform of it is carried out an active search for progressive ideas (at the subconscious and conscious level) to form the latest model of education that meets the requirements and needs of the XXI century.

Top management in the field of education connects the success of its modernization with the effective entry into the European Educational Space, which, according to him, opens up new opportunities for the development of new approaches to educational vocational training of students, their development of readiness for continuous self-education, personal and professional self-improvement in conditions of instability and permanent socio-economic and socio-political crisis.

One of the priority directions for the implementation of these target tasks is the introduction into practice of higher school model of personal-oriented training and education of specialists, which is carried out in the institution of tutors, which has developed in the process of its evolutionary development and has undergone objective changes in understanding their essence, mission, tasks and content. Each of these universities has its own unique experience in implementing tutor technology, its own traditions and priorities, which deserve its creative and critical analysis to determine the basic ideas of tutorship as a holistic system, principles and mechanisms of its implementation in the practice of Ukrainian higher school, taking into account the achievements and

miscalculation of the domestic practice of curatorship and mentoring [2;5].

At the same time, practice shows that there are serious problems with the active implementation of tutor support for educational and educational activities of students in the educational process of Ukrainian universities. They are associated with the uncertainty of their legal status, financial and personnel support, the existence of alternative approaches to understanding the essence of the concepts of "tutor", "tutoring", "tutoring activities", the lack of training and advanced training programs in this category of pedagogical staff, especially for the needs of educational and professional areas in the fields of "Economics", "Management", "Logistics", "Law".

Our research allows us to formulate the concept of a tutor of a higher education institution as a professional teacher, specialist in his field of activity, which is able as a subject of the integral educational process to organize productive subject-subject interaction with the tutor, aimed at objective disclosure of his personal potential, development of his subjectivity, mobility, creative activity and responsibility for his own educational and professional training and self-realization in socio-cultural and pro-realization business environment.

Not every teacher-specialist (economics, finance, management, law, etc.) can effectively perform the functions of a tutor, but only one who has a versatile (educational, educational and methodological, organizational and methodological, scientific and

technological, etc.) preparation and motivation for productive contacts and relationships with students in the implementation of targeted institutions of the educational process in higher school.

In the course of the study, it was possible to distinguish a model of tutor activity, which can be considered as an integral system consisting of interrelated and interdependent elements, that is, actions [1;3;4;6]:

1. analysis and diagnostic actions;
2. motivational and targeted actions;
3. organizational and methodological actions;
4. professional and content element;
5. control and evaluation actions.

The proposed model most fully reveals the essential foundations of tutor activity, determines the direction of tutors' preparation for productive interaction with tutors in the course of an integral educational process.

It should be noted that tutoring as an innovative educational technology, tutoring activities as a special social and pedagogical mechanism of individualization of educational and

cognitive work of students, demanded by the practice of higher education institutions. For the successful implementation of the tutor project, it is necessary to substantiate the regulatory status of the tutor as a teacher-organizer of individual support for the educational, professional and personal formation of tutors; to define normative legal, organizational, methodological and scientific-methodological support of tutorship as an educational innovative technology, tutor activity as a specific social and pedagogical activity, which contributes to the individualization of educational and educational work with students, denomination of its target installations, functions and content with the scientific and pedagogical activities of teachers; to unite the efforts of scientists, practitioners, public associations on the introduction of the tutor's position in the Classification of Professions of Ukraine; to develop requirements for the organization of individual-group educational and educational work of the tutor and criteria for assessing its effectiveness.

**Keywords:** education; education management; tutoring

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## MODERN ASPECTS OF UKRAINE'S FOOD SECURITY IN THE CONTEXT OF EUROPEAN INTEGRATION

**Sergiy Shcherbyna**

*<sup>1</sup>Ph.D. in agriculture, associate professor, professor of the Department of Project and Process Management, KROK University, Kyiv, Ukraine*

The purpose of this research is focused on uncovering the problem of implementation of targeted food support to vulnerable segments of the population of Ukraine as an important alternative process to ensuring food security among citizens. It is especially topical given the necessity of bringing social standards in Ukraine in line with EU levels, as stipulated by the commitments of the EU-Ukraine Association Agreement.

While the average households in Ukraine spend over 50% of their income on food, the poorest of them use up to 80-90% of their income to buy food. These facts show that the average level of income in Ukraine is at the level of poor countries (which should be addressed only by the early 2030s) and prevents a significant part of the population from achieving the minimum supply of nutrients and energy in accordance with scientifically based standards [1]. The EU sets the specific percentage of food expenses between 20-25%, which, on the one hand, is a manifestation of higher economic development, and, on the other hand, a result of targeted, transparent, and effective social-food policy [2].

In accordance with the EU-Ukraine Association Agreement, the use of state budget funds of Ukraine must conform to financial practices to plan for and attract supporting funds from the EU.

They have to be based on the results of publicly submitted calculations and reports, on the transparency of timely information exchange with recipients (of budget funds), in line with the principle of proper financial management under Regulation (EU, Euratom) No 966/2012 of the European Parliament and Council ("Financial Regulation") [3]. These provisions set out the requirements that current national legislation is in line with the EU and directly or indirectly implements this Regulation, and is effective in using the financial resources for specific purposes (Part I). The application of the Financial Regulation (Part II) begins with the topic of managing the Agrarian Fund and funds connected therewith to develop fishery, rural areas, etc., that also contains the tasks of balanced management of the food needs of the population.

To overcome these problems, the Government of Ukraine approved the strategy for poverty reduction, in accordance with the Sustainable Development Goals 2015 – 2030 (SDG), approved at the UN Summit in September 2015 and adopted in the form of the National Report "Sustainable Development Goals: Ukraine". These documents show that ensuring the right to protection against poverty and social exclusion is one of the main directions of the European

Social Charter (revised), which was ratified by the Verkhovna Rada of Ukraine in 2006 [4]. They emphasise that proper social programmes can provide numerous solutions for obtaining the necessary income and

poverty reduction by vulnerable groups of the population, in particular, to ensure equal rights and opportunities for disabled people, especially when expanding the role and opportunities of the digital economy.

**Keywords:** digital economy; food security; development

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## ECOLOGIZATION OF STRATEGIC ENTERPRISE MANAGEMENT

**Olksandra Liashenko<sup>1</sup> Ruslan Markov<sup>2</sup>**

<sup>1</sup>*Doctor of Science (Economics), professor, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-7114-4501>*

<sup>2</sup>*Ph.D. (Economics), KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-8150-8249>*

The development of the processes of greening of international production and trade relations has a significant impact on the formation of directions for their implementation, the choice of forms, methods of organization and strategic planning of environmentally friendly economic cooperation. The main directions of implementation of the global strategy of greening of the world economy are, first of all, coordination of joint measures to reduce the negative impact on the environment; identification of priority areas for environmental optimization; development of an action plan for the gradual mutual combination of economic and environmental interests of the world space.

Ecological sustainable development is aimed at developing new production technologies that allow the rational use of natural resources and reduce the harmful effects on the environment. The vast majority of Ukrainian enterprises focus on achieving economic sustainability, but it should be noted that in the future social and environmental aspects of sustainable development will be important components of achieving competition, so Ukrainian business leaders need to learn in detail about the methodology of sustainable development programs.

The principles of greening the strategic management of the enterprise are:

**Keywords:** management; ecology; strategy

- 1) the principle of caution - the preservation of the current state of the environment contrary to irreversible changes;
- 2) the principle of "anticipate and prevent", ie, a cheaper and less risky alternative to the elimination of damage to the environment;
- 3) the principle of greening production - the transition to environmentally friendly technologies in order to reduce the level of man-made load on the environment;
- 4) the principle of "polluter pays" - obliges to reimburse the full cost of environmental damage;
- 5) the principle of accountability - determines the company's level of impact of its activities on the environment and the need to take responsibility for such actions. Mandatory environmental expertise and audit of the enterprise;
- 6) the principle of humanity - aimed at creating optimal conditions for intellectual and social development of workers, recognition of the natural right of each individual to freedom, individuality, social security and development of abilities.

Greening of strategic management of the enterprise is aimed at creating competitive advantages and establishing an effective strategic position that should ensure the future viability of the enterprise in conditions of turbulent changes.

## THE PRIORITY FIELDS OF INNOVATION DEVELOPMENT IN UKRAINE

**Natalia Blaga<sup>1</sup>**

*<sup>1</sup>Ph.D. (Economics), Associate Professor, Lviv State University of Internal Affairs, Lviv, Ukraine, <https://orcid.org/0000-0001-9433-9459>*

Overcoming the economic crisis and ensuring the development of the national economy are impossible without creating a powerful innovation potential that would meet modern world standards, guarantee the rights of investors and increase both domestic and foreign investment.

Legislative regulation of innovation in Ukraine is constantly improving with the process of reforming the country's economy and the accumulation of experience in innovation based on the latest achievements of domestic and world science.

To develop rapidly innovations in Ukraine and create an effective mechanism for the distribution and redistribution of capital, promote economic development and provide appropriate conditions for investment while reliably protecting the interests of investors, its creation and further operation must be based on efficiency and legal order. This approach will regulate the rules of conduct and relationships of innovation actors [1].

At present, the legislation of Ukraine does not have norms that would regulate the issuance and circulation of derivatives, which significantly slows down the development of market reforms in general. Contrary to the policy of developed countries, Ukrainian regulators are not preparing financial support for market

participants, but reforming legislation that should stabilize the situation.

Innovation in Ukraine cannot exist without the transition to a new economic policy of management and regulation, which results in increased economic growth. Positive shifts in the direction of stimulating economic growth outweigh the negative consequences associated with the distortion of free-market redistribution of resources, increasing "unstable" loans, the outflow of money to the foreign exchange market and abroad, centralized decision-making in the state apparatus, some of which are non-economic. Participants in financial relations respond to changes in the financial world, production, policy, which determines the high mobility of financial capital and its rapid flow into areas of greater profitability [2].

Coordination between economic efficiency and social justice can be carried out in a fairly wide range depending on the "existing in a particular model of socio-economic structure of the state value system." No less important is the development of innovation on an ecologically safe basis and support for the development of eco-innovation, which will contribute to the long-term development of the state [3].

The development of innovations in Ukraine takes place in several areas, which include: rational distribution of functions between investment market

participants; ensuring a competitive environment; creation of optimal infrastructure; improved innovation potential; developed innovation culture; systematic monitoring of innovation processes in the country.

The fact that the legislation of developed countries allows producing products that do not meet the safety requirements in force in these countries, provided that it is sold in other countries, also harms the innovation market in Ukraine [4].

In addition, counterfeiting has become very widespread recently.

According to various estimates, it is about 50%. The consumer suffers not only from deception regarding the real qualities of goods and services, but also, most importantly, he is not fully compensated for the damage and damage.

Therefore, the process of innovations regulating in Ukraine should include a set of legal, administrative, economic, technical and other methods, which are framed in the mandatory rules of activity, enshrined in regulations of the state.

**Keywords:** development; innovation; economics

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## **PECULIARITIES OF APPLICATION OF MANAGEMENT ANALYSIS IN DIAGNOSIS OF SUPPLY CHAIN FUNCTIONING**

**Viktor Alkema<sup>1</sup>**

*<sup>1</sup>Doctor of Sciences (Economics), Professor, Head of the Management Technologies Department, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-5997-7076>*

Economic activity of enterprises in the conditions of constantly growing dynamics of external environment demands operative and complex decisions and considerable resource potential for reaction to external and internal destabilizing factors that promotes their integration into various forms of organizational and economic interaction. Such forms are the most common supply chains and networks. In today's economic environment, the supply chain is a new and important object of management analysis. Theoretical aspects of the problems of management analysis of enterprises were devoted to the scientific works of domestic scientists: R. Brukhansky [1], O. Gaidaenko [2], T. Mulyk [3], O. Mnykh [4], O. Tomchuk [5], I. Farion [6] and others. However, theoretical and methodological aspects of management analysis for integration associations of enterprises and the peculiarities of their use have not yet been developed. Well-known foreign scientists such as D. Bauersocks [7], M. Christopher [8], D. Waters [10], J. Stoke [11] and D. Lambert [11], R. Handfield pay considerable attention to the study of the supply chain. [14]. Among domestic scientists, the works of E. Krykavsky [9], L. Szegeda [13], O. Sumets [12], and N. Chukhrai [15] are devoted to the issue of supply chain evaluation. The most systematic

analysis of modern approaches to the use of analysis in [13].

In this work, the emphasis was on the study of methodological approaches to management analysis of supply chains and the identification of their features. To understand these approaches, the essence of the methods and tools of the concept of "Supply Chain Management" (SCM) was considered. The primary direction of analysis in this concept is the analysis of profitability. It is established that in order to analyze the profitability of business units of the chain it is necessary to: diagnose the magnitude of increase in sales revenue by improving the quality of service, reliability of supply and accuracy of demand forecasting; assess the dynamics of cost reduction as a result of minimizing the level of stocks; to establish the values of cost reduction in procurement, warehousing and sales, as well as to identify the degree of growth in the level of utilization of production and logistics capacity. Features of management analysis of profitability of supply chains should also include the evaluation of decisions on outsourcing activities. To conduct such an analysis, it is necessary to constantly monitor the cost of resources and assess the magnitude of their savings compared to traditional solutions. In addition, comparative assessment of service quality and flexibility in service

delivery scenarios should be important aspects of the analysis.

Thus, the main features of the application of management analysis in the diagnosis of the supply chain are: the use of indicators to assess their performance based on the modern concept of SCM; supply chain management analysis is carried out at three levels: the levels of individual entities, the levels between the subject

interaction (supply channels) and the levels of the chain as a whole; The priority direction of the chain management analysis is the analysis of profitability taking into account the decisions on outsourcing activities with an assessment of the magnitude of cost savings and increasing the quality of services compared to traditional solutions.

**Keywords:** management; analysis; development; supply channels

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## **IMPACT OF SUPPLY CHAIN SECURITY ON THE DEVELOPMENT OF UKRAINE'S INTERNATIONAL TRANSPORT CORRIDORS**

**Serhiy Filatov<sup>1</sup>**

*<sup>1</sup>Ph.D., Associate Professor Department of Management Technologies, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-9831-7051>*

The National Transport Strategy of Ukraine "DriveUkraine 2030", which was approved by the government until 2030, was developed with the support of European partners and envisages the implementation of 39 Ukrainian infrastructure projects included in the Indicative Plan for the Development of the Trans-European Transport Network (TEN-T), prepared by the European Commission and the World Bank for the development of transport links in the Eastern Partnership countries [1].

Thus, the development of international transport corridors (MTC) is one of the main directions of implementation of Ukraine's transport policy. The fundamental idea of any MTC is the concentration of transport, freight and passenger flows on highways with maximum throughput and a high level of arrangement. According to some experts, the level of use of transit potential is only 60%, and revenues from transit and a complex of related services amount to about 6-10% of GDP [2]. Therefore, at present, the transport system of Ukraine is not fully ready to provide transportation in growing volumes, and this, in the face of fierce competition, leads to the displacement of Ukrainian carriers from the international markets of transport services, reduces the quality of service for domestic enterprises and the population, poses a real threat to the economic security of the state [3].

To improve the efficiency of transport corridors, it is appropriate to apply the best practices for the implementation of ISO standards, namely DSTU ISO 28001:2009, which will help the organization to establish adequate safety levels in the part of the international supply chain that it controls [4]. This system, compatible with ISO 9001 and other management systems, is aimed at reducing costs and eliminating risk factors that may arise. To maintain the harmonization and standardization of these transport corridors, it is necessary to apply the recommendations and tools of the UN SIFACT (UN Center for The Simplification of Trade Procedures and Electronic Business Operations).

The implementation of ISO standards increases the efficiency of logistics and forwarding companies that ensure the movement of material flows of MTC supply chains.

Strengthening the safety of supply chains in the MTC contributes to the implementation of such measures as: electronic consignment note; transition to the level of the national trade and transport "single window"; modern digital technologies of supply chain logistics; electronic services, as well as unmanned and highly automated transport systems.

Thus, standardization and certification of the logistics sector of transport is an important tool for state

regulation of service quality, which creates an environment of trust, partnership and incentives for innovative development, involvement of domestic enterprises in global

supply chains, and legal regulation of logistics activities in Ukraine should reflect the principle of supply chain safety.

**Keywords:** strategy; government; development; chain safety

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## KEY ASPECT OF ORGANIZATION OF LOGISTICS COSTS ACCOUNTING AT PRODUCTION ENTERPRISES

**Olexander Sumets<sup>1</sup>**

*<sup>1</sup>Doctor of Sciences (Economics), Professor, Professor of the Management Technologies Department, KROK University, Kyiv, Ukraine, ORCID: <http://orcid.org/0000-0002-8348-5459>*

The formation of post-industrial trends in the domestic economy and the intensification of competition in the market involve a change in the target orientation of economic entities. An indicator of the viability and efficiency of the latter is the stability and dynamism of their management system, which must take into account the logistical component of the management of each enterprise, firm or company [1-3]. The issue of accounting for logistics costs (LV) is an important issue for all areas of social production [2]. The solution to this problem is possible only with the appropriate level of organization of accounting systems in enterprises [6].

Presenting main material. Using the results of our own research [3-5], we can state that one of the effective ways to modernize accounting systems in enterprises is the introduction of a system of registration, analysis and control of logistics costs (SRAKLV), which should operate independently but within the overall cost management system. LV are formed during the implementation of all logistics activities in the supply of material and technical resources to the enterprise, production and distribution and marketing, return of sold products, disposal and destruction of waste. This requires a systematic approach to the organization of enterprises SRAKLV, which in the future should become the

basis for decisions on effective management and significant reduction of production costs [3-5]. According to the author, the organization at the production enterprises SRAKLV will be effective provided that there are two types of centers, namely: centers of concentration of costs (CZLV) and centers of responsibility for them (CVLV).

According to the author, at the production enterprises it is expedient to create CZLV in relation to the phases of movement of material flows, and points - to the logistics functions that implement within these processes, the relevant logistics departments or individual performers. The number of centers and points of concentration of LV is determined by the scale of logistics activities of each individual enterprise.

The process of organizing CVLV, according to the author, also requires specification and clarification. The centers of responsibility for LV in enterprises should be formed in accordance with the selected centers and points of concentration of these costs, ie at two levels.

At the first level it is necessary to create in accordance with the existing phases of movement of material flows centers of responsibility, and at the second - points of responsibility for LV, formed as a result of functional types of logistics activities. Thus, in the

role of centers of responsibility for LV, according to the author, the production enterprises should be considered departments of logistics, logistics of production, distribution and marketing of products, disposal and destruction of waste. In turn, the points of responsibility for LV should be the following units: procurement; warehousing; transport support; fulfillment of customer orders; logistics

administration; registration, analysis and control of logistics costs; information support.

In conclusion, it should be noted that under all known limitations and circumstances, it is the centers of concentration of LV are still the basis for the organization of an effective system of their registration and accounting at industrial enterprises.

**Keywords:** economy; management; logistic; accounting; organization

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## USING BLOCKCHAIN TECHNOLOGY TO PROTECT SHAREHOLDERS' PROPERTY RIGHTS

**Iryna Mihus<sup>1</sup>**

*<sup>1</sup>Doctor of Science (Economics), professor, KROK University, Ukraine; Scientific Center of Innovative Researches OÜ, Estonia, e-mail: irynamihus@gmail.com, ORCID: <https://orcid.org/0000-0001-6939-9097>*

In today's economic environment, blockchain technologies play an important role as a tool of preventive measures in the fight against various types of fraud. Among other types of fraud, the Association of Certified Fraud Examiners [1] demonstrates in its annual report, forgery of the company's documents in order to further seize its property or financial resources plays a significant role.

The peculiarity of joint-stock companies is that in the process of its activities the joint-stock company has to interact with different types of registrars. Thus, when conducting state registration of a joint stock company or making any changes to the Unified State Register of Enterprises, Institutions and Organizations of Ukraine, its founders (representatives) apply to the state registrar, as well as the state tax service and state social insurance funds.

Registration of the issue of shares is carried out by authorized persons of the National Commission on Securities and Stock Market. And finally, the registrar, who is directly involved in maintaining the register of shareholders. It is with him that shareholders have the greatest number of conflicts, and he is the weakest and most uncontrollable element in the system of joint stock company, which is most often exposed to raider attacks.

Raiders' increased attention is due to the fact that such a registrar has complete and reliable information about shareholders and their stakes, the history of their acquisition, and other important facts.

The issue of interaction of joint-stock companies with financial intermediaries in the stock market was studied by Korneev V., Mozgovy O. and others, however, unfortunately they did not reveal the issue of using blockchain technology to protect joint-stock companies from various frauds.

Based on the study, it was found that the main threats that directly or indirectly affect the economic security of joint stock companies and the welfare of their shareholders are [2]:

- do not meet the established requirements of the premises for storage of documents of the register system;
- unfounded refusals to make changes to the registry system;
- inconsistency of the information provided in the reports with the data of the register system;
- untimely opening of personal accounts of registered securities holders;
- non-issuance of temporary certificates of ownership of registered securities to the owners of registered securities;
- late submission or non-submission to the SSMSC or the Antimonopoly

Committee of Ukraine of information on persons who own more than 10% of the shares of the general statutory fund of the company;

- making changes to the registry system on the transfer of property rights without the presence of contracts of sale, power of attorney or other civil law agreements;

- access to the system of the register of persons who did not have the authority or whose documents were not executed properly, etc.

The main negative consequences of the interaction of the company with the registrar, which violates the law or could potentially affect its economic security are [3]:

- inability to obtain a register of shareholders, which raises suspicions of intentional changes in it by the registrar;

- impossibility of holding the general meeting of shareholders without the relevant register and change of the registrar;

- raider seizure of a joint-stock company by making changes to the register and obtaining a controlling stake by third parties and other actions.

We believe that the use of blockchain technology to maintain registers of owners of securities of the company, will help prevent misrepresentation of records, which will not allow fraudsters to illegally seize someone else's property.

Thus, the author investigates the impact of independent registrars of registered securities holders on the economic security of joint stock companies and their shareholders; the main violations of the current legislation on the circulation of securities and the maintenance of registers of their owners are systematized, as well as the negative consequences of violations of the law by registrars, which may affect the economic security of the company.

**Keywords:** blockchain; joint stock company; fraud; register; shareholder; action.

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## SUSTAINABLE DEVELOPMENT OF AGRICULTURAL ENTREPRENEURS

**Ruslana Levkina, Yana Kotko, Artur Levkin**

<sup>1</sup>*Doctor of Economics, Professor, Professor of the Department of Entrepreneurship and Exchange Activity, State Biotechnological University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0003-0768-8613>*

<sup>1</sup>*PhD in Economics, Senior Lecturer of the Department of Entrepreneurship and Exchange Activity, State Biotechnological University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0001-6611-8130>*

<sup>3</sup>*Candidate of Technical Sciences, docent, docent of the Department of Cybernetics and Information Technologies, State Biotechnological University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0001-5021-5366>*

Solving the problem of sustainable development by forming strategies and building appropriate management models is not only one of the central in economic science, but is associated with a number of important scientific problems, including employment and socio-economic development of rural areas [1, 2].

Thus, the existence of the problem of sustainable development actualizes the problem of formation and effective functioning of the model of management of development of agrarian entrepreneurs [2]. Sustainable development in agriculture requires a combination of economic, social and environmental components [3].

The article offers the author's vision of theoretical, methodological and practical issues to the formation and implementation of management models of agricultural enterprises based on adjusting their specialization in the direction of increasing the share of area under high-intensity crops, gradual transition to organic production and change in commercial activity [4, 5].

An improved methodological approach to determining the performance and performance criteria of such entities, taking into account the economic, social and environmental components, allows a comprehensive approach to determining the limit of bifurcation in the agroecological

system with a sufficient level of profitability. Further research on this topic brought to the proposals at the level of a specific region to stabilize socio-economic processes and development [6].

The operation of domestic agricultural enterprises takes place in conditions of constant risk, uncertainty and a high probability of changes in the course of the state and the market environment. This requires agricultural enterprises to adapt to turbulent conditions and simultaneously solve social and environmental problems. Solving such problems in the context of achieving the relevant goals allows not only to create favorable conditions for the development of agricultural entrepreneurship, but also to increase employment in rural areas, and thus solve social problems. At present, the priority of domestic agricultural enterprises over social and environmental issues is typical for domestic agricultural enterprises.

Therefore, the solution of the formulated problem, in our opinion, is a possible way of formation and introduction by subjects of agrarian business of strategy of sustainable development based on four components: economic, social, ecological and power. From the list, the first three are already quite traditional, because they are the focus of the vast

majority of scientists studying the issue of sustainable development [1, 2].

We propose to improve the methodological approach to defining the concept of sustainable development in the agricultural sector by introducing

an additional energy component, which, on the one hand, is the result of the previous three, and on the other, is an independent component and allows to determine the appropriate sustainability indicator.

**Keywords:** development; agricultural enterprises; strategy

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## DIRECTIONS OF IMPROVEMENT OF PUBLIC HEALTHCARE IN UKRAINE

Nataliia Gavkalova<sup>1</sup>, Israel Oluvaseidayo Idris<sup>2</sup>

<sup>1</sup>*Doctor of Economics, Professor, Head of Public Administration and Regional Economy Department, Simon Kuznets Kharkiv National University of Economics, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0003-1208-9607>*

<sup>2</sup>*Postgraduate student, Simon Kuznets Kharkiv National University of Economics, Kharkiv, Ukraine*

The healthcare sector in Ukraine has become the forefront of the confrontation between supporters of the old healthcare system and lobbyists for the introduction of a new model based on health insurance. A significant number of issues related to the improvement of the efficiency of public health management are associated with significant financial costs for the implementation of relevant changes. All this is of concern to citizens, government officials, businesses, practitioners and academicians about the cost-effectiveness ratio of the actual results of the reform.

At the same time, the ongoing reform of the healthcare system in Ukraine today requires the introduction of mechanisms to actually increase the level of ensuring the medical rights of citizens of Ukraine, which determines the relevance of this study. Thus, the issue of evaluating the effectiveness of the innovations in the field of health care introduced by the reform in terms of their compliance with international standards has not been adequately scientifically substantiated yet.

The purpose of the article is to determine the effectiveness of healthcare reform in Ukraine and the relevance of the reform and the experience of the member states of the European Union, as well as to form scientifically sound recommendations

for its improvement, based on the analysis of professional positions.

Today, the process of introducing state health insurance, which has not been implemented for almost 15 years, has not been completed yet. At the same time, the intensification of the process of reforming the medical sphere currently poses a potential threat of introduction of ineffective technologies and methods in public management of the studied area and may result in deteriorating human and civil rights in healthcare.

It is necessary to distinguish three main models of public administration in the field of healthcare by the criterion of the scope of public authority:

1) the imperative model, which is characterized by the exclusive role of the state in management of healthcare;

2) the state model - represented by the dominant position of the state as a key subject of power and

3) the competitive model, which is based on the activities of the state in the role of "referee", which sets the rules of the game, but does not participate, i.e. the state provides legal support in the field of healthcare, forms and implements certain governmental programs in this sphere [1].

Ukraine needs to apply the European model of medicine, the insurance medicine. As a result of unprofessional actions of management physicians are

overburdened, people cannot get to the doctor on time, there are not enough public funds to finance secondary care physicians, and it is planned to pay for the services of narrow-minded physicians at their own expense [2]. Along with the obvious thesis about the need to introduce a health insurance system, one cannot but agree that ineffective control over the reform of healthcare at the first level has led to a number of problems, including artificial increase in the number of attached patients to improve financial security, lack of physical opportunities to serve a fixed number of patients (for example, in a current epidemic period),

Turning to the fight against corruption in healthcare, we note that the level of corruption largely depends on the level of material support of healthcare employees themselves. An adequate financial security in combination with an increased legal liability creates a significant prevention of corruption offenses. However, it is incorrect to demand transparency and honesty in work where funding does not meet the requirements for the complexity of the profession. Medical reform is aimed at correcting the situation in this direction, in particular by improving the working conditions of healthcare employees.

European experience in combating corruption in the field of medicine is an adequate assessment of work of healthcare employees who receive the appropriate level of financial support. And when domestic doctors go to Poland for employment as paramedics, Polish colleagues can work in more developed EU member states.

Revealing the main benefits of the reform for the population and healthcare employees, we note that the main criterion for the effectiveness of healthcare reform should be the level of human rights in Ukraine. If life expectancy combined with the state of satisfaction with the healthcare system in Ukraine increase, it will be possible to draw a conclusion about the success of healthcare reform. Regarding the current state of affairs, we will give an example with the epidemiological threat in Ukraine. Today, the level of immunization in Ukraine is catastrophic and, according to the World Health Organization, is the lowest in Europe. Therefore, an epidemic can break out at any time [3]. The state of affairs with vaccination to prevent measles in combination with the spread of this disease in Ukraine speaks for itself. It is possible that there is an imperfect organization of vaccine procurement, and perhaps the reason is the premature destruction of the sanitary-epidemiological service in Ukraine.

Taking into account the above-mentioned, we can say that the reform of the health care system in Ukraine is carried out at the theoretical and practical levels. It is the public administration of healthcare that must correspond to them. In fact, there is a situation when the prospects and expectations from the reform do not correspond to the real state of affairs. Isolation from realities and an emphasis on temporary difficulties and inconveniences are the main problems of medical reform in Ukraine. In this context, Gemma Carey and Sharon Friel rightly point out that public

administration and public health stand on opposite sides, although there is a tendency to combine them [4; 5].

The national vector of the reform does not take into account the best European practices in the medical field, except on the general provisions on the introduction of compulsory state health insurance, the implementation of which has a number of shortcomings and controversial provisions. Administrative reform, by its nature, does not focus on ensuring the medical rights of citizens during this difficult period, as evidenced by numerous publications in media.

Improving public governance of healthcare can be possible through the involvement of a group of international experts from the EU member states to determine the optimal mechanism for the transition to a system of compulsory public health insurance. The powers and status of the NSSU should be reviewed, and the main criterion for assessing the effectiveness of the reform should not be the time of full transition to the health insurance system, but the level of ensuring the medical rights of citizens of Ukraine.

**Keywords:** healthcare; reform; public governance.

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## **BLOCKCHAIN TECHNOLOGY IN THE TOURIST SPHERE: REALITIES OF TODAY**

**Liudmyla Melko<sup>1</sup>, Ganna Uvarova<sup>2</sup>**

<sup>1</sup>Ph.D. (Pedagogy), associate professor, head of tourism department, «KROK» University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-5979-666X>

<sup>2</sup>Ph.D. (Pedagogy), associate professor, associate professor of tourism department, «KROK» University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3742-1952>

An important feature of today is the rapid growth of information and communication technologies (ICT), the digitalization of all spheres of life and society. The tourism sector is no exception, in the development of which in recent years innovative technologies have played a crucial role, including blockchain technology.

Some aspects of the introduction of blockchain technology in tourism in general and in individual tourism enterprises are reflected in the works of T. Marusei, M. Grabar, Yu. Felenchak, I. Shevchuk, O. Tokarenko, T. Cheremisina, N. Babina and al.

Blockchain is a database of all operations performed in the system. It is organized in the form of a chain of blocks of information, each of which records a certain number of operations. Each subsequent block contains part of the information of the previous block. One of the most important aspects of blockchain technology is that data is decentralized and information is shared on a peer-to-peer basis. Each block contains transaction information and a timestamp. Blocks are also permanent and cannot be changed without consensus with the entire network and without changing all subsequent blocks. The decentralized, constant, time-bound and unchanging nature of the data recorded in the blockchain

means that the data is more secure, traceable and transparent [1, 2].

The spread of blockchain in tourism, according to T. Marusei, is an evolutionary breakthrough in the development of information technology. Blockchain, according to the scientist, shows great potential in terms of forming a fundamentally new digital mechanism for exchanging "valuable" data [3].

According to M. Grabar, in the tourism industry, the blockchain helps to automate financial transactions, reduce the time of preparation and execution of contracts, reduce paperwork, reduce the cost of travel services (by reducing intermediary services), automate identity and company verification, accumulate bonus points when buying tours loyalty card, which accumulates points of all hotel chains, airlines, car rental services) [4].

Other authors, in particular Yu. Felenchak and I. Shevchuk, carefully assess the introduction of blockchain in tourism, although they do not rule out that with its introduction will change the mechanism of online payments for travel goods and services [5].

There is already some practical experience in the world of using blockchain technology in tourism. Thus, one of the largest travel companies TUI Group (Germany) has

introduced tracking of internal contracts for hotel resources in real time based on this technology. In the long run, TUI is considering moving to a system in which the company will manage all the information about its objects in the distributed network, as provided by blockchain technology. This will reduce the cost of providing information and services, increase productivity and competitiveness of the company [6].

Other examples of blockchain applications are the LockChain and BeeToken platforms. The first covers payment, property management and various other aspects of the hotel reservation process. The second platform is used to connect customers with hotels to pay for accommodation [2].

Among the areas of blockchain use in tourism in the near future may be the identification of tourists at all stages of travel, baggage tracking, expanding the network of consumers of travel services and the introduction of a system to encourage them, development of a new tourism product (eg cryptocurrency development).

In the longer term, the introduction of blockchain technology will allow:

- optimize costs, primarily by reducing the cost of information retrieval, identification and measurement of transaction costs, the cost of promoting goods and services; costs of concluding and conducting negotiations, etc .;

- to accelerate all business processes, including by reducing the time of communications, reducing the reaction time to market changes, reducing the time of development of tourist services and bringing them to market;

- better understand their consumers,
- increase the quality and flexibility of services and their adaptability to new expectations and needs of consumers.

Thus, scientific generalizations and practical experience show that the use of blockchain in tourism has many advantages, and investment in the asset of this technology is more profitable than in other already known and implemented travel technologies.

**Keywords:** blockchain; digitalization; turism.

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**SECTION 2**  
**Financial, management**  
**and tax accounting:**  
**from theory to practice**

## **VIRTUAL MARKETING AS A MODERN TOOL OF COMMUNICATION OF THE ENTERPRISE**

**Maxim Barvinok<sup>1</sup>**

<sup>1</sup>Senior Lecturer, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine, ORCID: <https://orcid.org/0000-0003-1761-3199>

The dominant development of modern society is the introduction of information technology and computer communications in all spheres of activity. The term information age has become international and characterizes a qualitatively new stage of development, in which information plays a leading role and determines the nature of all economic, social and political processes.

The information revolution affects the nature of any enterprise. Network or virtual organizations have developed in recent years. Organizations in which the boundaries between its members, resources and units are blurred due to intensive information exchange are called virtual enterprises. One of the prerequisites for the emergence of such enterprises is the rapid growth of telecommunications and telecommunications, a coronavirus pandemic in which there is no need for spatial concentration of participants in a single work process. The end result of the enterprise - products and services - is also transformed. In the national product of developed countries, the growing share is not material, but virtual products and services.

At the same time, in the domestic economic literature the question of classification and practical applicability of the developed methods in the field of virtual (from lat. Virtualis - possible) marketing is practically not opened.

Thus, virtual marketing is a system of knowledge about the supply of goods on the market based on information

technology, integrating into marketing activities in the internal and external environment of the enterprise.

In addition, an independent direction in marketing are e-commerce, electronic means of promotion (Internet advertising, Internet incentives). Thus, the nature of the functions of virtual marketing can be divided into three areas: the study of the external environment, the organization of internal marketing activities, the implementation of specific activities.

The main functions of virtual marketing: lack of spatial localization, the ability to carry out activities without reference to a specific area or local market; providing the opportunity to reduce the time for finding partners, concluding agreements, developing new products, etc .; reduction of information asymmetry (its incompleteness and uneven distribution) and, as a consequence, information transaction costs; reduction of other transaction costs, including overhead costs (illegal, unfair transactions); reduction of the risk connected with uncertainty; reduction of transformation costs due to the optimal choice of the structure of the product range, reduction of time for development and implementation of new products, reduction of the number of intermediaries and sales costs; rationalization of the management structure, including by reducing vertically, reducing and combining a number of functions, solidarity of responsibility.

The practical implementation of virtual marketing is possible on the basis of creating a marketing information system of the enterprise, ie a system of constant monitoring, storage and processing of marketing data necessary for management decisions. The marketing information system (MIS) of the enterprise may include: information block (database); bank of models and methods; software and integrated systems.

Leaving the structure of the marketing information system traditional, virtual marketing radically changes the nature of its operation, opens up additional opportunities associated with the use of new technologies. In addition, there is an opportunity for practical use of many tools and models of marketing, which previously had a scientific or philosophical nature.

The use of computer technology provides the following advantages of virtual marketing compared to marketing based on traditional technologies:

- a) lack of spatial localization, the ability to carry out activities outside of a specific area or local market;
- b) providing the opportunity to reduce the time to find partners, implement agreements, develop new products, etc .;
- c) reduction of information asymmetry (its incompleteness and uneven distribution) and, as a consequence, reduction of information transaction costs;
- d) reduction of other transaction costs, including overhead costs (business trips,

losses from broken, illegal or unfair transactions); reducing the risk associated with uncertainty;

e) reduction of transformation costs due to the optimal choice of the structure of the product range, reduction of time for development and implementation of a new projection, sound pricing policy, reduction of the number of intermediaries and marketing costs, etc .;

f) rationalization of the management structure, including by its vertical compression, reduction and unification of a number of functions, solidarity of responsibility.

Virtual marketing by the nature of the functions can be divided into three areas: the study of the external environment, the organization of internal marketing activities, specific areas of activity.

The practical implementation of virtual marketing is possible on the basis of creating a marketing information system of the enterprise, ie a system of constant monitoring, storage and processing of marketing data needed to make management decisions.

Thus, virtual marketing has a number of advantages, thanks to which more and more companies perceive the Internet environment as a key element of the strategy of promoting their products and services. The main aspect is the low cost of communication and the ability to run an advertising campaign with lower financial costs. Due to the peculiarities of the virtual environment, advertising placed on the World Wide Web.

**Keywords:** virtual marketing; e-commerce; Internet advertising.

## FEATURES OF MARKETING STRATEGY OF INTERNET PROMOTION OF SERVICES

**Valeriia Loiko<sup>1</sup>, Yelyzaveta Loiko<sup>2</sup>**

<sup>1</sup>*Doctor of Economics, Associate Professor, Professor of the Department of Finance and Economic, Boris Grinchenko Kyiv University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3248-1585>*

<sup>2</sup>*Master's degree applicant, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3266-8286>*

One of the components of the competitiveness of companies providing services to the public is the development and implementation of a marketing strategy for the promotion of services to a new market segment. The promotion of the company's services via the Internet and social networks is an online communication tool that can reach the largest number of interested persons. On-line communication involves a process of sharing business information with a range of stakeholders, from one entity to another. The company's services are promoted through the Internet and social networks by creating targeted advertising.

The content of targeted advertising of services is different from the content of targeted advertising of goods or products. The advertising of services, in addition to the list of services, their content and conditions of service provision, should be provided with psychological energy for the interest of the potential consumer. Psychological energy can be transmitted through the text part of advertising, codes, symbols, the colour of an advertising message. The cost of creating this type of advertising is much higher. However, consumer feedback and their response to the decoding of the advertising product is much greater. A characteristic feature of the online promotion of enterprise services is

feedback with consumers in real-time mode. A characteristic of the modern competitive environment for companies providing services to the public is the individual approach to each consumer.

Communication with consumers via the Internet or social media facilitates and accelerates communication between service providers and consumers. Internet communication with consumers is a source of information for the company to further improve the list and content of services, their conditions and payment methods. In online communication, it is also positive that the financial issues about the payment of the service by the consumer can also be solved via Internet resources, which significantly increases the number of consumers. Online promotion is an integral part of e-commerce.

The company's modern marketing strategy for online promotion of services includes the following elements: Internet integration, information management, PR in an online environment, individual work with consumers. Marketing-mix (4P) in the focus of online promotion of the company's services looks as follows. Product - high-quality promotion of services with the help of modern information technologies: Internet and social networks. Promotion is a wide range of Internet marketing tools aimed

at promoting both the company's website and services. Place - Since the site is the place of sale of the service, the efficiency of sales will depend on the quality of the site design, convenience of use, speed of processing of customer requests. The use of modern information technologies to promote services to consumers makes it possible to maximize the impact of potential

audiences. The use of online promotion of services allows a company to reduce the costs of channels of promotion of services to consumers and to expand the audience of its customers. Online promotion of services as opposed to traditional marketing methods of promotion provides a clear statistical picture of the effectiveness of a marketing strategy.

**Keywords:** services; Internet strategy; promotion; marketing; social networks; marketing mix.

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## MODERN TRENDS OF OPERATING ACTIVITIES DEVELOPMENT OF TOURISM ENTERPRISES IN UKRAINE

**Svitlana Havryliuk<sup>1</sup>**

*<sup>1</sup>Ph.D. in Economics, Associate Professor, Tourism department, KROK University, Kyiv, Ukraine, ORCID:  
<https://orcid.org/0000-0003-1001-4046>*

The success of the tourism business depends primarily on the effectiveness of management of the main operating activities, that is on an economically substantiated product program for the production and sale of a specific product of tourism enterprises - a tourism product. The financial results of a tourist company, its competitive position in the regional market depend on the volume and range of tourist services, their compliance with the effective demand of the target group of consumers, and the resource potential of the enterprise.

The volume of tourism entities services sales is a gross indicator of the tourist activity, which characterizes the scale of its operating activities. In the Law of Ukraine "About tourism", the tourism product is interpreted as "a set of tourism services necessary to satisfy the needs of tourists during their travels" [1]. Many scientific studies most often distinguish three main groups of services that are components of tourist product, namely: basic, additional and specific. Some authors supplement the tourist product by tourist goods, works to meet the needs of tourists [2].

The conducted studies show that basic services occupy the largest share in the national tourism product - 97,9%, including accommodation - 78,3%, transport services - 18,9%, food - 0,7%. The share of additional

and specific services is low and is only 2,1% [3], which is not enough. This situation requires solving of the problems of formation and promotion of the tourist product not only at the level of the enterprise but also at the state level.

Tourism is sensitive to the influence of many predicted factors of the external and internal environment of enterprises, and unforeseen (force majeure) circumstances. Under the influence of various factors, primarily economic, political and biomedical, the volume of travel agencies and tour operators services sales in Ukraine in recent years has been changing unevenly and in 2019-2020 it decreased twice (from 14302,1 to 7232,6 million UAN), which also indicates a decrease in the actual market capacity [3]. Analyzing the statistical data, it should be noted, that the financial results of tourism enterprises in Ukraine in last years (2017-2019) were low and in 2020 reached a negative value (-1065,1 million UAN) [3].

The adverse general economic and political conditions in the country, the closing of borders due to the COVID-19 pandemic, introduction of quarantine restrictions in the work of tourism enterprises, reduction of business and tourist visits had a negative impact on the development of tourism business in Ukraine. This has

caused a decrease in tourist flows, rising current costs and prices for tourist services, the lack of own funds and bankruptcy of tourism enterprises.

A dynamic of tourism economy development in future will depend on the position of local authorities regarding investment in the tourism sector. To support the tourism business in Ukraine, it is necessary to implement measures aimed at improving the development of tourism infrastructure, raising awareness of potential tourists about the existing tourism potential of the country, taking into account current

trends of business digitalization, improving comfort and travel duration, more comprehensive use of the tourism potential to develop modern types of tourism, a combination of business trips and leisure. This will help maintain the competitiveness of enterprises in the domestic market of tourist services, increase tourist flows, as well as the profitability of tourist activities in the conditions caused by the COVID-19 pandemic, its crisis consequences and forced restriction measures.

**Keywords:** tourism business, tourism product, operating activities, vectors of operating activities development of tourism enterprises

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## **INCREASING OPPORTUNITIES FOR AGRICULTURAL ENTERPRISES ACCESS TO FINANCING WITH STATE PARTICIPATION**

**Svetlana Andros<sup>1</sup>**

*<sup>1</sup>Doctor of Economics, Associate Professor, Leading Researcher of the Department of Finance, Credit and Tax Policy, National Science Center "Institute of Agrarian Economics", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-5561-901X>*

Politics and finance are important conditions for the availability of financial services for agricultural enterprises. However, it is one thing to identify a policy measure that will lead to better financing for agricultural enterprises at reasonable cost and limited spill over effects. It is quite another to assume that this political measure will be mechanically applied by the government concerned. The government works in a political environment and often the measures taken do not depend on their effectiveness, but on the interaction of political forces. The question arises: why should the state carry out reforms that can harm the interests of the political elite? When the political and social structure of the state is conditioned by limited access to financing for agricultural enterprises and the corresponding benefits, the ruling circles are not very enthusiastic about actions that should increase access to financial services [1].

In conditions of inequality, the desire of each subgroup to preserve its economic interests serves to maintain this position. The political reform agenda should not be about adjusting political positions or adjusting existing laws to changing market realities. Reforms must be radical to make the growth of economic indicators attractive to the privileged classes, which will not be able to gain the usual

benefits from the reforms. It is necessary to find convincing arguments for the mainstream to bring about change rather than a direct attack on privilege. Making farm finance a priority leads to the creation of a policy agenda that transforms the drive to take action. Farm finance policy brings us back to the nature of the institutional change required in society and is, in fact, a testament to reform. Reforms to improve financing of agricultural enterprises as a transformation mechanism in the economy are needed to start a larger program. This program can address general problems as well as implementation and planning issues. Implementation of the program requires the involvement of government agencies and the support of external partners. Civil society participation is also very important in creating an environment for government to act.

The prospect of joining the European Union has helped many governments in transition to overcome political resistance to institutional reform [2]. When political resistance to reform is weakening, it is prudent to look for new opportunities to improve financing for agricultural enterprises. There are many examples of political influence on the financial sector. Thus, in countries with a low level of political responsibility, owners of large agribusiness manage to convince

politicians not to strengthen investor protection in order to prevent potential new players from entering the market [3].

In the course of financial liberalization (which leads to better financing of agricultural enterprises), the financial elite are able to lobby politicians to ensure weak enforcement of contracts. Because of such actions, new competitors with significant debt obligations will not be able to receive refinancing during the economic downturn and will be forced to leave the market.

The issue of coordinating the reform process with the public interest requires study. Communicating the benefits of expanding access to finance for agricultural enterprises is particularly important as the political equilibrium shifts towards reforms that promote social good. The focus on expanding the availability of finance should be positioned globally, targeting agricultural enterprises. This will help attract a strong supporter in the fight to expand the availability of financial services. This process will also help strengthen links between the formal and informal financial systems and enable agricultural enterprises to grow. Financial market rules are a complex set of prudential regulations imposed on banks to minimize the risk of costly banking failures. The credit crunch associated with systemic banking crises is hitting agricultural enterprises. Thus, the goal of financial stability overlaps with the goal of financial access, although some measures to enhance stability have the potential to limit access. It is still debated which style of prudential regulation is best performing

both in ensuring stability and in preventing potential side effects, including a slowdown in the development of the financial sector and the creation of conditions for corruption.

Empowering or mandating large private market participants to conduct their own due diligence or monitor banks (for example, to ensure that information is made public) can be an effective method of enhancing banking stability while improving coverage. It is important to ensure the independence of banking supervisors from the political sphere and from the supervised organizations themselves, making them accountable to the public. However, given political and institutional traditions, this task is not easy to accomplish. In many countries, especially in common law countries, supervisors are held accountable for all their actions, even those without malicious intent, which makes them parties to unjustified litigation. Therefore, many countries have been slow to give banking regulators the same degree of independence, coupled with accountability, as central banks. A loan proposal policy for agricultural enterprises should ensure transparency of contracts and pricing and accountability of the lender, and include measures to facilitate debt restructuring for those in excess of indebtedness. Numerous administrative resources must be used to implement these policy principles, and costs must be factored into the strategy.

Strengthening the legal and information infrastructure will help financial institutions survive in a challenging environment, making it

profitable for agricultural enterprises to provide broad access to finance.

Stimulating competition is an integral part of expanding the availability of financing to agricultural enterprises. Competition motivates financial institutions to seek profitability from serving previously excluded segments and increases the speed of adoption of new technologies that improve the availability of financial services. In this process, it is important to provide the agricultural sector with the right incentives, hence the importance of a solid regulatory framework.

Expanding accessibility requires a variety of regulatory measures. Taking as an example the protection of small agricultural enterprises from predatory lending, we believe that marginal interest rates cannot solve the problem properly and can even lead to exactly the opposite results. A more consistent

approach is to increase transparency, formalize and enforce lender liability, and support borrowers in debt bondage. Implementation of these activities requires significant administrative effort.

Credit guarantee schemes as direct government intervention aim to increase financing for small and medium-sized agricultural enterprises. Implementation of such schemes may be more costly in terms of budget than expected, but results can be improved with careful planning. In the absence of a thorough analysis of most credit guarantee schemes, their net cost-benefit ratio is not clear. If the interests of the power elite are threatened by the possible emergence of new entrants financed by a system with broader access and coverage, the political pressure from these individuals could impede reform.

**Keywords:** financial access, agricultural enterprise, state, support measures

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## **MARKETING DIRECTION OF DEVELOPMENT OF SYSTEM OF ATTRACTION OF DIRECT FOREIGN INVESTMENTS ON THE ENTERPRISES**

**Igor Moshlak<sup>1</sup>**

<sup>1</sup>Graduate student, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-6281-3988>

At the present stage of enterprise development, the ability to generate sufficient investment resources is a basic prerequisite for ensuring a high level of their competitiveness, the basis for successful operation. In the context of the socio-economic crisis, when the possibility of using financial instruments of the domestic market is limited or unprofitable, the foreign direct investment (FDI) market remains open.

The main essence of attracting FDI is to attract the attention of investors, to position it as a competitive enterprise for the implementation of commercial projects. To do this, a marketing plan must be drawn up, which is an integral part of attracting foreign investors. [1]

The endogenous factors of marketing strategy include in my opinion: [2]

- Creation of forums, conferences on attracting FDI;
- Involvement of specialists to develop a strategic marketing plan;
- Go to the accounting standards of international reports;
- Involve the support of municipal and city authorities;
- Develop or participate in international exhibitions, fairs;
- Constant distribution of advertising booklets to international companies, foreign influential organizations;
- Access to international product quality standards, on the example of

ISO standards, environmental management systems, product quality management systems.

The specific choice of strategy for marketing FDI depends on the direction of the company at what economic stage the company is, also of great importance is the qualifications of staff and their achievements in the past of each of them.

The marketing plan should include, first of all, investment attraction, a set of measures and tools for the implementation of the planned, taking into account its specific features.

The marketing strategy should include a description of the mechanism for attracting FDI and what tools should be used to implement this strategy. The sequence of the action plan needs to be implemented in order to economically use the available or attracted resources. The essence of the plan should include and answer such questions as how to direct resources to find potential investors, what effective method should be used to find it, which models to calculate payback, project deadlines, according to the company's priorities or even regions states.

Marketing research materials should be available and publicly available, both in print and electronically, and should be in several editions in different languages, preferably English. All of these measures should be targeted in order to better encourage

potential investors. All these methods contribute to the idea for the investor and understanding of domestic companies in general, whether to direct the flow of funds to a particular industry or a particular company. [3]

The choice of objects of investment in marketing should correspond to modern trends of time, and separate directions of researches of projects should correspond to strategy of development of the company.

Despite the fact that the practical activities of conducting marketing to attract FDI have begun relatively recently, but there are already many measures and tools for its further development. In relation to our country is still at an early level. This is due to the fact that in the country before the liberalization process, some regions did not act as independent economic entities, but acted mainly as resource-production.

**Keywords:** marketing; marketing strategy.

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## ROUND-TRIP INVESTMENTS AND OFFSHORING: THE RELATIONSHIP ANALYSIS

**Volodymyr Hobela<sup>1</sup>, Halyna Leskiv<sup>2</sup>**

<sup>1</sup>*Ph.D in Economics, Associate Professor, Lviv State University of Internal Affairs, Lviv, Ukraine, ORCID: <https://orcid.org/0000-0001-7438-2329>*

<sup>2</sup>*Candidate of Technical Sciences, Associate Professor, Lviv State University of Internal Affairs, Lviv, Ukraine, ORCID: <https://orcid.org/0000-0002-4900-9466>*

Businesses seek to reduce the tax burden, which leads to the transfer of a significant share of capital to offshore jurisdictions, where the tax burden is much less or nonexistent. As a result, the number of tax payments in the overall structure of the country's GDP, and hence budget revenues, decreases, and there is a significant increase in the amount of capital exported from countries to offshore [3].

Among the main reasons for the economy offshoring, experts call the low tax burden, the ability to protect property and intellectual property rights, which are violated in some countries and can't be fully provided by public authorities [1]. That is why offshore has become a legal and affordable way to protect your business from such threats [2].

It is advisable to pay attention to an important reason for the popularity and spread of offshore - favorable conditions for investment and business development. Part of the capital withdrawn from the country is subsequently returned in the form of foreign investment [4]. Such investments in the modern economy are called "round-trip" investments. Accordingly, round-trips are Ukrainian investments that were previously transferred offshore and later returned as foreign investments [5]. All in all, reinvestment is an important process

for Ukraine's economy. Moreover, in recent decades such schemes have become a major source of Ukraine's economy financing.

As a result of the analysis, we conclude that the main investor in the Ukrainian economy is economic entities located in Cyprus and the Netherlands - the two most famous and popular offshore jurisdictions in Europe. Accordingly, the objects of investment are Kyiv and Dnipropetrovsk regions – units, on the territory of which a significant share of Ukrainian industrial potential is concentrated.

The study analyzed the dynamics of foreign direct investment and the dynamics of "round-trip" investment and concluded about the high level of their dependence. Only in 2016, there was a relatively weak correlation, in all other analyzed years, the relationship is quite significant. Accordingly, the dynamics and, to some extent, the volume of foreign direct investment directly depends on the "round-trip" investment. Furthermore, a significant impact on the reduction of round-trip investments can lead to a significant reduction in total foreign direct investment, which will significantly affect the economic security of the state. Therefore, its security value should be taken into account when

developing measures to reduce the volume of this type of investment.

Summing up the results of the study, it should be noted that the problems of offshoring are inherent not only in the Ukrainian economy but also in the world. The volume of foreign direct investment largely depends on the re-

investment of capital previously taken offshore – "round-trip" investment. Accordingly, when developing measures to reduce the volume of "round-trip" investments, it is necessary to take into account their safety value for the economy.

**Keywords:** offshoring, security, round trip investments.

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## **SECURITY OF THE INSURANCE MARKET OF UKRAINE IN THE REALITIES OF DEVELOPMENT AND ATTRACTION OF FOREIGN CAPITAL**

**Oksana Motuzenko<sup>1</sup>**

<sup>1</sup>Postgraduate student, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3434-9553>

Ukraine's insurance market with foreign capital is a concession to achieve the goal and national security. We all know that the process of global economic, political and cultural integration and unification is acceptable and obvious, as well as the most important process of the modern stage of civilization. In turn, the process of global economic, political and cultural integration and unification clearly transforms the deep principles of relations between people, partners, corporations and states. These changes are quite opposite in nature and direction - in some areas of the economy they stimulate rapid development, for others - in fact mean the impossibility of further functioning. The struggle for global economic, political and cultural integration and unification is fully reflected in the financial sector in general and in insurance in particular. On the one hand, the insurance market is becoming an extremely developed environment in which there is a rapid exchange of resources, professional competencies, management and IT technologies; on the other hand, there are significant threats to development both at the global level and at the level of individual insurance markets.

For the Ukrainian insurance market, the question of the place and role of foreign capital in our country has been raised today. It is obvious that the

growth of this issue is connected not only with purely economic issues, but also in many respects with political issues. The weakness of the Ukrainian financial sector (and the problems of the insurance market are a reflection of the disproportion at the level of the whole spectrum of financial institutions) raises the question of the functioning of foreign capital in search of concessions to achieve development and economic security. Yes, we should agree with the fact that starting from 2018, we are more likely to witness the entry of foreign insurers into the Ukrainian insurance market. This is exactly what requires the state to take certain actions to implement its regulatory functions and the National Bank of Ukraine is assisting in this matter. Previously, the relations and processes related to the functioning of the banking business in Ukraine were extremely difficult. These tasks are especially important for us in the context of Ukraine's European integration needs and aspirations.

The key pragmatic problems that arise on the way to European integration of the Ukrainian insurance market, from my point of view, are:

1. Functioning of foreign capital in the insurance market of Ukraine.

2. Possibility of unification of the legislation in the insurance sphere for Ukraine.

3. Ensuring a sufficient level of state control over the activities of foreign insurance companies in the conditions of the norms approved in the Association Agreement between Ukraine and the EU.

Regarding the role of foreign capital, I. Chkan notes: "... the presence of foreign capital on the insurance market of Ukraine can reduce the opportunities for the development of insurance business by national insurers and provide opportunities for capital outflows abroad. Therefore, the integration of the Ukrainian insurance market into the markets of other countries requires the entry of national insurance companies into the insurance markets of individual countries [1]. In my opinion, at the present stage it is possible to optimistically assess the possibilities of expansion of Ukrainian insurers to foreign markets. To do this, we have a competitive advantage that will allow Ukrainian insurance companies to withstand fierce competition with foreign insurance companies. The Ukrainian insurance market has room to grow and develop,

but I. Chkan quite correctly identifies other risks - the possibility of outflow of foreign capital in the volatility of the Ukrainian insurance market. Such an outflow can significantly affect the quantitative and qualitative indicators of Ukrainian insurance. Thus, the state needs to implement a number of preventive regulatory measures that would be aimed at establishing clear "rules of the game" for foreign insurers in Ukraine and for Ukrainian insurers. Their main direction should be as follows:

1. Introduction of clear criteria (including reputational criteria) for admission of foreign insurance companies to the domestic market.

2. Amendments to the Law of Ukraine on Insurance with updating the list of insurance activities, based on the priorities of the Ukrainian economy. White Paper "Future Regulation of the Insurance Market"

3. Introduction of a system of supervision of the insurance market taking into account the peculiarities of the activities of resident insurers and non-resident insurers.

**Keywords:** security; insurance; insurance market

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## THE ESSENCE AND PLACE OF INVESTMENT SECURITY IN THE SYSTEM OF ECONOMIC SECURITY

**Stepan Melnyk<sup>1</sup>, Solomia Vasylieva<sup>2</sup>**

<sup>1</sup>*Doctor of Economic Sciences, Associate Professor, Head of the Department of Finance and Accounting, Lviv State University of Internal Affairs, Lviv, Ukraine, ORCID: <https://orcid.org/0000-0003-3782-5973>*

<sup>2</sup>*Graduate student, Department of Social and Behavioral Sciences, Humanities and Economic Security. Lviv State University of Internal Affairs, Lviv, Ukraine, ORCID: <https://orcid.org/0000-0002-5381-8178>*

In the current conditions of development of the globalization economy, which is accompanied by various challenges and threats, great attention is focused on security issues, including national and economic. The Law of Ukraine "On National Security of Ukraine" states that the national security of Ukraine is "the protection of state sovereignty, territorial integrity, democratic constitutional order and other national interests of Ukraine from real and potential threats" [1]. However, this concept is somewhat common, because in our opinion, national security should also be interpreted as an interconnected set of different types of security, in particular: economic, political, informational, environmental, etc.

Regarding economic security, in the process of development of the national economy, as well as the impact of threats on it, views on the process of ensuring economic security are changing, in particular on the list of its components, the so-called sub-indices of economic security. For example, in the method of calculating the level of economic security in 2007 [2] the main components are as follows: macroeconomic, financial, foreign economic, investment, scientific and technological, energy, industrial, demographic, social and food security.

In the methodological recommendations of 2013 [3] the main components of economic security include: industrial, demographic, energy, foreign economic, investment and innovation, macroeconomic, food, social and financial security.

As we see, one of the important components of the economic security of the state is investment security. In the scientific literature there are different opinions about the independence of investment security. Hence, it is often equated with innovation security. Some researchers consider it a structural element of financial security. Therefore, it is necessary to conduct a certain analysis and determine its essence and place in the system of economic security.

At the legislative level, investment security was first defined in the Methodology for calculating the level of economic security of Ukraine in 2007 as an independent component of economic security and was interpreted as a level of national and foreign investment (provided their optimal ratio) that can provide long-term positive economic dynamics with the appropriate level of funding for science and technology, the creation of innovation infrastructure and adequate innovation mechanisms "[2].

In the process of development of the economic security science, in particular

from the standpoint of determining its level, in 2013 in the updated guidelines for calculating the level of economic security of Ukraine, investment security is no longer found. Among the nine weighted average subindexes of economic security is investment and innovation security, which is defined as "the state of the economic environment in the country, which encourages domestic and foreign investors to invest in expanding production in the country, promotes high-tech production, integration of research and production sphere in order to increase

efficiency, deepen the specialization of the national economy to create products with a high share of value added "[3].

Thus, having analyzed various regulations on the essence of investment security, it should be noted that this concept is evolving and developing, expanding and complementing. However, in our further research we will consider investment security as an independent component of economic security, which will have one of the priority weights.

**Keywords:** economics; economic security; investment.

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## FEATURES OF STATE CONTROL OVER THE FINANCING OF VOCATIONAL EDUCATION IN UKRAINE

**Svitlana Greben<sup>1</sup>**

<sup>1</sup>*PhD in Public Administration, State Audit Service of Ukraine, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-0432-9132>*

In Ukraine, in the context of reforming all social institutions and the final stage of decentralization of power, the problem of providing regional labor markets with highly qualified workers is becoming more acute. After all, the effective result of fulfilling this condition is not only meeting the demand and modern requirements of employers in the region, stabilizing the labor market, but also ensuring the welfare of the country as a whole.

Since the establishment of Ukraine as an independent and sovereign state, this problem has occupied a significant place among other social problems. And its solution has always received close attention.

Over the last decade, the State Audit Office of Ukraine (prior to the transformation, the State Financial Inspectorate of Ukraine, the Main Control and Audit Department of Ukraine) has repeatedly emphasized the existence of a number of problems with the training of workers.

In particular, the main one was the lack of funding for vocational education institutions, which should ensure proper training of workers. As a result, there is a lack of modernization of the material and technical base of such institutions, which in turn caused an imbalance between the requirements of employers and the ability of "new" skilled workers to perform the tasks set by the employer.

These financial authorities also emphasized the miscalculations in the formation of the state order for the training and graduation of workers, namely: a formal approach to the state-defined procedure for the formation of the need for workers; inefficient distribution of the state order between vocational education institutions, in terms of using the resource of accredited higher vocational schools and centers of vocational (technical) education, the purpose of which is to train highly skilled workers in technologically complex, science-intensive professions and specialties, to train skilled workers in working professions simple and medium technological complexity, the volume of orders in these institutions was more than 50% of the state-proven order.

According to the measures of state financial control carried out in some regions, vocational education institutions in 2018-2021 at the expense of the local budget, which were allocated to ensure the regional order and fill regional labor markets with staff for which there is a shortage in the region, trained skilled workers, who are residents of other areas and with acquired skills were subsequently employed at the place of residence. At the same time, the reimbursement of expenses incurred for their training in other regions where such persons lived was not provided, which cost the

regions at the place of training from 5.1 million hryvnias to 75.9 million hryvnias.

As a result, there was not only a diversion of local budgets, but also unmet demand from the regional labor market.

The facts and excess of the proved volumes of the regional order were allowed, which also further leads to an imbalance between supply and demand in the regional labor markets and contributes to the intensification of labor migration in Ukraine.

Training in integrated professions also remains a problem, as the regional order for an educational institution is in the context of economic activities and is further distributed by it independently without taking into

account the need for training in a particular specialty provided for approval to regional councils of vocational education. , which in turn also leads to enrollment in training in excess of the proven volume of the regional order.

Under such conditions, during 2016-2020, only one vocational education institution in one of the regions of Ukraine prepared more than a proven regional order of 208 people, for which almost 12.0 million hryvnias were spent from the local budget.

In view of the above, the delay in the process of improving the mechanisms of state and regional orders for the training of workers is currently one of the factors hindering the development of Ukraine.

**Keywords:** vocational education institutions; financial control

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## ECLECTICS OF TAX COMPLIANCE AND SUSTAINABLE DEVELOPMENT

**Oleksandr Kushneruk<sup>1</sup>, Nataliia Alekseienco<sup>2</sup>**

<sup>1</sup>*Candidate of the Department of Construction Management, Kyiv National University of Construction and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-0691-2268>*

<sup>2</sup>*Candidate of the Department of Construction Management, Kyiv National University of Construction and Architecture, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-6497-6526>*

International organizations (Organisation for Economic Co-operation and Development, United Nations, International Monetary Fund, World Bank, etc.) and governments face the question: what is the relationship between tax policy and the achievement of the Sustainable Development Goals (SDGs)? In answering this question, everyone concludes that the connection is certainly there, but it is only necessary to clearly understand – how to use tax instruments to find resources to achieve CSR.

Taxes are mainly integrated into the SDGs through goal 17.1, which provides for the need to “strengthen the mobilization of domestic resources, including with the international support of developing countries to improve the domestic capacity to collect taxes and other revenues”[1].

Domestic resource mobilization is a key issue for developing countries struggling to generate sufficient income to provide basic services such as road infrastructure, food security, health and public safety. Studies show that at least 15% of SDGs is needed to finance these basic services, but in almost 30 of the 75 poorest countries, tax revenues are below the 15 percent threshold. Addressing the SDGs funding gap in 2030 will require between \$ 5 trillion and \$ 7 trillion per year and \$ 2.5 trillion to \$ 3 trillion of this amount for developing countries alone.

To make up for the SDGs funding gap, developing countries are forced to increase the tax burden. The donor community has already stepped up its

efforts to support them, pledging to double the amount of collective technical assistance in the field of taxation between 2020 and 2025.

Mobilization of internal resources is a priority to increase the national funding capacity of the SDGs [2]. Taxes are already the largest source of funding and have the potential for growth. If in low-income countries in 2017 the total amount of tax revenues amounted to 14.8% of SDGs, in high-income countries this figure was 33.5%. Another key area for the development of sustainable government revenues is the effective fight against tax evasion and illegal financial flows. Developing countries have some of the highest rates of offshore financial wealth (22% in Latin America and 30% in Africa compared to 10% in Europe), indicating a high risk of tax evasion.

Today, the role of multilateral institutions in tax issues is growing. For example, the Organization for Economic Co-operation and Development works closely with the African Development Bank to improve tax transparency and prevent illicit financial flows.

In 2018, the Asian Development Bank conducted a Review of the Bank's policy measures to ensure tax integrity [3], which identifies tasks to support international tax integrity, primarily through work on the site of the Organization for Economic Cooperation and Development, implementation of technical assistance programs developing in the region in terms of combating tax erosion (implementation of measures of the BEPS

Plan of the Organization for Economic Cooperation and Development), etc. The Asian Development Bank implements initiatives both at the country level, helping them to implement the BEPS Plan and at the project level through due diligence procedures regarding tax integrity. In particular, during the evaluation of projects, the Asian Development Bank assesses the risks of abuse of the provisions of treaty shopping agreements, the use of complex corporate structures, intermediary jurisdictions to obtain unjustified tax benefits, and others. The Asian Development Bank also works closely with the Organization for Economic Co-operation and Development, including through joint trainings on tax transparency.

Indeed, tax compliance is of key importance to development institutions in terms of evaluating funded projects. Development institutions must play an important role in promoting the responsible tax practices of companies that receive funding.

First, the assessment of the company's tax risks will ensure that during the project the company will not have serious

problems with the tax authorities, which can lead to significant fines and reputational risks.

Second, development institutions must ensure that the companies they fund do not resort to the use of tax havens and minimize the risks of tax evasion.

To ensure the contribution to increasing the sustainability of public finances in terms of revenues, development institutions need:

- adopt a comprehensive policy on tax risk management, based on the standards of the Organization for Economic Co-operation and Development;

- assess the tax risks of clients, which, inter alia, involves the disclosure of beneficiaries of owners of funded projects;

- ensure that offshore jurisdictions are not used to direct investments. When using an intermediate jurisdiction, it is necessary to ensure that its use is justified and consistent with the policy objectives of the development institution. If offshore entities are present in the corporate structure of the client or partner, then, in addition to the usual requirements, extended tax compliance procedures should be applied.

**Keywords:** tax; risk management; development.

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## FINANCIAL STATEMENTS IN FINANCIAL MANAGEMENT

**Olha Chumachenko<sup>1</sup>, Vsevolod Bielanovskyi<sup>2</sup>**

<sup>1</sup>PhD, Associate Professor, Department of National Economy and Finance, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-6874-3201>

<sup>2</sup>Master's degree student, KROK University, JSC "KPMG Audit Ukraine", senior auditor, Kyiv, Ukraine

In today's sometimes volatile economy, business managers are frequently asked to make process decisions that help the company's capital work harder or to decrease overhead costs. Good managers have many tools at their disposal to accomplish these goals, provided they have a good understanding of the company's financial position. Familiarity with the basic types of financial statements and the ability to interpret the numbers behind them are essential to sound business decision-making.

While there are some differences between nonprofit and for-profit entities, all businesses typically prepare these three most common financial statements – the balance sheet, the income statement, and the cash-flow statement. These documents are prepared according to generally accepted accounting principles and presented in a standardized format.

Financial statements are neutral; they present an accurate picture of the activities of the business over a defined period. The business manager then evaluates the data to make operating decisions, such as whether the business is positioned to free up existing cash for operating expenses or needs to obtain additional credit.

The information in the balance sheet drives many business decisions. For example, assume you work for a company with \$25 million in annual

sales. Examining the balance sheet, you discover that there are six weeks of sales sitting in accounts receivable.

Simply by changing credit policies within the company and focusing on streamlining collections so that most receivables are resolved within 30 days, a million dollars can become available for operating capital without increasing sales or leveraging a line of credit. A good business manager can see possibilities for growth and efficiencies behind the numbers in the balance sheet.

The cash-flow statement is one of the most important documents for making management decisions. While the company can look profitable based on standard accounting methods, the cash-flow statement tells managers whether the company has the cash to pay its bills over the short term.

Net income and earnings can be manipulated to paint a healthy financial picture, but the cash-flow statement presents the reality of the company's ability to maintain operations. A drop in the company's operating cash-flow ratio should trigger a red flag, indicating business managers need to reassess pricing, inventory, overhead, debt, and other short-term decisions to improve the company's cash position.

The income statement differs from the cash-flow statement in significant ways: It includes intangibles such as depreciation, but it does not show when revenue is actually received and

payables are actually paid. It shows projected profitability over a period. It is also a useful tool for comparing a company's performance to others of similar size in similar industries. The

data in the income statement helps inform decisions that control operating expenses and the cost of goods sold to keep profit margins intact.

**Keywords:** volatile economy; capital; management; financial statements

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## TARGETING THE INVESTMENT ACTIVITIES OF ENTERPRISES IN TERMS OF RISKS

**Olha Pylypenko<sup>1</sup>, Valeria Zozulia<sup>2</sup>**

<sup>1</sup>Ph.D., Associate professor, Department of Finance and Accounting, V.I. Vernadsky Taurida National University, Kyiv, Ukraine

<sup>2</sup>Master's degree student, KROK University, Kyiv, Ukraine

Ukraine is undergoing economic reforms. Therefore, today more than ever, efforts are needed to revive economic life in order to ensure the stabilization of the economy and economic growth. This result can be achieved based on financial stabilization, encouragement of savings and investment, restructuring, privatization, capital market creation.

A high level of financial stability and solvency of the enterprise characterize ensuring the financial balance of the enterprise in the process of investment activities, which is one of the prerequisites for the implementation of effective investment activities by the enterprise.

Specific features characterize investment activity as an independent activity of the enterprise.

Investment activity is the main form of ensuring the growth of operating activities of the enterprise and in relation to its goals and objectives, is subordinate.

Forms and methods of investment activities depend much less on the industry characteristics of the enterprise than its operating activities [1]. Only the objects of investment mediate this connection.

The volume of investment activity of the enterprise is characterized by significant unevenness in certain periods [2].

**Keywords:** investment; enterprise; development.

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Investment profit of the enterprise, as well as other forms of investment effect in the process of its activities are formed, usually with a significant delay [3].

Investment activity forms a special independent type of cash flows of the enterprise, which differ significantly in certain periods in their direction.

The investment activity of the enterprise is characterized by specific types of risks, combined with the concept of "investment risk". Its level usually far exceeds other risks.

The most important measure of the volume of investment activity, which characterizes the pace of economic development of the enterprise, is the indicator of its net investment, which is the amount of gross investment, reduced by the amount of depreciation in a given period.

The need for rapid implementation of the investment program is as follows:

- accelerates the economic development of the enterprise due to additional net cash flow in the form of net investment income and depreciation;
- reduces the term of use of loan capital;
- helps reduce the level of investment risks generated by changes in investment market conditions, inflation and other factors.

## **FINANCIAL SECURITY OF THE ENTERPRISE IN MODERN ECONOMIC CONDITIONS**

**Ihor Rumyk<sup>1</sup>, Darya Stepanchuk<sup>2</sup>**

<sup>1</sup>*Ph.D. in Economics, Deputy Head of the Department of National Economy and Finance, "KROK" University, Ukraine*

<sup>2</sup>*Master's degree student, KROK University, Kyiv, Ukraine*

The original concept of financial security, which was seen as providing conditions for the preservation of trade secrets and other secrets of the enterprise in the early 90's of last century, with the development of market relations gradually changed to a different approach to the concept of "financial security". To ensure stable socio-economic growth and development of Ukraine's economy, it is necessary to solve a number of urgent problems, among which one of the main ones is to increase the efficiency of financial security management of economic entities.

The sharp decline in production in the country as a whole, and most importantly - the change in economic functions of the state, which was no longer the main investor and consumer of products, forced to look much wider at the problem of financial security of enterprises [1]. According to this view, the financial security of the enterprise is due to the influence of the external environment, which in a market economy is constantly changing, never remains stable, constant or unchanged. It is from the standpoint of the external environment, the protection of enterprises from its negative impact and considers the content of the category of financial security of the enterprise, including in the few publications of domestic scientists

economists [2].

In defining the concept of "financial security" was dominated by the idea that its content reflects the state of the enterprise, which provides the ability to withstand adverse external influences [3]. In this regard, the financial security of the enterprise was considered much more broadly - as an opportunity to ensure its stability in a variety of, including adverse conditions in the external environment, regardless of the nature of its impact on the enterprise, the scale and nature of internal change. Thus, the financial security of the enterprise is defined as "protection of its activities from the negative effects of the external environment, as well as the ability to quickly eliminate various threats or adapt to existing conditions that do not adversely affect its activities" [4]. As part of the approach to financial security of the enterprise as a state determined by the influence of the external environment, it should be noted resource-functional approach. The concept of "financial security" as an independent object of management is relatively new, introduced into scientific circulation only in the last decade. It is comprehensive and sufficient, considered in detail by modern researchers at the macro level in a system of more general categories - "national security" or "economic security of the country".

The indicator of enterprise development is the growth of its market value, and the indicator of stability is the financial balance of the enterprise both in the long-term and in the short-term period; financial security ensures the protection of the financial interests of the enterprise. The concept of financial security of the enterprise is complex and affects almost all functional areas of the enterprise, and in assessing financial security, a number of assessment provisions intersect with certain activities of the enterprise. This applies primarily to the formulation of strategic interests of the enterprise and their quantitative interpretation. These provisions of financial security assessment affect the area of strategic management of the enterprise, and if the company has developed and implemented appropriate functional strategies (innovation, resource investment, marketing), their goals should correspond to the formulation of strategic interests of the enterprise in this functional area.

Characterizing the goals of the strategy must correspond to a quantitative assessment of the strategic interests of the enterprise. Establishing such compliance is very important, because it is with its help ensures the unity of the methodological framework of the organization of enterprise management. To ensure a unified approach to assessing the degree of compliance with the interests of the enterprise, it is necessary to ensure the unity of the nature of the values of indicators used, ie to choose the type of indicators - actual or planned. These types of indicators have different

reliability status. Actual indicators are characterized by the highest level of reliability, because they record the results of past processes of production and sales. Planned indicators have a lower level of reliability, taking into account their nature - they reflect the expected state of the enterprise and the expected results of its activities.

The financial security of the enterprise is a complex concept and is connected not so much with the internal state of the enterprise itself, but with the influence of the external environment, with its subjects with whom the enterprise interacts. In this regard, it is probably more accurate to say that the financial security of the company reflects the consistency, balance of interests of the company and the interests of the environment. From these positions, the financial security of the enterprise can be seen as a practical implementation of the theory of resource interdependence, according to which in its activities the company must take into account not only their own but also the various interests of partners, which can be very wide. It is from the point of view of reconciling the interests of the enterprise and interacting with it the subjects of the external environment and it is planned to explore the concept of financial security of the enterprise. It is proposed to consider the financial security of the enterprise as a measure of harmonization in time and space of economic interests of the enterprise with the interests of related entities of the external environment operating outside the enterprise. This understanding of the financial security of the enterprise does not contradict the

already made attempt to define this concept, because, like all these attempts, it is based on the recognition of significant, if not more - decisive, the impact of the external environment on the enterprise.

The main difference between the proposed understanding of financial security is the recognition of the impossibility of fully protecting the enterprise from the negative impact of the external environment due to the fact that the company operates in this external environment and outside it is impossible, as well as recognizing the positive impact of the environment [5]. As a positive impact of the external environment should be considered

technical and managerial innovations that have a comprehensive impact on the activities of the entire enterprise [6]. The company may accept these innovations for implementation, or may ignore them, but the need to take into account the innovations is dictated by a number of objective reasons. As a result of innovative processes, new ways and means of production appear. This objectively presupposes the need for active intervention of enterprises in innovation processes, critical analysis of possible means and methods of manufacturing the same type of products. But this is only one side of the issue.

**Keywords:** financial security; enterprise; management.

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## GENERAL DESCRIPTION OF MANUAL LABOUR AS AN ADMINISTRATIVE PENALTY

**Ivan Piskun<sup>1</sup>, Kateryna Kotsuba<sup>2</sup>**

<sup>1</sup>*Ph.D. in Law, Associate Professor, Associate Professor of Legal Support, National University of Defense of Ukraine, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-2401-7988>*

<sup>2</sup>*Head of Organizational and Planning Department - Deputy Head of Organizational and Planning Department of the Main Department for Development and Support of Logistics, Armed Forces of Ukraine, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-7617-809X>*

The methodological basis of this article is the theory of knowledge of social and legal phenomena, as well as scientific principles and conceptual provisions developed by specialists in the field of administrative law and process. Observation, comparison, analysis, analogy, induction, deduction were widely used in all stages of the study.

In order to clarify the nature of corrective work, preference was given to general scientific methods such as historical-legal, systemic-structural and scientific generalization.

With the adoption of the Constitution of Ukraine, the main purpose of which is to affirm and protect human and civil rights and freedoms, it is stated that human beings, their lives and health, their honour and dignity, and their inviolability and security are recognized in Ukraine as being of the highest social value. The reform of the institution of administrative responsibility entrusts public authorities with these essential functions. [1]

Administrative liability is exercised through the imposition of administrative penalties on the guilty parties. A significant feature of administrative liability is the pragmatism of its theoretical concepts,

the dominant focus of which is the problem of the Code of Administrative Offences. [2]

Article 31 of the Code of Administrative Offences defines "corrective labour" as the principal form of administrative recovery of property, which applied to the perpetrators for up to two months, with the sentence being served in the place of permanent employment of the perpetrators of an administrative offence, minus 20 per cent of their salary for the income of the State. Correctional labour shall be ordered by a district, city district, or city court (judge). [2]

Punitive deduction of earnings is an administrative penalty that is imposed on a person found guilty of administrative misconduct by order of a local court or a judge (individually). It seeks to impose a penalty, to influence the material interests of the offender and to reform him or her through re-education in the working environment. This type of administrative penalty is imposed for the commission of more serious administrative offences, as defined in articles 51; 173-174; , article 178, part 2; 185 of Code of Administrative Offences and others. [2]

Corrective labour is used as the main form of punishment for administrative

misconduct. Offenders serve their sentences exclusively at their regular place of work. If a person who has committed an administrative offence involving the application of the above-mentioned penalty fails to work, he may not be subjected to punitive deduction of earnings.

The main legal restriction of corrective labor is the deduction from the offender's salary to the state revenue in the amounts specified in the decision of the local court or judge (individually), but not more than 20% of earnings. The amount of earnings is: wages (both for the main job and for a part-time job) and fees received under a contract, contract or labour contract.

It should be noted that under current law, deductions are made from the entire amount of wages, without excluding taxes and other payments, as well as regardless of the presence of claims on executive documents to the employee who is doing corrective work.

Unlike an administrative fine, the withholding of the wages of persons sentenced to punitive deduction of earnings is effected not at once but periodically during the entire period of the penalty determined by the order of the Gorno-District Court (judge). [4.] However, the offender cannot pay the full amount in advance. It is to be paid for each month of service when the salary for the other half is paid. The administration of the enterprise, institution or organization where the latter works is responsible for the correct and timely retention of money from the offender's earnings to the State's income.

However, there are special

restrictions on the use of corrective labour as an administrative penalty. Under current legislation, punitive deduction of earnings may not be applied to pregnant women, minors, servicemen or disabled pensioners. In addition, there are some other property and labor restrictions: during the correctional work, the guilty person is prohibited from granting regular leave. At the same time, correctional labour is not included in the total length of service, which provides for annual leave, seniority bonuses and other benefits. Persons performing corrective labour are prohibited from resigning before the expiration of the term. [5]

The beginning of the term of correctional labour is the day on which the administration of the enterprise, institution or organization where the offender works receives a copy of the court decision in the case of administrative misconduct. If the offender is on leave before the day of receipt by the administration of a copy of the decision, the first day of employment is considered to be the beginning of the term of correctional labour. [5]

In the event of evasion of corrective labour imposed for minor hooliganism, a decision of a city court or a judge (alone) may replace the period of punitive deduction of earnings with a fine in the amount prescribed by the Code or administrative arrest (based on one day of arrest for three days) correctional labour, but not for more than 15 days). [5]

We stress that punitive deduction of earnings ordered by a local court judge does not constitute grounds for the

conviction of the guilty party or grounds for dismissal. [6. ]

Therefore, in view of the above, it can be concluded that in our time the application of administrative punishment such as corrective labour has become very problematic. The main reasons for this are the decline of the State's economy and the emergence of officially recognized unemployment. Because in Ukraine many citizens have lost their jobs and have not officially

registered as unemployed. Under the legislation in force, this type of administrative penalty applies only to permanent workers. Thus, it is practically impossible to apply this type of penalty to other subjects of administrative offences.

In our opinion, however, this effective form of administrative punishment should be left in the Code of Administrative Offences of Ukraine.

**Keywords:** administration; responsibility; labour; law.

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## **SECTION 3**

# **Financial levers of development of enterprises and institutions**

## EXAMINING FINANCIAL MANAGEMENT IN PROMOTING SUSTAINABLE BUSINESS PRACTICES & DEVELOPMENT

Sharad Kumar<sup>1</sup>

<sup>1</sup>UNICAF ACFE Texas USA ICSA USA IIQM India

An Academician with 25 years of experience in Industry and academics teaching MBA Programs and Professional Courses at some of leading Universities and Institutions in Europe and USA.

The Universities associated includes Herriot Watt, TVU, Sunderland, LSE UK, Mendel University Czech Republic, Pamn European Slovak Republic, FEFU and BSTU Russia, Professional Bodies courses taught includes ACCA, CIMA, AAT, CIM, ICSA and CFE

Currently teaching University of South Wales MBA program with UNICAF as Faculty in Department of Management Studies.

The areas of interest Corporate Governance, Financial Reporting, Forensic Auditing, Fraud Examination, Taxation

This concentrate on a very basic level recommends how financial management is basic in the maintainability cycle. The exploration depends on the need of revelation of maintainability reports, putting together financial choices with respect to corporate supportability in capital planning and related angles and the estimation too relief of manageability chances. The associate between financial development and

manageability is given just as case examination of the Asian and Western financial model frameworks separated for the investigation of the importance of the ideas in reality. At last, the examination explains a prescient model rule for trouble distinguishing proof and assessment in different firms for different interest parties as an element of nonfinancial and macroeconomic components.

**Keywords:** Financial Management, Sustainable

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## **CONTRADICTIONS OF ECONOMIC EVALUATION OF FINANCIAL ACTIVITY OF ENTERPRISES IN THE FIELD OF AGRIBUSINESS**

**Ihor Rumyk**

*<sup>1</sup>Doctor of Sciences (Economics), Associate professor, Deputy Head of the Department of National Economy and Finance, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-3943-639X>*

In the effective management of financial and economic activities of enterprises in the agricultural sector, the key stage is to determine its level, comprehensive assessment and analysis as a basis for making optimal decisions. Thus for quantitative and qualitative research of economic system of the enterprises various techniques can be applied.

For our country in terms of socio-economic and political transformations, it is more important to analyze the dynamics of the situation, as there is no economic stability, which does not allow to generate qualitative parameters of the model [1, P. 74]. However, the desire for total quantification of business, finance, and management began in the 1970s. Since then, the world has become even more complex, and the development of mathematical approaches has contributed to their strengthening in the activities of companies, and not a better understanding of financial instruments. The increase in the level of mathematics in finance has led to a decrease in the level of common sense [2, P. 63].

Therefore, it is necessary to seriously rethink the financial evaluation of agribusiness enterprises, as they often suffer huge losses due to lack of understanding of financial instruments.

Agricultural enterprises significantly affect the food security of the state. The economic essence of food security and its importance should be considered based on the essence of the category of "security" [3, p. 25]. Periodic negative reports of bankruptcies, high-profile scandals with product quality, financial instability, and raider seizures update the study of the agricultural sector from the standpoint of ensuring their safety.

Identification of such negative factors is one of the most important tasks of ensuring the security of any enterprise. Systematization of threats helps to pay attention to the weaknesses of agricultural enterprises, to focus on the main problems that need to be addressed as a priority, and to take into account the secondary ones to be eliminated in tactical planning. Monitoring the threats of the industry allows agricultural enterprises to predict the possibility of realization of economic interests, to understand the sources of threats and ways to prevent them.

General industry factors that can become destabilizing for enterprises in the agricultural sector are: dependence on natural, geographical and climatic factors, seasonality and cyclical production, low competitiveness of domestic companies compared to foreign ones; international and regional activities related to the selection of suppliers of seeds, raw materials and

equipment, lower welfare and quality of life of the rural population, high interest rates, unstable pricing policy, price disparity, lack of effective insurance instruments, changes in prices for fuels and lubricants, bankruptcy of agricultural enterprises, corruption schemes and thefts in the agricultural sector, the lack of a stable middle management, a superficial attitude to the marketing strategy of the enterprise, changes in exchange rates.

The influence of such destabilizing factors can be taken into account through the development of appropriate models. The result largely depends on how fully the basic models will be able to cover the production process, including its social aspects. The development of long-term models should contribute to the achievement of sustainable development goals, especially in rural areas, where the processes of production and use of human, natural and financial resources are combined.

**Keywords:** economic system; enterprises; agribusiness; food security

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## THE NEED TO REFORM THE COUNTRY'S PENSION SYSTEM

**Victor Grushko<sup>1</sup>**

*<sup>1</sup>Doctor of Sciences (Economics), Professor, Head of the National Economy and Finance Department, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-6263-2597>*

Ukraine's pension system is in a difficult position, which manifests itself in two aspects. On the one hand, even today the average pension of an average Ukrainian clearly leaves much to be desired. In the long run, due to the demographic factor, the situation may deteriorate so much that even today's level of well-being will be unattainable for a retiree for objective reasons. On the other hand, today's pensions do not provide a sufficient relationship between the employee's labor contribution, which took place during his active working life, and the amount of material compensation in old age. In the pension system, the equalizing features of the Soviet-style economy have retained their significance even after Ukraine embarked on a path of radical economic transformation.

Thus, it can be stated that the implementation of pension reform is one of the main tasks currently facing our country. Not only the complex of social problems depends on how this problem will be solved. Pension reform has a significant impact on the macroeconomic life of the country as a whole. In a number of countries around the world, the specifics of building a pension system significantly affects the level of savings and thus the nature and scale of investment processes. Successful implementation of the pension reform simultaneously solves the problem of housing construction,

development of the securities market and much more.

Today, Ukraine's pension system is built on the so-called distribution principle, which is based on the solidarity of generations. Those who work pay contributions to the state pension fund (directly from their salaries, as well as through their employers), and all funds accumulated in this way are used to finance benefits for the generation that has completed their careers. It has long been believed that there is virtually no alternative to such a system.

However, in recent decades, the dominance of the distribution system has been questioned in market economies. In a number of countries around the world, to a greater or lesser extent, another principle of building a pension system is used - the accumulative one.

The working generation pays contributions that are not sent to the elderly, but are accumulated, invested and together with the income received from investing are then used for the pension of those who made the savings.

The accumulative system has a number of significant advantages over the distribution system. It does not depend on demographic problems, which are a serious threat to distribution systems. It makes it possible to effectively use the funds raised for the needs of economic development. In addition, an important

advantage of the funded system is its characteristic differentiation of the size of pensions depending on how much money a potential retiree could raise and how effectively they were invested. In general, the accumulative system is more in line with the principles of a market economy than the distribution

system. Moreover, the accumulative mechanism, in contrast to the distributive one, is fully combined with the system of competing pension funds, which makes it possible to introduce market principles into pension insurance.

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## ENSURING ECONOMIC SECURITY OF THE STATE BY FINANCIAL INTELLIGENCE UNITS

**Zinaida Zhyvko<sup>1</sup>, Svitlana Rodchenko<sup>2</sup>, Mariia Rodchenko<sup>3</sup>**

<sup>1</sup>*Doctor of Science (Economics), Professor, Lviv State University of Internal Affairs, Lviv, Ukraine, ORCID: <https://orcid.org/0000-0002-4045-669X>*

<sup>2</sup>*Ph.D. of Economic Sciences, Associate Professor of the Department of Financial and Economic Security, Accounting and Audit, O.M. Beketov National University of Urban Economy in Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0002-8611-2796>*

<sup>3</sup>*Student, V.N. Karazin Kharkiv National University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0002-7753-580X>*

The beginning of the XXI century with its contradictions and globalization trends highlights the problems of economic security of the state. Economic security of the state is the basis for ensuring sovereignty, competitiveness, defense, maintaining social harmony in society, Ukraine organic accession to the European and world economy. Thus, strengthening Ukraine position in the world economic space implies ensuring its own economic security. Fulfillment of this condition is the main condition for the efficiency and viability of society.

The development of world economy and integration of domestic economies into the world economic space create conditions for the development of domestic economy. At the same time, in addition to opportunities, there are a number of threats and dangers. Differences in national financial legislation, spread of financial innovations, and attraction of foreign investment contribute to the use of financial system in order to legalize proceeds from crime. The use of financial system to legalize criminal proceeds has a double negative impact on the economy: first, it undermines confidence in national financial institutions, leading to the outflow of capital from the country; secondly, it creates a material basis for the

development of the shadow sector of economy. These factors undermine the stability of financial system and pose a threat to the economic security of the state. Domestic threats include high levels of corruption, abuse of office, tax evasion, and pseudo-export and pseudo-import transactions.

One of the threats to economic security is the legalization of proceeds of crime. In budget sphere, the legalization of criminal proceeds leads to an increase in cost of public debt service due to the outflow of capital abroad. The laundering of "dirty" money also has a negative impact on the effectiveness of fiscal policy by increasing the size of shadow economy. The shadow sector is both a source of illegal income and a major "consumer of legalization services". The monetary sphere suffers significant losses from money laundering - the level of dollarization of money supply is growing, devaluation of the national currency is observed, and inflation is growing.

Legalization of "dirty" money has very negative consequences for society, namely:

- ineffective struggle of state and society against the legalization of proceeds from crime, contributes to the enrichment of people and groups of people involved in crimes, and makes

criminal activity more attractive and profitable;

- the possibility of using legalized "dirty" money not only to continue criminal activity, but also to invest in the most promising economic activities;

- through the concealment of income data there is a decrease in the amount of taxes and the allocation of funds for public needs, which threatens the financial system of the state in general and leads to the weakening of the national economy in particular;

- the use of "dirty" funds to bribe civil servants, infiltrate criminal institutions into political institutions, and in some cases to organize and finance terrorism, which undermines the democratic system, poses a real threat of losing control of the state and its usurpation by criminal elements [1-3].

To ensure an adequate level of economic security, the state applies certain measures of influence in the field of financial monitoring, such as: reducing the number of financial crimes and losses resulting from their commission; reduction of the shadow economy; strengthening the reliability of banks; strengthening control over interstate transfers; control over the activities of conversion centers; increasing the amount of taxes paid by de-shadowing the economy; improving the efficiency of budget funds; reducing the level of corruption; growth of the country competitiveness indicators; fight against cybercrime; control over securities transactions; close attention to possible insurance fraud; strengthening countering the financing of terrorism and hostilities.

Study of the experience of economically developed countries provides an opportunity to adopt the best

practices in the field of economic security. An analysis of existing treatments has shown that each country chooses its own priorities and develops measures to neutralize existing threats. Economically developed countries identified the legalization of criminal proceeds as a significant threat to the development of their economic systems at the end of the twentieth century. That is why they began to create financial intelligence units, develop international standards and approaches to prevent and combat money laundering.

One of the main elements of modern system of economic security of national economy should be financial monitoring. Financial monitoring is a set of measures taken by subjects of financial monitoring in the field of prevention and counteraction, including state financial monitoring and primary financial monitoring.

The state performs its functions of financial monitoring through the relevant bodies and entities. Ukraine financial monitoring system consists of two levels: primary and state. The State Financial Monitoring Service of Ukraine (SFMS) is the state body responsible for counteracting the legalization of proceeds from crime. SFMS is a domestic division of financial intelligence. Analysis of the SFMS activities has shown an increase in activity and efficiency over the past five years. This is manifested in an increase in the number of processed reports by subjects of primary financial monitoring on suspicious financial transactions, an increase in the number of generalized materials prepared and submitted to law enforcement agencies. Within its competences, the SFMS considers

generalized materials and additional generalized materials and submits them to law enforcement agencies and intelligence agencies, and if there are sufficient grounds, decides to send such materials to law enforcement agencies. The main emphasis of domestic division of financial intelligence is on conducting financial investigations.

Money laundering is linked to political, social and economic activities. Assessing the probability of risks of money laundering in each of the areas of activity will allow minimizing the negative consequences, taking into consideration available resources and opportunities.

A necessary condition for the creation and effective functioning of a system for assessing and managing money laundering risks is the implementation of appropriate measures simultaneously at three levels: macro level (state level), meso level (SFMS and state financial monitoring entities) and micro level (primary financial monitoring entities).

At the state level, the assessment of money laundering risk should take into account:

- the nature and extent of money laundering;
- weaknesses of the anti-money laundering system, its control and other

characteristics that make the country attractive for money laundering;

- necessary measures to address the vulnerable components of the anti-money laundering and anti-terrorist financing system.

At the meso level, it is expedient to introduce a permanent system of statistical monitoring of primary financial monitoring subjects activities; to develop internal procedures for processing the received information; to create a system of information exchange with other state bodies; to ensure the creation of an exhaustive list of the main known or anticipated risks (threats) and a list of problematic issues.

To manage risks, subjects of primary financial monitoring must conduct in-depth identification of the client, study the sources of funds (property); assess the amount and sources of existing and expected illegal income; check the compliance of financial transaction with the usual activities of the client and his financial position; pay more attention to financial transactions in cash.

Implementation of these measures will increase the effectiveness of financial monitoring, which will increase the level of economic security of the state.

**Keywords:** economic security; shadow economy; money laundering; financial intelligence unit.

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## BLOCKCHAIN AND INTELLECTUAL PROPERTY

**Alla Dombrovska<sup>1</sup>**

<sup>1</sup>Ph. D., Assistant Professor, Assistant Professor of the Department of Legal Support of Economic Activity, O.M. Beketov National University of Urban Economy in Kharkiv, Ukraine. ORCID: <https://orcid.org/0000-0003-4610-8220>

The development of the information society causes institutional issues such as problem of trust, high costs of managing large amounts of information, risks of information attacks and the possibility of damage or loss of data due to various circumstances, including fraud, theft, or unauthorized use [1].

The decentralized approach and the use of a consensus mechanism, in which the final state of the accounting system database is well protected from changes used in blockchain technology, enables accounting systems with multiple independent validators to achieve secure database synchronization and unchangeable data [2]. Blockchain technology is a way of creating a shared database that can record and track transactions and assets.

Blockchain has prominent implications in various domains such as cryptocurrency, health care, real estate, voting systems, supply chain and logistics, etc. Considering the security, transparency, and immutable nature, blockchain can be applied for managing intellectual property (IP) rights such as patents, copyrights, trademarks, and industrial designs [3].

**Ownership of IP.** The potential IP-related application of blockchain is verifying the authenticity of ownership. In case of copyright, it is difficult to secure IP-ownership because of the lack of any official documentation, and

the onus of proving ownership of a creative content lies with the creator. Exercising the copyright has become even more challenging in the era of internet, where anyone can download the content created such as a recorded song, a photograph, painting, etc. and can freely use it at will [4].

Proving the date of content creation is important in many situations and crucial for data used as evidence. For example, inventors must prove when exactly they put forward a patentable invention to obtain a patent. Trusted timestamping protocols, which rely on asymmetric cryptography, are used to prove that data has existed and has remained unaltered since a certain point in time [5].

**Transfer of IP-rights.** Blockchain and smart contracts can be used for licensing IP works by reducing the cost of transactions and creating a direct link between authors/inventors and users [3]. Smart contracts are agreements written in code that automatically perform programmed functions in response to certain conditions fulfilled by the parties to the agreement as a computer protocol, which based on mathematical algorithms translated into computer code, independently performs operations with full control over their execution. Using smart contracts, IP licenses can be self-executing upon the use of a work.

**IP marketplace.** Blockchain is the technology that record, share, and synchronize transactions in its respective electronic ledgers. It can be

used as a platform where inventors can place their inventions/digital works in the form of ledgers thereby acting as an IP marketplace.

**Keywords:** information; fraud; blockchain technology.

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## **APPLICATION OF BLOCKCHAIN TECHNOLOGIES IN PUBLIC ADMINISTRATION**

**Volodymyr Marchenko<sup>1</sup>**

*<sup>1</sup>Doctor of Science (Law), Professor, Professor of the Department of State and Legal Disciplines, International Law and the Law of the European Union, H.S.Skovoroda Kharkiv National Pedagogical University, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0003-1921-3041>*

Blockchain technology is becoming an important new direction in the development of information technology. The essence of the blockchain concept is the idea of distributed, decentralized storage of registry entries on several network nodes, rather than centrally in one place [1]. One of the main tasks of Distributed Ledger Technology (DLT) is to provide secure, resilient online transactions between parties [2].

Due to the technologies, it is possible to create new solutions that will have great potential, especially in cases where transactions between individuals or organizations require reliable and immutable documents, without the involvement of a trusted third party.

A separate case of the use of blockchain technology is the system of public administration. Blockchain technology allows to maintain decentralized state registers, including registers of ownership of land, real estate, etc., it can be used as a file storage of huge amounts of information, allowing you to effectively manage any assets or information through high transparency [3].

The development of blockchain technology gives impetus to new implementations of e-government, especially in the field of information security from falsification.

Data from state registers can be used as full-fledged documents that have legal force and are available to all stakeholders.

However, along with the advantages of blockchain technology, certain disadvantages should be considered.

Existing blockchain solutions are optimized to manage "tokens", which are different types of assets, and are not suitable for storing documents, because the documents themselves do not fit into the blockchain (otherwise due to the rapid increase in volume it would be extremely difficult to maintain copies of the register on numerous computers). The blockchain in this case stores only hashes of documents or documented information, i.e., the blockchain solution acts as a trusted timestamp system [4] that operates without the use of traditional public key infrastructure (PKI).

According to the current legislation, in some cases changes should be made to the register: this may be necessary, for example, by a court decision that declared certain agreements invalid.

However, the world community of experts is much more concerned about the legislation on personal data protection and privacy, especially in its European version, which provides for the "Right to erasure" ("Right to be forgotten") [5] and considers the right to personal data protection as a

fundamental, inalienable human right that is undeniable.

**Keywords:** blockchain technology; e-government; information

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## **ADVANCED EXPERIENCE OF DECENTRALIZATION AND DEVELOPMENT OF FINANCIAL CAPACITY OF LOCAL GOVERNMENT BODIES**

**Mariia Tarasenko<sup>1</sup>**

<sup>1</sup>*Graduate student of the Financial Research Institute State educational and scientific establishment "The Academy of Financial Management", Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0001-9302-7664>*

The process of decentralization that has been taking place in Ukraine in recent years and recognized as one of the most successful reforms is complex and a priori ambiguous for the development of the socio-economic system of any country, in particular in the short and medium term. This is confirmed by the experience of states that have implemented such reforms, and domestic practice.

World experience clearly shows that the redistribution of power and resources between levels of government is seen in developed countries as one of the systemic tools for regulating macroeconomic stability. Moreover, European countries have developed a number of models and mechanisms of decentralized governance based on local self-government [3–4]. We consider it expedient to consider in detail the best examples of such mechanisms from the standpoint of the potential for their implementation in domestic practice and the possibility of obtaining managerial and economic effects.

Denmark reformed the subnational authorities in 2007. The reform process has redistributed tasks between levels of government, merged municipalities, and reduced the number of intermediate governments (at the regional level). Outcome of the reform: the formed regions are obliged to

provide the most expensive health care services, including hospitalization services. Municipalities have become responsible for promoting healthy lifestyles, social security and education. One of the goals of this structural reform is to reduce the number of common tasks and reduce incentives to transfer costs between levels of government. To solve this last problem, municipalities are obliged to co-finance rehabilitation services and educational institutions that provide them at the regional level [2]. Although the experience of Denmark (whose decentralization model is close to ours) is not successful because it failed to achieve the expected results: it failed to reduce the bureaucracy and improve and bring the quality of services closer to the consumer (rather the opposite). That is, due to the formation of large communities, a periphery was formed, where the quality of services, on the contrary, moved away from the inhabitants of the newly formed communities.

In the Netherlands, the 2012-2015 decentralization reform sought to redistribute competences between different levels of government, in particular by strengthening the responsibilities of provinces and municipalities and a simpler and clearer division of functions between

different state structures to avoid duplication of functions.

In Switzerland, reforms between 2004 and 2008 clarified federal and cantonal competencies and created incentives and mechanisms for cooperation between cantons. Since 2008, Switzerland has further defined the functions of the federal and cantonal levels in specific policy areas and developed new principles for cooperation between the cantons in order to avoid fragmentation and unproductive competition between schools and institutions of higher education, culture, waste management, wastewater treatment and urban transport. .

In Belgium, following an interagency agreement in 2011, additional responsibilities were transferred to the level of regions and communities in the areas of employment, health, social support for the elderly and disabled, family support, and justice.

Over the past decade, Germany's functions of managing personnel, the economy, trade and justice have shifted to the lander, and the powers of university education and the environment have been clarified. Fiscal relations between governments have also been reformed. In 2017, the German Bundesrat passed a piece of legislation that terminated the country's horizontal equalization program, and the budget equalization function performs the distribution of federal tax revenue on goods and services (GST).

In 2013, Spain adopted a reform to clarify municipal competencies and prevent duplication of functions

according to the principle of “one administration – one competence”. This reform aims to reduce competencies that do not belong to the law or are delegated by other governments without adequate resources (so-called “inappropriate competencies”). Such a reform aims to improve the definition of local authority. A list of basic competencies was formed for this purpose. Competences not included in this list were called “non-core competencies” [1]. In the case of any agreements delegating certain functions from higher levels of government – usually from the Autonomous Communities – to lower levels of government, it becomes mandatory to provide appropriate resources for the purpose of financing the services to be provided.

In Japan, the law on decentralization put an end to the unclear decision of the central government on the functions of local authorities and defined their competencies in general terms. Subsequent waves of reform continued to develop greater municipal autonomy, a clear division of functions, and adequate funding.

International experience shows that policies that are based on broad public support are more likely to succeed than policies that provoke significant public opposition or are simply unknown to the community. Most government decisions concern the population [5]. If people are aware of these decisions and believe that they were also involved in their development, they are more likely to follow such a law or policy.

**Keywords:** development; decentralization; financial capacity; government.

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## **THE CURRENT STATE OF HEALTH INSURANCE DEVELOPMENT IN UKRAINE AND ITS PLACE IN THE SOCIAL PROTECTION SYSTEM**

**Anna Pazicieva**

*<sup>1</sup>Ph.D. (Economics), Associate Professor, Department of Managerial Technologies, KROK University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0002-6557-6890>*

The formation of the availability of health insurance for people and increasing its effectiveness is an important and extremely important component of social protection in the country. The population of Ukraine is decreasing every year, the health of people of working age is deteriorating, the number of economically active population is decreasing. This trend could lead to increased fiscal pressure on the health care system in the future. Therefore, the reform of the healthcare system, based on the development of health insurance and its implementation as the basis for financing healthcare, is the direction to solve most health problems in the state.

Health insurance is an important area of social infrastructure of an industrialized country and a basic model of health care development [3, p.77]. This makes it possible to rationally use medical resources, while improving the quality of these services and offers for the population. The main participants are insurance companies offering certain services, insurers (individuals and legal entities), insurance intermediaries, humanitarian companies and medical institutions.

World practice states that compulsory health insurance is considered as the basis of insurance medicine [4]. The domestic market of health insurance services, and therefore the insurance market as a whole, is

developing. The prospects for obtaining health insurance in Ukraine are significant, as there are many potential consumers of insurance services.

It should be noted that our country is on the verge of creating compulsory state health insurance, and therefore the development of effective and modern health insurance becomes extremely important as an important form of social protection in the country.

Consideration of health insurance was devoted to the work of both Ukrainian and foreign scientists. Scientists such as: Y. Akhvledian, V. Bazylevych [1], L. Valras, E. Dyachenko, J. Commons, N. Ostiuk, J. Stiglitz, T. Stetsyuk, E. Furubotn, V. Shakhov, S. Yuriy and others. devoted their research to health insurance. These works discuss theoretical aspects of the nature of health insurance, as well as the mechanism of its implementation. However, the problems regarding the form and structure of the health insurance system,

which hinders the development of this sector and does not provide an adequate level of social protection for citizens, remain unresolved.

Analysis of the state and problems of the formation of the health insurance market in our country shows that further search is needed to rationalize the cost of voluntary health insurance

services in order to balance the interests of insurers and insureds to form a socially significant and necessary insurance segment of our country's market. In addition, a separate study requires the quality of medical care as a reliable service that will help insurers and strengthen partnerships between insurance institutions and various health care providers.

In this case, insurance medicine develops not quickly enough, which is caused by public distrust of national insurance companies. At this stage, there is a lack of funding for healthcare, a shortage of medicines and poor consumer service. In general, health insurance is not cheap, and therefore the services of insurance institutions become a great luxury for significant segments of the population [58, p.34].

Analyzing the above problems, we see that the main role in their solution is assigned to the state. In Ukraine, combining a demand cost management strategy with specific limited financial resources and an incentive for the public to take care of their own health and prevent diseases will be the most effective. In our opinion, the state should ensure the availability of appropriate legislation to protect the interests of leading health insurance market entities.

**Keywords:** insurance; health care system; market.

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Therefore, it should be noted that the financial stability of the health insurance sector will depend on the state of the state economy. The slowdown in economic growth has a bad effect on the degree of financial security of the national healthcare system, and, consequently, on the indicators of public health. Therefore, we recommend improving the health insurance mechanism by introducing an integrated scheme that includes the leading elements of compulsory and voluntary insurance. At the same time, with a clear distinction between paid and free health services, voluntary health insurance programs will be cheaper and will have a system of compulsory health insurance, and the healthcare sector will receive additional funding at the same time. We also propose to introduce measures on tax benefits in the field of health insurance, which contain the main forms of tax benefits: the removal of tax benefits, benefits, changes in the term of payment of tax.

Thus, it is advisable to support initiatives to introduce leading models of health insurance, which will provide the necessary experience in the development of a mixed health insurance system, in which the country, employers and citizens will pay insurance premiums, which should ensure equality and access to high quality medical services for all citizens.

## WAYS OF EFFECTIVE IMPLEMENTATION OF PUBLIC-PRIVATE PARTNERSHIP

**Yana Koval<sup>1</sup>**

*<sup>1</sup>PhD (Public administration), associate professor, associate professor of financial and economic security management department, KROK University, Kyiv, Ukraine*

Ukraine's infrastructure sectors need more government regulation not only because of the economic efficiency of infrastructure projects, but also because of the significant obsolescence of fixed assets in certain sectors of infrastructure, which threatens man-made disasters. Such a "single strategy for infrastructure renovation of Ukraine" aims to renovate infrastructure sectors with the most cost-effective methods.

In modern conditions, as can be seen from domestic experience, the mechanisms of partnership between business and government in Ukraine do not reduce corruption in the implementation of infrastructure projects, but are used as a modern mechanism for gaining control over important infrastructure [1].

The creation of a system of infrastructure reform using public-private partnership models, of course, will also affect the implementation of a number of measures:

- development by the Ministry of Economy of Ukraine together with other ministries and central and local authorities Renovation of Ukraine ", where priority projects will be identified each year;

- development by the Center for Business and Government Partnership under the Cabinet of Ministers of Ukraine of infrastructure implementation conditions with

determination of possible participation of private investors in infrastructure projects.

- conducting a coordinated policy of the ratio between public investment and attracting private investors;

- developing partnerships between business and government, increasing the number of professional market participants in public-private partnerships (mostly large domestic and foreign companies and commercial banks) in order to ensure increased efficiency of the mechanisms of partnership between business and government by increasing competition among both investors and management companies and contractors; "Nationality" of materials and services);

- integration of state and local infrastructure needs when entering international capital markets;

- change in the structure of public debt by increasing the share of funding for infrastructure projects;

- refusal to make one-time decisions that are not subject to the "unified strategy of infrastructural renovation of Ukraine";

- conducting an independent examination of infrastructure projects implemented through loans under state guarantees,

- a ban on the use of external government borrowing for loans;

- reducing the volume of foreign loans guaranteed by the government (complete rejection of this practice), or the provision of state guarantees in the presence of counter unconditional guarantees of domestic commercial banks, providing conditions for attracting investors to infrastructure;

- introduction of external audit of infrastructure projects on loans under state guarantees; reorganization and restructuring of infrastructural enterprises-debtors in accordance with the adopted government decisions; application to the heads of debtor companies that ignore the fulfillment of debt obligations, such an administrative procedure as the termination of the employment contract concluded with them; implementation of projects of the "unified strategy of infrastructural renovation of Ukraine" [2].

The solution of the problem of foreign credit lines, which Ukraine receives from governments and banks of foreign countries, will also influence the development of the economy in terms of investments in infrastructure. Further attraction of so-called commodity (linked) loans can be carried out only under the conditions of determining the criteria and conducting a thorough assessment of the effectiveness of these credit resources, contractors who are associated with these loans. It is necessary to ensure clear control over the process of attracting, using and repaying such external borrowings [3].

The introduction of public-private partnership in Ukraine should become a priority area of public-private sector interaction. should be: addressing strategic issues of Ukraine's economic

development by attracting private capital; satisfaction of the deficit of financial resources for technical development (modernization) of the infrastructure for providing various socially necessary services; reducing the burden on state and local budgets for the implementation of investment projects; directing the released funds of the state and local budgets to the implementation of socio-economic programs; meeting the demand of society for the provision of better services, consumption of products.

An important factor in the success of business-government partnerships in Ukraine will be the positive attitude of private partners to government policy on public-private partnerships, which should be based on the permanence of the above principles.

Thus, taking into account the above, Ukraine needs to: Create a legislative environment for the implementation of public-private partnership, including improving the regulatory framework governing existing forms of public-private partnership. To expand the scope of public-private partnership, namely, using the international experience of business-government partnerships, to involve private partners in projects of medicine, energy, mining, etc. Develop and implement safeguards and risk reduction mechanisms in public-private partnership projects. Identify priority forms of public-private partnership in certain sectors of the economy that should most effectively contribute to the development of industries and reduce corruption. Ensure public discussion and independent audit of projects implemented using forms of

public-private partnership and informing the public about the progress of such projects in order to obtain maximum support for business partnership projects from the public (stakeholder support). Establish a system for monitoring the implementation of public-private partnership projects, including in order to determine the effectiveness of their chosen form, and take adequate measures to address identified shortcomings, as well as assess the

implementation of obligations by partners. It is possible to create and implement sustainable principles of effective functioning of public-private partnership in various sectors of Ukraine's economy under the conditions of creating a legislative environment for the implementation of all forms of public-private partnership, including through improvement of existing legislation providing existing forms of public-private partnership.

**Keywords:** public administration mechanisms; public-private partnership; infrastructure industries, expertise; monitoring.

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## IMPROVING THE EFFICIENCY OF EXPENDITURE OF LOCAL BUDGETS OF UKRAINE

Nataliia Gavkalova<sup>1</sup>, Danylo Yaremko<sup>2</sup>

<sup>1</sup>*Doctor of Economics, Professor, Head of Public Administration and Regional Economy Department, Simon Kuznets Kharkiv National University of Economics, Kharkiv, Ukraine, ORCID: <https://orcid.org/0000-0003-1208-9607>*

<sup>2</sup>*Postgraduate student, Simon Kuznets Kharkiv National University of Economics, Kharkiv, Ukraine*

In recent years, local budgets have become increasingly important both in terms of financial resources volume and the strength of the impact on socio-economic processes taking place in the regions. The main goals of local budget policy are financial security of regions and optimization of budget fund utilization. In order to achieve the above goals, local governments face an important task, particularly finding ways to improve the efficiency of local budget expenditure.

Such prominent economists as V. Bazylevych, L. Balastryk, A. Buryachenko, O. Vasylyk, G. Vozniuk, M. Gaponyuk, V. Demyanyshyn, A. Demyanyuk, A. Zagorodniy, O. Kyrylenko, V. Kravchenko, Z. Lobodina, T. Myhovych, Y. Pasichnyk, S. Savchuk, A. Slavkova, T. Smovzhenko, V. Fedosov, N. Shevchuk, S. Yuri, V. Yatsyuta and others dedicated their scientific articles to optimization of local budget utilization. Undoubtedly, the contribution of the mentioned scientists to the grounding of theoretical and practical aspects of this problem is significant. At the same time, nowadays due to the strengthening of decentralization processes, the issue of effective utilization of local budgets becomes even more relevant and requires further research.

The purpose of this article is to scientifically substantiate and analyze

the current state of execution of local budgets by expenditures and finding ways to improve and optimize utilization of budget funds in the context of decentralization as well as applying program-targeted budgeting method.

Local budget as the main financial base of local governments has a special place in the budget system of our country. At the same time, the structure and procedure of expenditures play an important role in the formation of independent local budgets. The expenditure part of local budgets reflects the consequences of economic and social processes in the country, because local budget expenditures are directly related to the interests of the general population and significantly affect the general social situation in a country and especially welfare, education, health care as well as services in the field of culture, sports and social security.

The essence of budget expenditures is manifested through their purpose, which involves the financing of socially oriented expenditures, regulation and development of economic processes, strengthening the investment component of the budget, stimulating interest in effective budget management.

In recent years, there has been a higher growth rate of expenditures to local budget revenues, that requires

further stability, transparency and efficiency of local budget expenditures. Program-target method is one of essential tools of budget management borrowed from foreign practice. Transition to program-target method of budget management on all levels of the budget system was expected to commence in 2019.

The reasons for the transition to the program-target method of budgeting are the following: the lack of connection between the goals of socio-economic development and utilization of budget funds; lack of interest of budget managers in its effective and targeted use; uncertainty in management decisions.

According to the Budget Code of Ukraine, the program-target method in the budget process is a way to manage budget funds to achieve concrete results at the expense of the budget with possibility to evaluate effectiveness of utilization of budget funds on all stages of the budget process [5].

Another major factor that plays an important role in the formation and implementation of local budget expenditures is financial decentralization, which involves the transfer of significant resources, as well as tasks, functions and powers from the central to the local level with proper separation between executive and local governments. . Analyzing the world practice of functioning of local budget expenditures, methods of their formation and ways of using funds, it is possible to draw certain conclusions for Ukraine. Implementation of foreign budgeting experience in Ukraine allows to find the optimal solution to increase

the efficiency of the budget process. Of course, each country has its own characteristics and differences that significantly affect any economic processes, but still, the implemented experience of foreign countries shows high rates of their development [1].

To maintain the financial stability of the regions and achieve their socio-economic development, a necessary condition is to direct budget funds to address such priorities as: human capital development, development of innovative technologies, introduction of new management approaches, improving infrastructure and improving social living standards. The effectiveness of spending on the local level depends on a number of factors. The most important are the political situation in the country, foreign economic activity, the direction of development of the monetary system, the priorities of socio-economic development of the regions, improving their investment climate and public participation in the budget process. It should be noted that some changes in the context of budget decentralization not only do not solve the existing problems, but, as practice shows, worsen the situation [2]. This has to do with transfer of funding certain government programs to a local government.

Such ill-considered decisions may lead to negative consequences, in particular, officials find themselves again in a situation where there are obligations but no financial resources. Thus the principle of public-private partnership must be applied. That makes it possible to attract additional sources of funding for programs

without increasing the expenditure burden on the local budget. In turn, that allows more efficient property management, saving financial resources, cooperating with the private sector, sharing risks, developing project financing, and creating new jobs.

After analyzing the statements of economists-practitioners about making informed decisions about the use of budget funds, we can conclude that there is no single right way. It all depends on the priorities of local governments and the interests of citizens [3].

Given the relevance of the implementation of budget programs that meet the requirements of socio-economic development of the regions, it is advisable to use the method of hierarchy analysis to finance them. Given the limitations of financial resources, this approach allows in a hierarchical sequence to implement programs from the most important to the least priority.

Using this method allows building a clear and transparent decision-making algorithm in any field of activity, including the budget sphere [4]. By building a hierarchy, conducting mathematical calculations and selecting experts, the method of hierarchy analysis allows to obtain a clear decision on the effective utilization of local budgets in terms of strategic planning.

The process of budget expenditure management on the local level requires optimization of the expenditure part of local budgets, taking into account the improvement of the quality of health care systems, education and housing and communal services reform. Accordingly, in the future it is advisable to conduct research for creating a stable and robust system of local budget expenditures, which will be the key to effective implementation of regional policy and ensure the financial sustainability of localities.

**Keywords:** local budget; socio-economic processes; analyze; finding.

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## PROSPECTS FOR ATTRACTING EUROPEAN INVESTMENT IN UKRAINE'S ECONOMY

**Nataliia Litvin<sup>1</sup>, Svitlana Tkalenko<sup>2</sup>**

<sup>1</sup>*Ph.D. (Economics), Associate Professor, Associate Professor of the Management Technologies Department, "KROK" University, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-4505-4363>*

<sup>2</sup>*D.Sc. in Economics, Associate Professor, Professor of the Department of European Economics and Business, Kyiv National Economic University named after Vadym Hetman, Kyiv, Ukraine, ORCID: <https://orcid.org/0000-0003-0385-846X>*

The efficiency of the use of foreign direct investment leads not only to economic growth, but also to a synergistic effect, which consists in receiving a reward and an additional advantage - the benefits of interaction. The synergetic effect is formed by such components as terrain - favorable location of investment, labor resources, productive forces, technological process - compliance with STP, the possibility of using best practices, infrastructure - transport, science, energy and more.

Factors influencing foreign investment and investment decisions for investors include economic growth, inflation, interest rates, foreign trade and foreign debt.

Foreign trade has a significant impact on the country's GDP and economic growth. At the same time, to increase GDP requires not only material and technical base, but also technology, investment, resources, skilled labor. This in turn determines a certain level of innovation and investment in the economy. In Ukraine, this level is extremely low, which is primarily due to lack of own investment resources, and leads to increased demand for them. Thus, the factor of foreign trade, especially in terms of exports, affects the volume of investment.

One of the risk factors for investment is inflation. The fall in the exchange rate affects capital, which tends to decrease in the real sector, which leads to a decrease in income. Inflationary processes in economies often scare away foreign investors, especially at the stage of deciding to invest in a foreign country.

Economic growth implies an increase in the country's real GDP, and in fact is an indicator of the ability of the country's economy to make maximum and effective use of opportunities and capacities. Economic growth is a positive factor for the country's economies and foreign investors who intend to invest profitably. The positive dynamics of real GDP growth, as a rule, leads to an increase in foreign investment, if this process is facilitated by a number of other qualitative factors, such as an attractive investment environment, business climate, favorable legislation and so on.

The interest rate and the expected rate of net income determine the aggregate demand for investment, and means the dependence of investment on the real interest rate. An increase in interest rates leads to a decrease in the volume of attracted investments, ie they increase in price. Thus, the interest

rate is a factor that determines investment demand.

External debt, which is formed in the country, usually on the basis of loans from international organizations, foreign countries, on issued securities, also affects the volume of foreign investment. If the capital received from external borrowings will be directed to investment projects, it will contribute to economic growth and growth in the future; if borrowed capital is not used efficiently and debt increases, it will have a negative impact on foreign investors and the volume of attracted investments will tend to decline.

In addition to these listed factors, which relate to quantitative indicators, should include institutional and structural factors. The latter include a favorable business environment, investment climate, tax environment, financial structure, financial development, institutional structure. Under the conditions of creating a favorable environment for attracting foreign direct investment, favorable institutional and structural factors, improving economic prospects in the country, there will be a clear increase in investment.

Preliminary empirical studies show that with economic growth, investments always increase, and conversely, with the economic downturn in the country there is a decrease in investment inflows and their outflow in general. This trend characterizes both the level of world economic growth and the level of economic growth in the world. According to statistics, Ukraine has weak, very slow economic growth, due to a number of factors, primarily the

political situation since 2014, the ATO in the east, as well as the slow implementation of reforms in key areas, which affects the level of confidence in key investors. The main economic indicators for recent years, which characterize the economic situation in Ukraine and affect foreign investors are listed in Table 1, among them attention is paid to nominal and real GDP; consumption; investments; foreign trade - exports and imports; deflator, inflation, international reserves; tax revenue; current and capital expenditures for the last three years.

The analysis of these data shows: GDP grew by 2.5% in 2017 (and by 2.3% in 2016); foreign direct investment remained weak and corresponded to 2.1% of GDP in 2017, while in pre-crisis periods this figure was more than 5%; exports and imports also show a negative trend; external debt is growing, and this may deter potential investors in the long run, especially if we do not add the implementation of reforms, under which international institutions provide funds to Ukraine for recovery and economic growth. Despite the slow growth, according to experts, investor confidence has improved, but the restraining factors still remain.

In general, for the coming years until 2020, the forecast from international experts is positive. At the same time, economic growth depends on reaching an agreement with the IMF and the pace of reforms that the government must implement. Our analysis of the main economic indicators of Ukraine allowed us to identify those that have the greatest impact on the effect of

investment (consider the increase in PI from the European Union).

Based on our research, we can say that the prospects for growth are becoming more uncertain, but maintaining macroeconomic stability and completing key reforms to strengthen the confidence of European investors may contribute to growth in the coming years. A complex political environment also affects the prospects for reform, but there is an opportunity to implement basic, key reforms. The reduction in the inflow of foreign investment is influenced by a number of factors that should be addressed or at least try to reduce their negative impact. These include not only political and economic instability, delays in reforms, as mentioned above, but also

high levels of corruption, measured by the corruption perception index, instability of the legal and institutional environment, low competitiveness, ease of doing business index, globalization index. , and in general the decline in living standards. Thus, the tasks for the future for Ukraine are the implementation of reforms, the formation of a favorable investment environment and climate. With this in mind, promising studies are how attracted, primarily European investment, will have an effect in the context of domestic economic growth, what real programs are needed to improve the investment climate, what steps the state should take in the near future to form a competitive and highly developed economy.

**Keywords:** investment; economy; development.

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