

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ  
ЗАПОРІЗЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ

**ФІНАНСОВІ СТРАТЕГІЇ  
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Економіка та управління підприємствами  
Економіко-математичне моделювання та інформаційні технології в економіці  
Ринкові механізми обліку, аналізу та аудиту в національній економіці  
Теоретико-прикладні аспекти економічних процесів в Україні та світі  
Фінанси і грошовий обіг  
Економіка праці, управління персоналом та маркетинг  
Управління проектами та фінансово-економічна безпека в умовах глобалізації



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To the President of the Ukrainian Scientific Diaspora in France,  
Chairperson of the Organizing Committee *Ms. Olena Kovalychuk*

**AN APPEAL FROM THE UKRAINIAN SCIENTIFIC COMMUNITY  
TO THE GLOBAL INTELLECTUAL COMMUNITY AND ALL INTERNATIONAL  
INSTITUTIONS, INCLUDING THE UNITED NATIONS, REGARDING THE ORGANIZATION  
OF PROTECTION FOR THE UKRAINIAN PEOPLE FROM ANNIHILATION**

**Dear colleagues,**

The history of humanity bears witness to numerous tragedies that led to the disappearance of entire nations, ethnic groups, and even civilizations, often as a result of catastrophes and cataclysms, some of which remain unexplained or unjustified. Throughout history, there have been instances of genocide that cannot be justified, such as the extermination of Jews by the Nazi regime. The world succeeded in stopping this crime against humanity, and today, anti-Semitism is condemned by the international community through the adoption of relevant UN documents. Ukraine stands in defense of the rights and safety of this and other nations, opposing all forms of terrorism.

On October 7, 2023, the President of Ukraine, Volodymyr Zelensky, signed the law "On Prevention and Counteraction to Anti-Semitism in Ukraine" No. 1770-IX, which was adopted by the Verkhovna Rada on September 22. The press service of the President's Office reports that: "The document aims to create a legislative mechanism for combating anti-Semitism in Ukraine and preventing its manifestations to protect human rights and prevent cases of xenophobia, racism, and discrimination. The implementation of this law will contribute to the further strengthening of the culture of tolerance in Ukrainian society."

It is noted that Zelensky's support for this law "demonstrates the consistent position of the President and our state regarding the prevention of such a shameful phenomenon as anti-Semitism in Ukraine."

Meanwhile, Ukraine itself has become the target of cynical, unjustified, systemic destruction of its peaceful population under the guise of fighting terrorism. For over 10 years, the russians have been killing Ukrainians, destroying the economy, and deporting hundreds of thousands of children from Ukraine to russia. About 10 million Ukrainians have emigrated abroad, and no fewer have been forced to leave their homes due to the fighting and are now in evacuation, their whereabouts unknown.

The targeted, overt extermination of Ukrainians and senseless destructions are referred to by russian President V. Putin as a "special operation." On October 12, 2023, the UN General Assembly adopted a resolution condemning the attempt to annex the occupied territories of Ukraine.

russian authorities claim that the army does not attack civilian objects. However, russian aviation, missile forces, the fleet, and artillery daily shell all Ukrainian cities and villages. Residential buildings and civilian infrastructure across Ukraine, including the nuclear energy system, are being destroyed. Additionally, there is the abuse of civilians, prisoners, and journalists.

In his speech on the war between Israel and Palestine, French President E. Macron, as an expert, said: "War can

be ruthless, but not without rules...". His words are important, but for contemporary Ukraine, whose people have died for centuries and continue to die today, the longstanding concern is not enough...

Every war is an injustice, treachery, bloodshed, and murders that can never, by anyone or any legislation, be justified. War violates religious commandments written for billions of people, including Christians, Muslims, Buddhists, Jews, and others.

Ukraine remembers the painful, periodic flare-ups of the "russian" disease of vandalism and barbarism, which is shown not only through direct physical destruction but also through famines that have killed millions of Ukrainians over four centuries. By using our intellect and resources for its aggressive goals, including actions abroad, russia seeks to dominate.

Today, according to preliminary estimates, 10-20% or more of officers and enlisted personnel in the russian military are assimilated Ukrainians. If Ukraine is captured by the russians, all Ukrainians, as always, will be forcibly mobilized under the threat of death to capture European states.

This insidious approach has been used by russians at various times: in wars in Afghanistan, with the Caucasian and European peoples, during and after the world wars.

russian aggression against Ukraine has a centuries-old, unjustifiable, systemic nature and requires global protection for Ukrainians and their state, which has been revived on democratic principles and transformed according to the legal canons of international law.

Indeed, European states are wary that a war with russia, involving partner states, could have global consequences that may provoke the onset of World War III. These and other circumstances determine the relevance and timeliness of solving this global humanitarian problem.

As is known, war is not only a tool for achieving certain aggressive goals from one side but also an intensive "accumulation" of crisis phenomena in various spheres of society, neglect of science, and the development of corruption from the other side. These circumstances determine the need to focus international efforts, primarily on a comprehensive study of the growing problem of interstate terrorism, identifying its causes, and finding ways to prevent aggressive actions and their peaceful resolution.

War, as we know, is accompanied by global negative phenomena, including:

- The irrational but effective "burning" of all kinds of resources, leading to catastrophic environmental pollution;
- The disruption of global economic stability and its components, such as currency, finance, banking activities, etc.;
- The intensification of fake activities, deception, and the development of corruption.

The impunity of Russian terrorism contributes to its spread and the realization of unfair conclusions about the war, etc.

For reference: In addition to Russia, the world leader in the number of terrorist attacks in 2016 was "Islamic State" (1132 attacks, with 9132 killed, 7723 wounded), followed by the "Islamic Emirate of Afghanistan" or "Taliban" (848 attacks, 3583 killed, 3550 wounded), and "Al-Qaeda" with its affiliates (539 attacks, 1349 killed, 7723 wounded).

Overall, numerous terrorist acts occur daily worldwide, not always accounted for, except by local law enforcement. The ineffective influence of international institutions on the situation contributes to the spread of fake news, including claims that Ukrainians, in case of defeat in the war, might blow up all nuclear power plants. According to Russian fakes, weakened Ukraine is supposedly targeted for takeover by Jews, etc.

These and other circumstances determine the relevance and timeliness of addressing the global public to organize the defense of Ukraine and Ukrainians from the aggressor, similar to the prevention of the development of anti-Semitism worldwide.

It is necessary to activate international justice bodies. Our appeal to the International Tribunal over the criminals seeking to destroy Ukraine, to the Hague, is just a small step toward the strict and just punishment of Russian criminals who have disregarded international norms of coexistence. Once, the International Military Tribunal in Nuremberg (Germany; November 20, 1945 – October 1, 1946), which examined the criminal actions of the leadership and individual organizations of the Third Reich in the outbreak

and conduct of World War II, assessed and defined the punishment for the criminals. However, as modern lawyers note, it was not the court of the just, but the court of victors over the defeated murderers.

Currently, the International Court of Justice in The Hague, based on Ukraine's lawsuit, has announced a decision in the case where our state accused Russia of violating two international conventions: on combating terrorism financing and the elimination of all forms of racial discrimination. According to the victims, this court is a bureaucratic mockery, not a punishing sword for international crimes. Statements that it lacks sufficient evidence to determine whether Russian actions in Ukraine are terrorist activities appear, at the very least, incomprehensible.

The resolution of issues related to the protection of Ukrainians in their state is possible only through the application of reliable, well-thought-out legal norms and rules, and effective mechanisms of international coexistence.

The scientific community of Ukraine warmly welcomes the esteemed European Congress of Ukrainians and the esteemed Forum of the 1st International Scientific Conference "Mechanisms of Adaptation, Integration, and Assimilation of Ukrainians in Conditions of Forced Migration" and requests support for the appeal and to petition before the functional organs of the United Nations to consider this issue and adopt appropriate humanitarian decisions.

The people of Ukraine will always be grateful for the support of our state, but will only justify the hopes of Europeans when they enter equally as a member of the European states.

*The appeal was prepared by Doctor of Economics, Professor **Andrushkiv B.M.**,  
Doctor of Economics, Professor **Cherep A.V.**,  
Doctor of Economics, Professor **Holovkova L.S.**,  
and Doctor of Economics, Professor **Kyrych N.B.***

*The appeal has received support from the following public organizations of Ukraine:*

The Main Council of the "Circle of Elders of Ukraine,"  
represented by Doctor of Technical Sciences, Professor **Mykhailo Yosypovych Buhayets**;

The National Academy of Sciences of Higher Education of Ukraine (NASHEU),  
represented by Doctor of Medical Sciences, Professor **Stanislav Isakovych Tabachnikov**;

The Academy of Social Management of Ukraine,  
represented by Doctor of Economics, Professor **Bohdan Mykolayovych Andrushkiv**;

The International Public Organization "Assembly of Business Circles,"  
represented by **Viktor Volodymyrovych Vozniuk**;

The All-Ukrainian Society named after T. Shevchenko,  
represented by Doctor of Physical and Mathematical Sciences, Professor **Roman Mykhailovych Kushnir**;

The International Knightly Order of the Ukrainian Cossack Brotherhood named after Saint Nicholas,  
represented by **Lyubov Yosypivna Yavorivska**;

And other public, academic formations and organizations.

# ECONOMICS AND BUSINESS MANAGEMENT

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## CURRENT TRENDS OF ECONOMIC DEVELOPMENT OF THE ZAPORIZHZHIA REGION

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modern trends, economic development, Zaporizhzhia region, innovations, defense technologies, globalization.

The article examines the current trends in economic development of the Zaporizhzhia region in the context of the identified key areas of innovative development of Ukraine in accordance with the "Strategy for the Digital Development of Innovative Activity of Ukraine for the Period up to 2030". It is determined that current trends in economic development are being implemented in the Zaporizhzhia region despite the long-term armed aggression of the Russian Federation, insufficient financial investments, and a shortage of human capital. The need for the development of military technologies, support and unification of enterprises and organizations involved in the field of defense and security is substantiated. It is determined that current trends in economic development of the regions of Ukraine are a definition of global trends in the world. Particular attention is paid in the article to the steps that Ukraine will take in order to develop the sphere of innovation as quickly as possible and focus on the development of innovative products. It is revealed that current trends in the development of the world economy include: globalization, informatization, and transnationalization. As a conclusion, the implementation of modern trends of economic development in the Zaporizhzhia region has several problems – the lack of highly qualified human resources, insufficient funding, proximity to the front line and the occupation of most of the territory of the region. Modern economic development in the region, unfortunately, now has many problems and is experiencing difficulties due to the lack of highly qualified human resources, the lack of sufficient financial assistance, the resolution of daily social issues due to military shelling. It is determined that modernity and innovation are closely related and depend on each other, so, innovative products set the modern trend, and innovative development serves as an impetus for economic growth and development.

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## СУЧАСНІ ТРЕНДИ ЕКОНОМІЧНОГО РОЗВИТКУ ЗАПОРІЗЬКОГО РЕГІОНУ

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сучасні тренди, економічний розвиток, Запорізький регіон, інновації, оборонні технології, глобалізація.

В статті розглянуто сучасні тренди економічного розвитку Запорізького регіону в розрізі визначених ключових напрямків інноваційного розвитку України згідно зі «Стратегією цифрового розвитку інноваційної діяльності України на період до 2030 року». Визначено, що сучасні тренди економічного розвитку впроваджуються в Запорізькому регіоні незважаючи на тривалу збройну агресію РФ, недостатні фінансові інвестиції, дефіцит людського капіталу. Обґрунтовано необхідність розвитку військових технологій, підтримки та об'єднання підприємств, організацій, які задіяні в сфері оборони та безпеки. Визначено, що сучасні тренди економічного розвитку регіонів України – дефініція глобальних трендів світу. Особливу увагу в статті приділено крокам, за якими рухатиметься Україна, щоб максимально швидко розвивати сферу інновацій та фокусуватися на

розвитку інноваційних продуктів. Розкрито, що сучасні тренди розвитку світової економіки включають: глобалізацію, інформатизацію та транс націоналізацію. Як висновок, впровадження сучасних трендів економічного розвитку в Запорізькому регіоні має декілька проблем – відсутність висококваліфікованого людського ресурсу, недостатність фінансування, близькість до лінії бойових дій та окупована більша частини території регіону. Сучасність економічного розвитку в регіоні нажалі зараз має безліч проблем та відчуває труднощі через відсутність висококваліфікованого людського ресурсу, відсутність достатньої фінансової допомоги, вирішення щоденних соціальних питань через воєнні обстріли. Визначено, що сучасність та інновації мають між собою тісний зв'язок і залежать один від одного, так як інноваційні продукти задають сучасний тренд, а інноваційний розвиток служить поштовхом до економічного зростання та розвитку.

### Statement of the problem

Current trends in the economic development of the Zaporizhzhia region set the vector in which the region will move in the near future, what goals are set and at what level the economic development of the Zaporizhzhia region will be in the future.

Modern trends in the economic development of the regions of Ukraine include the most important and relevant aspects that influence changes in the socio-economic context. Research into key factors such as the labor market, foreign financial assistance, fiscal policy, foreign trade, metallurgy, mechanical engineering, construction, agriculture, energy infrastructure, fiscal and monetary policies, inflation, etc., currently determine modern trends in the socio-economic development of the regions of Ukraine.

The IMF conducted a study, and according to their forecasts at the global level, with an increase in consumption taxes and changes in the global economy, economic growth is expected to slow down next year, all of which will affect changes in Ukraine and be reflected in regional development.

One of the most important issues of economic development in Ukraine is the socio-economic development of regions. Therefore, there is a need, firstly, to identify current trends in economic development of the Zaporizhzhia region, as one of the promising and budget-forming, and secondly, to investigate their impact on the further development of the region and to predict the worst and most likely scenario of socio-economic development of the region in the future.

### Analysis of recent studies and publications

Analyzing the latest research by scientists and scholars, the paradigm of the new worldview is to meet the needs of all generations without causing harm by achieving an ideal balance of development components: economic, social and environmental. All modern trends in economic development, scientists implement in their theoretical and practical aspects, ideas are relevant today and will have novelty and practical significance in the future.

In her work, Cherep A.V. [1] determined that a person, being a nanolevel of a complex social security structure, loses his most important vital resources in danger, which negatively affects the socio-economic potential of the state, therefore ensuring and guaranteeing its protection is a leading factor in building a competitive economy.

According to the conclusions of Melnyk L.G. [3], it is trends that serve as the basis for predicting possible states of socio-economic systems, forming a virtual bridge between the present and future state of the system, trends are the real support for targeted management of socio-economic systems.

Dobrovolsky V.V. [5] noted in his work that in sustainable development strategies, the systemic approach is implemented in the issues of finding a compromise between the socio-economic needs of humanity and the capabilities of the biosphere. After all, only a comprehensive view of the interrelationships of the three components of development (ecological, economic, and social), taking into account the peculiarities of their functioning, will ensure the evolution of the biosphere in the future and the progress of humanity.

Topalova I.A.[6] in her research concluded that the regional economic system requires the implementation of "New Industrialization" ( neo-industrialization ), which will allow achieving a new quality of economic growth and self-development of regions based on the construction of industrial production on the basis of the above-mentioned technological structures. The key to further economic development is the technological development of production through the implementation of innovations and new developments based on modern information technologies ( digitalization, Big Data, information and communication technologies, Industry 4.0, Society 5.0.

### Objectives of the article

Modern trends in economic development of the Zaporizhzhia region ensure the region's ability to adopt a strategic approach to sustainable development. That is, it is understood that all modern trends consist of economic, social and environmental elements, and if the interests of these components are in balance with each other and are aimed at increasing well-being, then the principle of sustainable development of the region works.

The skill of the regional administration lies in identifying all problems and pathological processes in socio-economic areas and making timely decisions to restructure the system in order to achieve effective, favorable changes in the short term.

"To be in trend" means to be successful and efficient: maximum results with minimum costs [3]. Modern trends

in the development of the world economy include: globalization, informatization, and transnationalization.

In the current state, the Zaporizhzhia region, like other regions of Ukraine that are under constant shelling, is considering the strategic development of the region in the most important and relevant areas at the moment. Such as the labor market, foreign financial assistance, fiscal and foreign policies, energy, metallurgy, agriculture, monetary policy and inflation. Despite the problematic socio-economic situation of the Zaporizhzhia region, the regional administration continues to monitor the trend of the world economy and implement modern trends at the local level.

**The main material of the research**

Three years of fierce war in Ukraine have shown that innovations and innovative technologies are now winning not only on the battlefield, but also in the entire socio-economic space that surrounds us. Correctly defined vectors of economic development allow us to transform not only the regions of Ukraine, but also the country as a whole.

The world is changing rapidly, and the implementation of modern trends in economic development in the regions of Ukraine is not only a guarantee of rapid economic growth, it is a victory for Ukraine.

The Ministry of Digital Transformation of Ukraine, together with the Ministry of Education and Science, has developed and approved the “Strategy for the Digital Development of Innovation Activity in Ukraine for the Period Until 2030” [8]. This document defines the steps we will take to develop the field of innovation as quickly as possible and focuses on the development of products presented in Table 1 [8].

Table 1 – Key innovative products of Ukraine

Abbreviation	Name
AUV	unmanned technologies
Semiconductors	they are used in cars, phones and computers
GreenTech	green environmental technologies
AI	artificial intelligence
MedTech	technology in medicine
BioTech	biotechnology technologies
DefenseTech	defense technologies
Secure Cyber Space	cybersecurity
XR	augmented reality technologies (VR, AR and MR)
AgriTech	agricultural technologies
Fluid Economy	economy without borders
Edtech	development of the education system

Ministry of Digital Transformation of Ukraine introduced international cooperation and launched WINWIN Centres of Excellence for every area. Centers of Excellence within the WINWIN strategy are a special space where experts, resources and innovations are combined to develop key industries and implement advanced technologies [8].

Let's consider how the basic trends of innovative and economic development of Ukraine are currently being implemented in the Zaporizhzhia region.

Modern trends in economic development of the Zaporizhzhia region are focused on the development of human

capital, effective management of the region. Also, the administration of the Zaporizhzhia region regularly holds meetings with business to support and assist in the creation of innovative products, opportunities to develop technologies for defense, and to build favorable conditions for the economic development of the region.

One of the modern trends in the economic development of the Zaporizhzhia region is military technologies. The Zaporizhzhia region has joined the BRAVE 1 cluster, which means supporting and uniting enterprises and organizations involved in the field of defense and security. The priority areas of this project are military systems and weapons, protection and security, logistics, unmanned aerial vehicles, ammunition, demining equipment, cybersecurity, navigation, reconnaissance equipment and medical support. The project provides financial assistance in the form of grants and investments, certification of its own products, presentation of developments at military training grounds, code names according to NATO standards.

BRAVE 1 is an inter-sectoral project, a joint initiative of the Ministry of Defense, the General Staff of the Armed Forces of Ukraine, the National Security and Defense Council, the Ministry of Digital Affairs, the Ministry of Strategic Industries, and the Ministry of Economy.

In 2025, the Zaporizhzhia region will allocate more than UAH 1 billion for the purchase of unmanned aerial vehicles and components for them.

For energy security, the Zaporizhzhia region will need more than 200 powerful diesel generators in 2025. Cogeneration plants will allow the Zaporizhzhia region to successfully pass the heating season. Therefore, the administration of the Zaporizhzhia region has ensured the supply of equipment for generating an additional 30 MW of electricity in 2025, which will be enough for the operation of centralized heating and water supply systems. The goal for next year is to obtain 100 MW of additional generation for medical institutions, the social sphere, etc. The region has a program to provide financial state support to individuals who install generating plants on alternative energy sources, which consists in reducing the cost of loans for the purchase and installation of photovoltaic modules, wind power plants and energy-saving systems with a capacity of 1 kW to 10 kW [9]. The program was developed in accordance with the Procedure approved by the Resolution of the Cabinet of Ministers of Ukraine dated June 7, 2024 No. 673 [11].

Regarding the current trend, the effective use of artificial intelligence in work, education, business and everyday life in the Zaporizhzhia region. The Ministry of Economy of Ukraine, the Ministry of Digital Transformation of Ukraine together with Google Ukraine launched a free course "AI for Productivity" in which the Zaporizhzhia region is actively participating. This course will help a person open up new opportunities for development, expand understanding and use of artificial intelligence.

In the Zaporizhzhia region, in 2025, the medical reform aimed at reorganization and self-sufficiency continues. There are more than 40 medical institutions in the region, more than 15 have already been reorganized (unions of medical institutions, rehabilitation institutions, multidisciplinary or institutions for narrow diseases, for example, psychiatric,

infectious or phthisiatric care). In 2025, the reconstruction of the emergency and urgent medical care hospital is underway, the work is being carried out at the expense of the state budget, the project cost is UAH 320 million. The equipping of medical institutions with modern medical equipment continues, which allows for unique transplantation operations. A free prosthetics center "Bold Step" has been opened in the Zaporizhzhia region – the only one in the southeast of Ukraine, which helps to obtain high-quality rehabilitation after mine and blast injuries. Among the patients are both military and civilians who suffered as a result of hostilities.

In the Zaporizhzhia region, work is underway on defense and fortification systems, developed jointly with the General Staff. The construction of the fortification is a new system of quite complex and multi-layered defense, which will protect not only the regional center, but also the nearest settlements from new attempts at enemy assaults and drones [10].

Cybersecurity is one of the main directions of the modern trend of economic development of the Zaporizhzhia region. For 4 years, the CTDO digital transformation team has been implementing several projects in the field of cyber defense in the region. Especially in conditions of war and unpredictable threats, it is important to understand that cyber defense is the protection of the economic space.

The next modern trend – virtual reality has already become a new form of existence, so it is becoming more and more real that information technologies can replace a person's direct communication with natural, historical, architectural and other spiritual and real objects of reality [13]. In the Zaporizhzhia region, virtual tourism in Zaporizhzhia "Seven Paths to Adventure" operates. Also, in order to provide comprehensive support at all stages of the admission campaign in 2024, Zaporizhzhia National University (ZNU) created the Virtual Educational and Consulting Platform "Entrant-2024" – a software product that collects all the necessary operational information regarding admission to higher education institutions in one place. In 2024, a virtual laboratory was opened at ZNU, with the help of whose resources it is possible for specialists to develop scenarios for preventing catastrophic consequences. Also among the goals are 3D modeling and digitization of historical and cultural heritage sites lost, damaged, or under threat of destruction as a result of hostilities in Ukraine, development of innovative methods of immersive learning, virtual and augmented reality software, virtual tours, etc. [14].

Regarding the current trend – agro-industrial technologies in the economic development of the Zaporizhzhia region, exhibitions of agricultural technologies are held. In 2022, relevant technologies were demonstrated in Zaporizhzhia, conferences, expert meetings were held. One of the main areas is modern agricultural machinery, IT technologies for precision farming and control of basic processes in agriculture, accounting automation tools, modern building materials, energy-efficient technologies, heating systems. Within the framework of the agreement between the State Organization "Ukrainian National Office of Intellectual Property and Innovations" and the Zaporizhzhia Chamber of Commerce and Industry, the Technology and Innovation Support Center (TISC) was established on the basis of the Zaporizhzhia Chamber of Commerce and Industry [15].

Economy without borders is a modern trend of the Zaporizhzhia region that is being implemented now. Regular meetings of the Zaporizhzhia region authorities with business and the public are held, key problems are discussed and resolved. The Zaporizhzhia region authorities and a number of partner countries have signed agreements on comprehensive assistance. In particular, in 2024, a cooperation agreement was signed between the Zaporizhzhia region and the Commonwealth of Pennsylvania, which provides for interaction between state bodies, scientific institutions, citizen organizations and business, and includes the main areas – energy, agriculture, digital and defense technologies [10]. Regional business support programs are operating in the Zaporizhzhia region, which are aimed at developing exports, supporting startups, helping veterans, as well as financing businesses for scaling or relocation. Two programs will be launched in the Zaporizhzhia region in 2025: "Economic training for businesses affected by the war in Ukraine" Entrepreneurs, top managers and key specialists of small and medium-sized businesses from various sectors (production, energy, IT, agri-food, green economy, etc.) will be able to undergo training on the online educational platform Ukraine Global Faculty. The second program is "Create Here!". This is a free educational project from the NGO uBoost for ambitious young people from small towns and frontline regions. Participants study entrepreneurship, finance, marketing, sales, PR and digital technologies, develop soft and hard skills, preparing for a career or your own business.

The development of the education system is a modern trend in the economic development of the Zaporizhzhia region. The main guideline for the development of education in the Zaporizhzhia region is safety, therefore, a program for the construction of underground schools is being implemented in the region. As of January 2025, five underground schools in Zaporizhzhia have been opened, these are unique educational institutions created in compliance with all safety standards.

Economic development of regions is not possible without the development and implementation of modern ideas and thoughts, digital development and innovation.

### Conclusions

Every day, Ukraine becomes a more powerful and most convenient digital state, becoming a new political and innovation center.

The main barriers that Ukrainian regions face when implementing modern trends for economic development are limitations in financing innovation and digital programs and the lack of highly qualified human capital.

According to the estimates provided in the Global and Innovation Index 2023, Ukraine ranks 55th out of 132 countries studied in the world, which is two places higher than in 2022. In terms of seven structural components, Ukraine has the highest score in "Creative Potential" (37th place), "Knowledge and Technological Output" (45th place), as well as "Human Capital and Research" (47th place). The most problematic for Ukraine, according to the rating compilers, are the criteria "Market Development" (104th place) and "Institutionality" (100th place) [8].

Global trends affect the priority areas of development of the regions of Ukraine. Promoting the implementation of modern trends of economic development in the Zaporizhzhia region makes it possible to protect national interests, contributes to solving social problems, in particular security and defense. But prolonged hostilities, the frontline zone, the largest territory of the region under occupation, mass forced internal and external migration, all these consequences

negatively affect the economic development of the Zaporizhzhia region. The key to a successful innovation project is qualitatively trained specialists, therefore the quality of education is the main vector of economic development of the regions. Support for startups, entrepreneurs and companies involved in the development, creation and implementation of innovative modern ideas, the development of innovative technologies in the Zaporizhzhia region is important.

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## FORMATION OF AN APPROACH TO ENSURING INNOVATIVE-DRIVEN PROGRESSION OF INDUSTRIAL ENTERPRISES UNDER THE CONDITIONS OF DIGITALIZATION AND SUSTAINABLE DEVELOPING

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### **Key words:**

innovative development, innovation cycle, innovation activity strategy, innovation activity, innovation, digitalization, digital technologies, market environment, sustainable development goals, industrial enterprises.

It has been established that under the conditions of digitalization of the economy, sustainable development, industrial enterprises have faced the issue of increasing competitiveness, improving performance indicators due to the intensification of competition. The emergence of digital innovative technologies preconditions their research and implementation at enterprises. It has been determined that the prerequisite for intensification of innovation processes is the formation of trend-setting activity through the introduction of a strategy for ensuring innovative activity. It has been proven that the establishment of innovative activity processes will make it possible to increase the efficiency of innovative activity, will contribute to the development of innovations and the innovative development of the enterprise as a whole. It was found that the innovative development of an enterprise affects the formation of competitive advantages, rationalization of resource use and cost reduction, coverage of new product sales markets, increasing investment attractiveness, adherence to the principles of sustainable development, financial indicators, profitability. The importance of ground-breaking development is proven, since industrial enterprises that do not develop and implement pacing technologies may lose competitive positions. The approach to ensuring the ground-breaking development of industrial enterprises has been improved, which defines a sequence of stages, the implementation of which will allow restoring innovative processes, contributing to the activation of innovative development, and will also allow achieving financial and innovative effects, ensuring sustainable growth in the conditions of digitalization of the economy. An innovation cycle has been formed, which includes a set of elements that affect the innovative development of industrial enterprises. The specified innovation cycle makes it simple to establish a close relationship between impact factors, the strategy of innovative activity, the level of innovative activity, innovative practice and innovation management, as well as to determine their impact on achieving financial and innovative effects.

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## ФОРМУВАННЯ ПІДХОДУ ДО ЗАБЕЗПЕЧЕННЯ ІННОВАЦІЙНОГО РОЗВИТКУ ПРОМИСЛОВИХ ПІДПРИЄМСТВ В УМОВАХ ЦИФРОВІЗАЦІЇ ТА СТАЛОГО РОЗВИТКУ

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### **Ключові слова:**

інноваційний розвиток, інноваційний цикл, стратегія інноваційної активності, інноваційна активність, інновації, цифровізація, цифрові технології, ринкове середовище, цілі сталого розвитку, промислові підприємства.

Встановлено, що в умовах цифровізації економіки, сталого розвитку перед промисловими підприємствами постало питання підвищення конкурентоспроможності, покращення показників діяльності через загострення конкурентної боротьби. Виникнення цифрових, інноваційних технологій обумовлює потребу до їх дослідження, впровадження на підприємствах. Визначено, що передумовою активізації інноваційних процесів є формування інноваційної активності через запровадження стратегії забезпечення інноваційної активності. Доведено, що налагодження процесів інноваційної активності дозволить підвищити ефективність інноваційної діяльності, сприятиме розробці інновацій та інноваційному розвитку підприємства в цілому. З'ясовано, що інноваційний розвиток підприємства впливає на формування конкурентних переваг, раціоналізацію



використання ресурсів та скорочення витрат, охоплення нових ринків збуту продукції, підвищення інвестиційної привабливості, дотримання принципів сталого розвитку, фінансові показники, прибутковість. Доведено важливість інноваційного розвитку, оскільки промислові підприємства, які не розробляють, впроваджують інновації, можуть втратити конкурентні позиції. Удосконалено підхід до забезпечення інноваційного розвитку промислових підприємств, в якому визначено послідовність етапів, реалізація яких дозволить відновити інноваційні процеси, сприятиме активізації інноваційного розвитку, а також дозволить досягти фінансового, інноваційного ефектів, забезпечить стійке зростання в умовах цифровізації економіки. Сформовано інноваційний цикл, який включає набір елементів, що впливають на інноваційний розвиток промислових підприємств. Означений інноваційний цикл дозволяє встановити тісний взаємозв'язок між факторами впливу, стратегією інноваційної активності, рівнем інноваційної активності, інноваційною діяльністю та управлінням інноваціями, а також визначити їх вплив на досягнення фінансового, інноваційного ефекту.

### Statement of the problem

Within the framework of digitalization of the economy, sustainable development, industrial enterprises have an urgent need to maintain competitive positions, increase competitiveness, establish competitive strengths, which is possible through the implementation of digitalization trends, information technologies, development and use of innovations. Consequently, an important issue is to determine the areas, improve innovative development, which is possible through the formation of innovative activity. The above confirms the need to improve the approach to ensuring the innovative development of industrial enterprises, which will contribute to increasing innovative activity. There is also a need to develop an innovation cycle, which will allow establishing the relationship between impact factors, innovation activity strategy, level of innovative activity, innovative activity and innovation management.

### Analysis of recent studies and publications

Many scientists have studied the issue of innovative development of enterprises, in particular: Bohashko O. L. [1, p. 86-91]; Gonchar O. I., Berdychevskiy A. V. [2, p. 25-26]; Horiashchenko Yu. [3, p. 35-36]; Doroshkevych K., Kolinko N., Dzvonyk R. [4, p. 9-12]; Durbalova N. I. [5, p. 133-135]; Kashchena N., Chmil Ye. [6]; Kutsyk V. I., Maiboroda V. M. [7, p. 50-53]; Maiboroda V. M. [8, p. 65-69]; Nahachevska T., Pryhara O. [9, p. 34-35]; Petrenko L. A. [10, p. 7-10]; Sieriebriak K. I. [11]; Toropova V. I. [12, p. 148-151]; Cherep A., Cherep O., Shvets Y. [13, p. 378-382]; Cherep O., Cherep A., Ohrenych Yu., Helman V., Gorbunova A. [14, p. 472-481]; Shamanska O. I. [15, p. 20-22].

The research conducted gives the possibility to note that there is no multidimensional approach to ensuring the innovative development of industrial enterprises, which would contribute to increasing innovative activity; there is no model of the innovation cycle, which would allow establishing the relationship between the impact factors, the strategy of innovative activity, the level of innovative activity, innovative activity and innovation management.

### Objectives of the article

**The objective** of the article is to improve the scientific and theoretical approach to ensuring the innovative development of industrial enterprises, the model of the innovation cycle.

### Presentation of the main material

The impact of the digitalization of the economy, sustainable development on the work of industrial enterprises confirms the importance of introducing innovations and ensuring innovative development, which affects the level of competitiveness, the formation of competitive advantages, optimization of resource use, cost reduction, financial performance, investment attractiveness and profitability of work. Along with this, an important issue is to establish the prerequisites for innovative development, i.e. determining the relationship between innovative operation, innovative activity, innovations, innovation management and, accordingly, development.

The study of the approaches of scientists to the determination of mechanisms, models of innovative development, and management of innovative development provides an opportunity to confirm the non-availability of a multidimensional approach to ensuring the innovative development of industrial enterprises. Therefore, the non-availability of a universal approach to innovative development vigorously requires its implementation.

We have improved the scientific and theoretical approach to ensuring the innovative development of industrial enterprises, which contains a model of the innovation cycle, includes a set of interrelated stages, the implementation of which permits to determine the sequence of arrangement, formation, activation of innovative development, which will contribute to the achievement of financial, innovative effects, and ensure sustainable growth in the conditions of digitalization of the economy.

The scientific and theoretical approach identifies the relationship of the elements reflected in the model of the innovation cycle (Fig. 1): market environment factors influence the development, formation, and implementation of the strategy of innovative activity of industrial enterprises, as well as innovative operation and the outcomes

of innovative activity; the strategy of innovative activity of industrial enterprises forms innovative activity; innovative activity determines the readiness of the enterprise for innovations, ensures the increase of innovative activity; innovative activity is a process that results in the creation, development of innovations; innovations are the result of innovative activity and include the production of new products, goods; the synergistic effect is the result of a comprehensive approach to the implementation of the strategy of innovative activity of industrial enterprises, the formation of innovative operation, the implementation of innovative activity, the development of innovations and is reflected in the form of improved financial performance, increased competitiveness; innovation management provides the possibility to adjust innovative processes, monitor the achievement of the anticipated results.

It is worth mentioning that in this scientific and theoretical approach, the innovative development of an enterprise is considered as a dynamic system in which there is a close relationship between the impact factors, the strategy of innovative activity, the operation of enterprises, the effectiveness of innovative activity and innovation management. The integration of the specified elements will make it possible to obtain the maximum economic effect, that is, it will promote innovative development, ensure sustainable growth against the background of digitalization of the economy.

Furthermore, the scientific and theoretical approach includes the following components (Fig. 2).

The objective of the scientific and theoretical approach to ensuring and increasing the innovative development

of industrial enterprises is the use of methodological, informational and technical, organizational, regulatory, financial, and personnel support for the development of a sequence of stages, an innovation cycle for the purpose of innovative development, which will guarantee the achievement of innovative, economic, and social effects. The prerequisite for achieving the specified objective is the fulfillment of the following tasks: collection, research of information on the impact of the environment, the state of innovative development; assessment of the status of resource provision; preparation of information based on the results of strategic planning for decision-making; determination of the sequence of stages of ensuring and increasing innovative development; generation of an innovation cycle; taking into consideration the relationship, establishing interdependencies with the strategy of innovative activity, innovative operation; identification of opportunities for innovative development and its arrangement; analysis of the enterprise’s capabilities to develop innovations; justification of the role of innovative development management; forecasting scenarios for the enterprise’s innovative development; monitoring of outcomes, identification of current outcomes of innovative development; assessment of the effectiveness of innovative development through the achievement of innovative, economic, and social effects; analysis of the drawbacks, risks of innovative development and establishment of the enterprise’s capabilities to overcome them; generalization of the outcomes of innovative development and generation of conclusions; determination of the areas of innovative development in the long-run period.

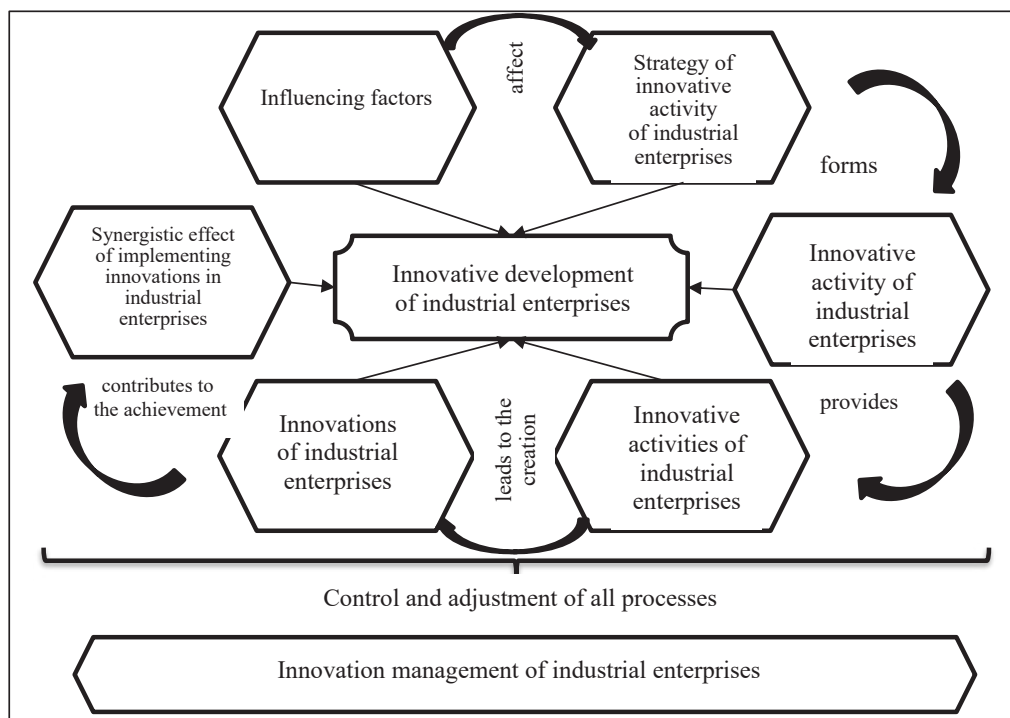


Fig. 1 – Diagram of the interconnection of elements that influence the innovative development of industrial enterprises  
Source: generated by the author

A set of support components is of great importance for the formation and improvement of innovative development: methodological – formation of a set of tools, methods, approaches to ensuring and improving innovative development, assessing the state of innovative development; information and technical – setting up the process of collecting, processing, analyzing data, exchanging information, ensuring information protection, information security, implementing software products, digital technologies, and equipment to ensure the effectiveness of innovative development; organizational – arranging the innovative development of an enterprise, which involves forming a unit for innovative development, ensuring innovative activity, developing innovations, assessing anticipated outcomes, risks, and launching a pilot project for implementing innovations; regulatory – focused on studying the legislative framework in the area of innovative development, organizing innovative activity, developing and implementing innovations at the enterprise, as well as the innovation policy of the state, region, district, existing tax benefits and support programs for innovative activity; financial – focused on analyzing and assessing the level of financial support, available investment resources for implementing innovative activity, determining opportunities for attracting additional sources of financing through lending, grant assistance; staff – focused on assessing the innovative potential of employees, determining the level of their innovative activity, establishing the reasonability of forming a separate department that will deal with issues of innovative development, hiring employees.

Taking into account the outcomes of the study, it is confirmed that the scientific and theoretical approach to

ensuring innovative development should include a set of stages:

1. Analysis of impact factors and establishing the necessity for innovations at the enterprise. The first stage includes the following substages: analysis, taking into consideration external and internal impact factors of influence on innovative development; analysis, identification of risks for the innovative development of the enterprise; identification of the need for innovations at the enterprise; identification of market needs for innovations of the enterprise; assessment of the resource potential of the enterprise to ensure innovative development.

2. Implementation of strategic planning for the innovative development of the enterprise. The second stage includes the following substages: analysis of existing strategies at the enterprise and assessment of their orientation towards ensuring innovative development; determination of priorities, areas of the innovative development of the enterprise; establishment of the enterprise’s readiness to implement innovations, the level of its involvement in innovative development; decision-making on the innovative development of the enterprise.

3. Arrangement of innovative development of the enterprise. The third stage includes the following substages: formation of a unit for innovative development of the enterprise; taking into consideration the experience of innovation centers, universities, institutions in ensuring innovative development of the enterprise; ensuring innovative operation of the enterprise; development of innovative projects, innovations at the enterprise; design of scenarios for the implementation of innovations and anticipated

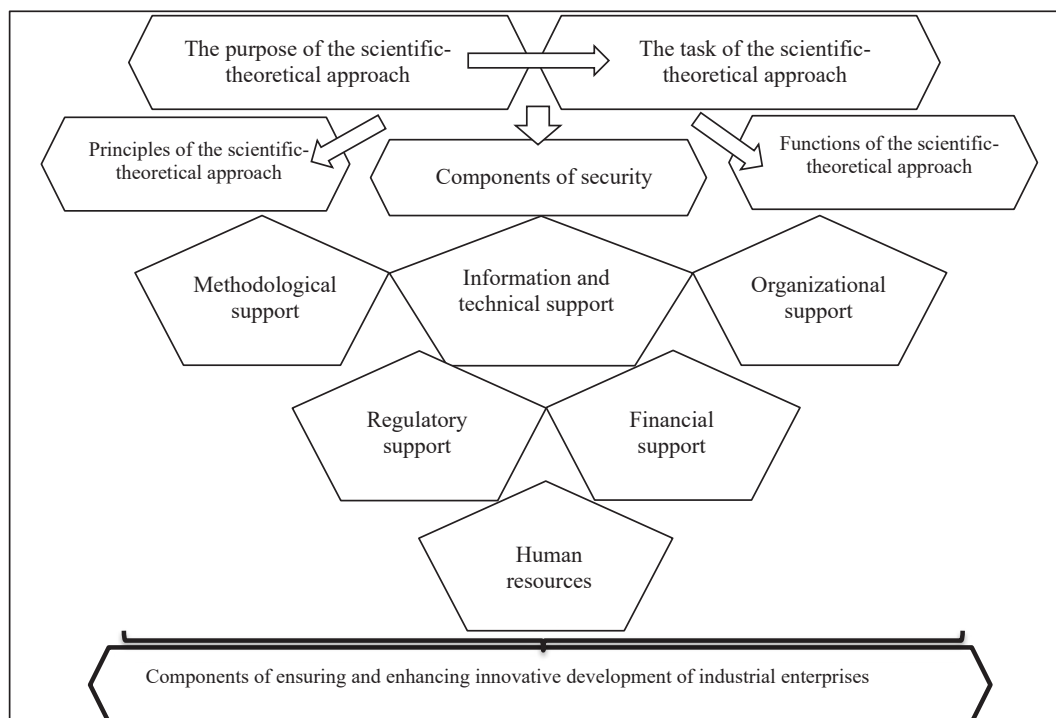


Fig. 2 – Diagram of components for ensuring innovative development of industrial enterprises

Source: formed by the author based on [2, p. 25-26; 6; 8, p. 65-69; 15, p. 20-22]

results; pilot implementation of innovations at the enterprise and risk assessment.

4. Implementation and use of innovations at an industrial enterprise. The fourth stage includes the following substages: training of personnel in the use of new technologies at the enterprise; integration of innovations into the operation of the enterprise; attraction of investments in the innovative activity of the enterprise.

5. Assessment of the effectiveness of the innovative development of the enterprise, reflected in the outcomes of the implementation of innovations, performance indicators. The fifth stage includes the following substages: analysis of the level of effectiveness of the innovative development of the enterprise; assessment of the synergistic effect obtained; monitoring the outcomes of the implementation and application of innovations.

6. Monitoring the innovative development of the enterprise. The sixth stage should be carried out constantly, that is, throughout the entire period of innovative development, which will make it possible to identify weaknesses, risks and identify proposals for overcoming them. The substages of the sixth stage include: formation of criteria for controlling innovative development; collection, processing, analysis, comparison of data on the implementation of innovations; identification of the drawbacks in innovative development and assessment of the enterprises capabilities to overcome them; development of measures to improve the innovative development of the enterprise; reporting on the results of the innovative development of the enterprise.

7. Scaling the innovative development of an industrial enterprise. The last stage involves the further development of the enterprise in the direction of introducing innovations, expanding sales markets, developing long-term partnerships, and disseminating information to potential investors. For another thing, this stage is a confirmation that the enterprise is interested in conducting new research,

forming new developments, and competitive technologies. The substages of the seventh stage include: forming a culture of innovation among employees; establishing long-term partnerships with innovation centers; forming directions for the innovative development of an industrial enterprise.

Consequently, according to the outcomes of the study, a scientific and theoretical approach to ensuring the innovative development of industrial enterprises has been improved, the application of which will make it possible to activate innovative development, achieve financial and innovative effects, and ensure sustainable growth in performance indicators. Furthermore, there is a necessity for industrial enterprises to implement an improved approach in order to systematize the processes of ensuring innovative development through the formation of innovative operation.

### Conclusion

Present conditions, active processes of digital transformation, the importance of achieving sustainable development objectives, and increased competitiveness determine the necessity for innovative development of industrial enterprises, which is possible provided that innovative activity is formed. The conducted research provides an opportunity to improve the scientific and theoretical approach to ensuring the innovative development of industrial enterprises, the implementation of which will make it possible to systematize the process and ensure the triggering of innovative development. The scientific and theoretical approach defines a model of the innovation cycle, which reflects the relationship between impact factors, the strategy of innovative activity, the level of innovative activity, innovative activity and innovation management. The implementation of a scientific and theoretical approach will permit to achieve financial and innovative effects, and will ensure sustainable growth.

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## ANALYSIS OF THE IMPLEMENTATION OF RISK TECHNOLOGIES IN THE CORPORATE SECTOR OF UKRAINE

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**Key words:**

analysis, business process,  
innovation, corporation, risk  
management, risk technologies,  
profitability.

The system of managerial decision-making and methods of analyzing the effectiveness of risk management in a corporation are studied. It is noted that the state of implementation of risk technologies in the corporate sector of Ukraine is determined by both positive aspects and challenges that require attention and improvement. On the one hand, Ukrainian companies are already implementing certain risk management practices that help reduce the impact of negative events and ensure stability in their activities. On the other hand, there are certain challenges, such as political instability, economic difficulties, technological changes and others, which require a comprehensive and innovative approach. It is shown that risk management within the corporation involves not only the connection of all factors, causes and types of risk, but also the interconnection of all elements of the risk management system, namely the analysis and assessment of risks, measures to reduce their negative impact, formalization of mechanisms for preparing management decisions and analysis of their effectiveness. In addition, according to the new interpretation of risk management, the goal of risk management is not only to reduce possible losses in the event of a risk situation, but also to increase benefits by using potential opportunities.

The financial condition of the enterprise TDV «Yagotynskyi Maslozavod» was analyzed, the application of risk technologies was assessed and recommendations were given for improving risk management to ensure effective management decision-making. The implementation of appropriate software for the risk management system using neural networks will prevent the negative impact of risk on the company's financial condition from decreasing in the future. The integration of risk management into strategic planning and the use of innovative risk technologies will contribute to increasing the efficiency and sustainability of Ukrainian enterprises.

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## АНАЛІЗ ВПРОВАДЖЕННЯ РИЗИК-ТЕХНОЛОГІЙ В КОРПОРАТИВНОМУ СЕКТОРІ УКРАЇНИ

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**Ключові слова:**

аналіз, бізнес-процес,  
інновації, корпорація, ризик-  
менеджмент, ризик-технології,  
рентабельність.

Досліджено систему прийняття управлінських рішень та методи аналізу ефективності ризик-менеджменту в корпорації. Зазначено, що стан впровадження ризик-технологій в корпоративному секторі України визначається як позитивними аспектами, так і викликами, які потребують уваги та вдосконалення. З одного боку, українські компанії вже впроваджують певні практики ризик-менеджменту, що сприяють зниженню впливу негативних подій та забезпечують стабільність у діяльності. З іншого боку, існують певні виклики, такі як політична нестабільність, економічні труднощі, технологічні зміни та інші, які вимагають комплексного та інноваційного підходу. Показано, що ризик-менеджмент в межах корпорації, передбачає не тільки зв'язок всіх факторів, причин і видів ризику, але й взаємозв'язок всіх елементів системи управління ризиками, а саме аналізу та оцінки ризиків, заходів щодо зниження їх негативного впливу, формалізацію

механізмів підготовки управлінських рішень та аналізу їх ефективності. Крім того, відповідно до нової інтерпретації ризик-менеджменту, мета управління ризиками полягає не тільки скорочення можливих збитків у разі реалізації ризикової ситуації, але й у збільшенні вигоди шляхом використання потенційних можливостей.

Проаналізовано фінансовий стан підприємства ТДВ «Яготинський маслозавод», проведена оцінка застосування ризик-технологій та надано рекомендації щодо вдосконалення ризик-менеджменту для забезпечення ефективного прийняття управлінських рішень. Впровадження відповідного програмного забезпечення системи ризик-менеджменту із застосуванням нейронних мереж запобігатиме зменшенню негативного впливу ризику на фінансовий стан компанії в майбутньому. Інтеграція ризик-менеджменту в стратегічне планування та використання інноваційних ризик-технологій сприятимуть зростанню ефективності та стійкості українських підприємств.

### Statement of problem

In today's difficult conditions, management activities in Ukraine require the development of new progressive methods and mechanisms that are capable of ensuring a technological breakthrough in the country's economy. Among such urgent challenges is the creation and implementation of an effective risk management system in the real sector, designed to provide an adequate response to the factors of a globalized and integrated world. However, it should be noted that in conditions of turbulence and constant changes in the external environment, including those provoked by the pandemic and the full-scale war in Russia, the functioning of enterprises requires constant monitoring and adjustment in order to identify and prevent potential risks, and prevent a decrease in the efficiency of economic activity.

Any economic entity, faced with various risks, develops its own measures to influence risks from avoidance to acceptance and management. Unfortunately, these measures are usually reactive in nature, that is, they are carried out when a risk event occurs. To ensure effective development and competitive advantages at the corporate level, it is necessary to develop and implement a rational risk management system.

However, despite the significant achievements of scientists and practitioners, the implementation of modern risk management systems at individual large enterprises, they are all episodic in nature, while we are talking about creating a new corporate culture of risk management.

### Analysis of recent studies and publications

A significant contribution to the understanding of risk and its place in enterprise management was made by famous foreign scientists F. Knight, E. Brickham, W. Sharp, R. Ackoff, G. Markowitz, etc.

Risk issues were studied both at the macro level and at the level of economic entities. Considerable attention in such studies was paid to the study of the essence of economic risk, its main elements and features, and the principles of its occurrence [1]. O. Filippov draws attention to the need to develop risk management at Ukrainian enterprises, since this will significantly increase the level of efficiency of their economic activities [2]. A number of works consider the issues of implementing international risk management standards at

domestic enterprises. Thus, N. Strelbitska emphasizes the need for unification of such standards and outlines the problems of their adaptation to Ukrainian realities [3].

Approaches to the definition of risk management were reflected in the works of Bashynska I. O., Dudneva Yu. E., Granaturov V. M., Kuznetsova I.O., Kravchenko M. O., Golyuk V. Ya. [4,5] and others. The developments of scientists are mostly devoted to the study of risks arising in the process of entrepreneurial activity, the identification of factors and primary sources of its formation, the features of methods for assessing and controlling the degree of risk.

### Objectives of the article

The purpose of the study is to identify, analyze and systematize the main problems that companies face when implementing risk management, as well as to provide recommendations on the use of advanced risk technologies to ensure the effectiveness of management decisions.

In accordance with the goal, a set of main tasks has been defined: to consider the theoretical foundations of management decision-making at the enterprise; to investigate the use of risk technologies and their impact on the financial condition of the corporation TDV «Yagotynskyi Maslozavod»; to propose effective management measures to avoid the threat of a financial crisis for the company.

### The main material of the research

In today's world, where the business environment is constantly changing, risks are becoming an integral part of the successful functioning of corporations. The ability to effectively manage risks is becoming a decisive factor in ensuring the sustainability of a business and its competitive advantages.

Risk management can be described as a set of methods and measures that allow predicting the occurrence of risk events and taking measures to avoid them or reduce their negative consequences. In general, the study of scientific works by modern scientists allows us to distinguish three approaches to understanding the features of risk management: comprehensive, fragmented, integrated.

The modern approach to the interpretation of risk management notes that integrated risk management involves not only the connection of all factors, causes and types of risk, but also the interconnection of all elements of the risk

management system, namely the analysis and assessment of risks, measures to reduce their negative impact, formalization of mechanisms for preparing management decisions and analyzing their effectiveness. In addition, the goal of risk management is not only to reduce possible losses in the event of a risk situation, but also to increase benefits by using potential opportunities.

With the development of digitalization processes, there are wider opportunities for qualitative and quantitative assessment of the riskiness of business processes. There is a growing need to form a system of indicators that would comprehensively characterize the effectiveness of activities, without complicating their interpretation. For this purpose, it is proposed to use a system of profitability indicators that would highlight the effectiveness of the use of capital and assets of the corporation and its structural divisions from different angles.

From the above table it is clear that the proposed system of balanced indicators can most accurately highlight the features of the functioning and development of the corporation in terms of internal economic potential and reveal the real economic processes taking place in the corporation. In addition, it provides the possibility of high-quality monitoring of the volume of financial resources and their use, while covering the transparency of the relationships of all parts of the company.

We conducted an assessment of the efficiency of business processes at the «Yagotynskyi Maslozavod». At the first stage, the system of proposed efficiency indicators was studied (Table 2).

The general conclusion from the above data shows that in the analyzed period, the efficiency of business processes at the «Yagotynskyi Maslozavod» significantly deteriorated. Negative dynamics in 2021-2023 were observed in the following indicators: return on assets (-8%), return on net assets (-13.27%), share of intangible assets in total assets (- 37.96%), fixed assets renewal ratio (-82%), cash flow value added indicator (-94.54%), as well as the fixed assets depreciation ratio (+32%). Improvement is observed only in return on investments (180%).

The state of risk management at Ukrainian enterprises is determined by both positive aspects and challenges that require attention and improvement. On the one hand, Ukrainian companies are already implementing certain risk management practices that help reduce the impact of negative events and ensure stability in operations. However, there are certain challenges, such as political instability, economic difficulties, technological changes and others, that require greater attention and effective management.

Creating an effective risk management system in a corporation based on the most modern risk technologies also requires a modern approach to the implementation of innovations. Table 3 shows the innovation index ratings for Ukraine. According to the Global Innovation Index (GII) report for 2023, Ukraine ranked 55th on the list among 132 countries in the world, which is a better result compared to 2022, when Ukraine ranked 57th (published by the World Intellectual Property Organization). As of 2023, Ukraine ranks 3rd among 37 lower-middle-income countries and 34th among 39 economies in Europe. The main innovation advantages of Ukraine are the number of utility models by origin, high software costs [8].

Therefore, from the considered risk management system and the characteristics of its elements, it is worth developing software for the successful identification of risks, as well as factors influencing effective management decision-making in order to create an effective risk management system and partially or completely eliminate the risk at the «Yagotynskyi Maslozavod». One of such areas may be the use of neural networks, which are currently actively developing. It should be noted that neural networks are computational systems inspired by the structure and functions of the brain. They include layers of neurons that interact with each other to form forecasts or make decisions. Among the main types of neural networks [10]:

- artificial neural networks (ANN);
- convolutional neural networks (CNN);
- recurrent neural networks (RNN);
- deep neural networks (DNN);
- deep learning networks (DLN).

<b>Fragmented risk management</b>	<b>Comprehensive risk management</b>	<b>Integrated risk management</b>
The goal is to minimize losses in individual operations and in individual subsystems.	The goal is to minimize losses and maximize the value of the company.	The goal is to increase the potential for achieving target parameters.
Risk management is a source of additional costs.	Risk management is a necessary management function.	Risk management is a source of creating competitive advantages.
Specialized management: managing specific types of risks.	Comprehensive risk management: assessing the combined impact of factors that are the source of risk.	Comprehensive risk management: considering all risks and opportunities of the organization.
Does not provide for the separation of the risk management function	Risk management is an autonomous area of general management.	Risk management is integrated into management processes and decision-making.
Each division independently manages risks.	Risk management is carried out both at the level of functional divisions and by a specialized department (specialist).	All management and operational processes are formalized taking into account risk, risk management is coordinated by senior management.
Situational risk management: risks are managed when managers deem it necessary.	Ongoing risk management: risk management is cyclical.	Continuous risk management: the risk management process continues continuously.

Fig. 1 – Key characteristics of conceptual approaches to risk management



Table 1 – Indicators of the effectiveness of the corporation's business processes

Indicators	Description of functional characteristic
Return on investment (ROI)	It characterizes the volume of investment in the enterprise and its investment attractiveness for potential investors.
Return on assets (ROA)	Provides an assessment of the adequacy or lack of capital of the enterprise to conduct its own activities.
Return on net assets (RONA)	It expresses the ability of an enterprise to generate profitability for the current period, based on the principles of the influence of internal and external factors.
Added value of cash flow (CVA)	Determines the objective situation, which is associated with providing a comparison of the volumes of planned cash flows with reported indicators for a given period, identifying certain shortcomings in the excessive amount of expenses and difficulties with the return of investment injections in the form of cash flows.
Share of intangible assets in total assets (RIA)	It characterizes the volume of intangible assets in the total share of assets.
Fixed assets renewal rate (FAR)	Shows the ability of fixed assets to be renewed over a certain period of time.
Depreciation rate of fixed assets (WTC)	Reflects the level of depreciation of fixed assets per a certain cost unit.

Source: author's development

Table 2 – Efficiency indicators of business processes at the «Yagotynskyi Maslozavod»

Indicators	2021	2022	2023	Deviation 2023-2021 .	
				+/-	%
Return on investment (ROI)	-1	0	-2	-1	180
Return on assets (ROA)	0,08	0,00	0,08	-0,01	-8
Return on net assets (RONA)	0,06	0,00	0,05	-0,01	-13,3
Added value of cash flow (CVA)	326380	72171	17816	-308564	-94,5
Share of intangible assets in total assets (RIA)	0,34	0,27	0,21	-0,13	-37,9
Fixed assets renewal rate (FAR)	0,26	0,05	0,05	-0,21	-82
Depreciation rate of fixed assets (WTC)	0,39	0,46	0,52	0,13	32

Source: compiled by the author based on [6, 7].

Table 3 – Innovation Index Ratings for Ukraine for 2020-2023

Year	Global Innovation Index (GII)	Innovative contribution	Innovative result
2020	45	71	37
2021	49	76	37
2022	57	75	48
2023	55	78	42

Source: compiled by the authors based on [8]

Therefore, it can be concluded that the development and implementation of a risk map based on a neural network will help increase the efficiency of management decision-making at the «Yagotynskyi Maslozavod» and will contribute to reducing the impact of various risks in the future.

Effective risk management is an integral part of ensuring business success and forming competitive advantages of the corporation. The choice of forms and methods of improvement and economic modeling of risk management involves: developing strategic and tactical goals for improving risk technologies, determining parameters and indicators for achieving set goals, developing directions for future transformations, assessing the effectiveness of the proposed improvement measures, calculating the integral effect of innovative processes, monitoring the achievement of goals, identifying the reasons for the imbalance of goals and results, identifying unused opportunities for effective management.

## Conclusions

The indisputable condition for the effective operation of a business entity should be the formation of a risk management system at the enterprise. Since it is impossible to completely avoid risks, they can and should be consciously managed, taking into account the fact that all types of risks are interconnected and their level is not static, but constantly changing under the influence of the external and internal environment. In international science and practice, risk management has long been considered one of the main sections of management.

In the modern business environment, especially in the conditions of a large-scale war, the effectiveness of management decision-making through the creation of an effective risk management system plays an important role in increasing financial potential and protecting competitive positions.

It can be concluded that there are different approaches to assessing the riskiness of business processes and their

integration into the organizational and structural management system of the company. A complete and comprehensive analysis allows you to determine and fully characterize the current state of all areas of activity of the business entity and identify weaknesses in business process management in order to provide effective

recommendations to strengthen the competitiveness of the corporation.

Research on the level of riskiness of business processes of business entities allows you to objectively assess their functional state in various areas of activity and identify the main problems and methods and tools for solving them.

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DOI <https://doi.org/10.26661/2414-0287-2024-4-64-04>**LAND RESOURCES MANAGEMENT AS A FACTOR OF RATIONAL NATURE USE****Selishcheva A.V., Hamova O.V.***Zaporizhzhia National University**Ukraine, 69011, Zaporizhzhia, Universytetska str., 66**pereverzeva@ukr.net, gamova5oxana@gmail.com**ORCID: 0000-0001-8391-6636, 0000-0002-9752-6900***Key words:**

management, land resources, nature management, national wealth, economic growth, sustainable development.

The article the management of land resources as a factor of rational nature management is studied. It is substantiated that regardless of the country's level of development, land resources are a source of economic growth and national wealth. In addition, the state and use of land resources determines the prospects for the development of the agricultural sector of the economy, which forms the country's competitive advantages. It was determined that the management of land resources integrates three dimensions of sustainable development – economic, social and ecological, which involves the assessment of the land resource base (land assessment) and the identification of needs and challenges, the selection and implementation of optimal approaches and decision-making. At the same time, people should be at the center of the management process, and politicians should promote rational land use. It has been proven that in the conditions of European integration, the urgent need is to build effective property relations at the national level, that is, the formation of a new model of land use, which is a symbiosis of the interests of all market participants. At the same time, the capabilities of the national economy are objective conditions that determine the need to create a land market. It is justified that the development of land relations cannot be considered without interaction with ecology, because these two components are inextricably linked, their successful combination will ensure the preservation of nature as one of the important components of the biosphere. The key principles of effective land use are highlighted: promoting balanced relations between people and the environment; ensuring the right of future generations to equal opportunities for development and access to natural resources; adoption of strategies aimed at promoting ecologically safe methods of farming; taking active measures to protect the environment and holding the state accountable for the deterioration of the environment and its pollution; creating an environment conducive to sustainable development and economic progress of the nation.

**УПРАВЛІННЯ ЗЕМЕЛЬНИМИ РЕСУРСАМИ ЯК ЧИННИК  
РАЦІОНАЛЬНОГО ПРИРОДОКОРИСТУВАННЯ****Селіщева А.В., Гамова О.В.***Запорізький національний університет**Україна, 69011, м. Запоріжжя, вул. Університетська, 66***Ключові слова:**

управління, земельні ресурси, природокористування, національне багатство, економічне зростання, сталий розвиток.

У статті досліджуються управління земельними ресурсами як чинник раціонального природокористування. Обґрунтовано, що незалежно від рівня розвитку країни земельні ресурси є джерелом економічного зростання та національним багатством. Зауважимо, що від ефективності використання земельних ресурсів залежить сталий розвиток країни, рівень та якість життя населення. Крім того, стан та використання земельних ресурсів визначає перспективи розвитку аграрного сектору економіки, який формує конкурентні переваги країни. Визначено, що управління земельними ресурсами інтегрує три виміри сталого розвитку – економічний, соціальний та екологічний, що передбачає оцінку бази земельних ресурсів (оцінка землі) та визначення потреб і викликів, вибір та впровадження оптимальних підходів та прийняття рішень. При цьому люди повинні бути в центрі процесу управління, а політика повинні сприяти раціональному землекористуванню. Доведено,

що в умовах євроінтеграції нагальною потребою є побудова ефективних відносин власності на національному рівні, тобто формування нової моделі землекористування, яка є симбіозом інтересів усіх учасників ринку. Можливості національної економіки при цьому є об'єктивними умовами, які визначають необхідність створення ринку землі. Обґрунтовано, що розвиток земельних відносин не можна розглядати без взаємодії з екологією, адже ці два компоненти нерозривно зв'язані між собою, вдале їх поєднання забезпечить збереження природи як одного із важливих складових біосфери. Виокремлено ключові принципи ефективного землекористування: сприяння збалансованим відносинам між людьми та навколишнім середовищем; забезпечення права майбутніх поколінь на рівні можливості для розвитку та доступ до природних ресурсів; прийняття стратегій, спрямованих на просування екологічно безпечних методів ведення сільського господарства; вжиття активних заходів для захисту довкілля та притягнення держави до відповідальності за погіршення стану довкілля та його забруднення; створення середовища, сприятливого для сталого розвитку та економічного прогресу нації.

### Problem statement

Regardless of the country's level of development, land resources are a source of economic growth and national wealth. Note that the sustainable development of the country, the level and quality of life of the population depends on the efficiency of the use of land resources. In addition, the state and use of land resources determines the prospects for the development of the agricultural sector of the economy, which forms the country's competitive advantages.

Challenges related to population growth, increasing demand for limited and already depleted resources by various actors, land degradation, loss of biodiversity and climate change require a rational approach to resource use that maintains and increases productivity and sustains ecosystem resilience.

Land management integrates three dimensions of sustainable development – economic, social and environmental, which involves the assessment of the land resource base (land assessment) and the identification of needs and challenges, the selection and implementation of optimal approaches and decision-making. At the same time, people should be at the center of the management process, and politicians should promote rational land use.

That is, the issue of managing land resources from the point of view of the rationality of nature use is relevant, because it allows reducing the impact of negative consequences and continuing to move in the direction of ensuring development, ensuring the efficiency of the management system at all levels of economic functioning.

### Analysis of recent studies and publications

From the point of view of theory and practice, the issue of land resource management from the point of view of the rationality of nature use is studied in detail by Ukrainian scientists, namely: Bogira M.S. [1], Velichko O.V. [2], Gutorov O.I. [3], Zerkalov D.V. [4], Martin A. [5] and others. Scientists outline the issue of rational use of land potential from the point of view of the concept of sustainable development.

The mentioned works of scientists represent a significant contribution to the theoretical justification and

practical implementation of the principles of rational management of land resources.

### Highlighting previously unsolved parts of the overall problem

Given the need for optimal use of natural resource potential, the issue of management requires deeper research.

### Objectives of the article

The purpose of the article is to analyze the management of land resources as a factor of rational nature management.

### Presentation of the main material

The potential of the national land fund determines opportunities and creates significant prospects, gives competitive advantages at the international level. These potential opportunities can be realized only if an effective model of property relations is developed and implemented, which provides for the balancing of the interests of land market participants and determines the place of Ukraine as a state with a stable competitive position on the world market based on rational nature management and effective use of resources in general.

In the conditions of European integration, there is an urgent need to build effective property relations at the national level, that is, the formation of a new model of land use, which is a symbiosis of the interests of all market participants. At the same time, the capabilities of the national economy are objective conditions that determine the need to create a land market.

Sustainable management of land resources is a key issue of various sustainable development goals. People need land both to support their activities and to obtain vital resources. Land resources occupy a third of the globe.

Land resources in Ukraine ensure the formation of almost 95-97% of the food fund and 2/3 of the consumer goods fund. In the resource provision of social and economic development of our state, the share of land is 40-44%, production capital and working capital – 20-21%, labor resources – 38-39% [6, p. 30].

Land can be considered one of the main foundations for the formation of a strong country's economy, it is a reliable resource for the country's economic growth. 95% of the total volume of the food fund and two-thirds of the consumer goods fund is formed thanks to land resources.

The development of land relations cannot be considered without interaction with ecology, because these two components are inextricably linked, their successful combination will ensure the preservation of nature as one of the important components of the biosphere.

However, it is important to recognize that land functions as a central element of agricultural production only when it actively contributes to it within the current level of societal development. Even if certain lands seem "unsuitable" for productive use at a certain stage, this does not mean that they will not eventually be used for agriculture.

An increase in the productive capabilities of the land occurs through the improvement of land resource management, the development of scientific and technical progress, the improvement of methods of soil cultivation and plant cultivation, as well as the use of the experience accumulated by mankind. These factors lead not only to an increase in soil fertility, but also to changes in its properties at a qualitative level.

Soil conservation is a critically important issue because it is closely related to several socio-economic problems. These include population growth, hunger, poverty and threats to food security. This figure shows the key factors influencing the development and effectiveness of soil management practices [7].

Population growth combined with limited land resources creates a shortage of available land. This scarcity, in turn, contributes to increasing poverty, which leads to inefficient land use. As a result, harmful land use practices and poor soil management contribute to soil degradation, completing the cycle of socio-economic problems.

The constant dilemma of land degradation has persisted for centuries and is a significant problem. Land degradation remains a serious problem, contributing to the spread of poverty, unemployment, forced migration and inter-ethnic conflicts. In addition, the increasing risks to agriculture due to extreme weather conditions associated with climate change are exacerbating the problem.

Today's realities show negative trends. The UN has identified 110 countries at risk of land degradation. A comparative analysis of the world's regions reveals two distinct groups by the level of soil degradation: one with above-average degradation, including Africa and Asia, and the other with below-average degradation, including South and Central America, Europe, and other countries.

Effective land use encompasses several key principles [8]:

- promotion of balanced relations between people and the environment;
- ensuring the right of future generations to equal opportunities for development and access to natural resources;
- adoption of strategies aimed at promoting ecologically safe methods of farming;

- taking active measures to protect the environment and to hold the state accountable for the deterioration of the environment and its pollution;

- creation of an environment favorable for sustainable development and economic progress of the nation.

Land resources are a source of national wealth, sustainable economic development of the country, standard of living and health of the nation depend on their use. The formation of the land market has a prominent place in the agrarian reform, which, in turn, involves reforming property relations and recognizing land as a commodity [9].

The rational use of natural resources is a rather complex category, since its rationality is not considered purely from an economic point of view and is not evaluated on its basis by well-known indicators such as economic effect or economic efficiency. The modern interpretation of rational nature management is considered simultaneously from three positions: economic, social and ecological.

The main components of rational nature management are shown in fig. 1. As can be seen from fig. 1, rational management of the environment should include activities aimed at meeting the needs of people and society as a whole (i.e. production), and activities aimed at preserving natural resources, as well as activities aimed at creating and maintaining an ecologically clean natural environment for health and human life [10].

Therefore, rational nature management is a system of measures designed to ensure economical and effective exploitation of natural resources, optimal mode of their reproduction and preservation of human health.

It seems important that all this activity is carried out taking into account the laws of nature. In a situation where environmental and economic interests collide,

In our opinion, the environment should remain a priority. The interaction between man and the natural environment should be based on the priority of the principles of ecological balance.

This, in particular, is one of the features of the rational use of natural resources: it prioritizes the study and preservation of natural resources, rather than their use, which is characteristic of the traditional "frontal" economy.

Rational use of natural resources directly affects sustainable growth. So, on the one hand, production activity directly depends on the efficiency of the use of development resources. On the other hand, the quality of the environment, which directly depends on the ways of using natural resources, determines the quality of life, which is one of the final, final indicators of the country's economic development.

One of the main principles of rational nature management is environmental friendly and comprehensive processing of raw materials.

There is an ambivalent attitude on the part of man and society as a whole towards the natural environment: on the one hand, a high-quality and healthy natural environment is a human habitat, it determines such parameters of the quality of life as life expectancy, and the level of morbidity. From this position, society is interested in interfering with nature as little as possible. On the other hand, natural resources are the main economic factor, the supply of raw

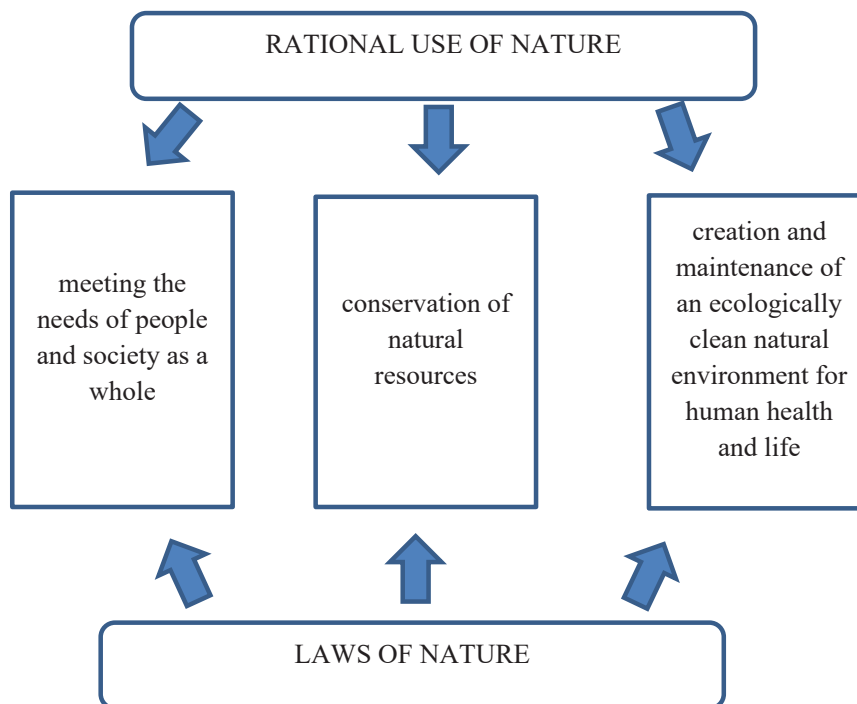


Fig. 1 – The main components of rational nature management

Source: compiled by the authors based on [10]

materials for the production of economic goods. From this position, society is interested in increasing the production of goods to meet its ever-growing needs.

In connection with such a double assessment of the importance of the natural environment for people, conflicting goals arise: to meet the needs of society as fully as possible, to increase the production of goods and services, causing minimal damage to the natural environment [9].

According to various data, the annual growth of the world population is estimated to be increasing by 1.2-1.4%, and according to the forecasts of UN experts, it will reach approximately 8.6 billion people in 2030, and almost 10 billion by 2050 a person consumes on average about 800 g of food and 2000 ml of water just for drinking water supply.

Today, the population of our planet consumes more than 4 million tons of food on average per day, while the rate of production of agricultural products lags significantly behind the rate of population growth. The situation is worsened by various natural disasters, crop failures, as well as the uneven distribution of the population and the corresponding natural resources on the Earth's surface. As a result, the problem of non-renewability of natural resources, which in the future may lead to a number of problems: poverty, hunger and shortage of drinking water.

There is a certain contradiction between the capabilities of the natural environment to provide humanity with water

and food and the latter's need for food, as well as a contradiction between the use of natural resources and environmental sustainability [10]. The problem is exacerbated by the fact that a person needs a certain set of fats, proteins, carbohydrates, trace elements, etc. for full functioning and maintaining a certain quality of life.

### Conclusions and suggestions

Therefore, the priority task of the state is to ensure rational land use, protect the rights of land owners and fair pricing. To do this, it is necessary to take certain measures to create favorable conditions for the sustainable and effective development of the land market, the formation of land relations and the protection of the rights of landowners. This will allow to achieve the necessary level of concentration and integration of agricultural production, rational use of land resources and solving social and economic problems.

That is, it is necessary to create an own model of the land market, which would synthesize positive foreign experience, national features and interests, as well as take into account the needs of stakeholders. Only under such conditions is it possible to ensure effective land use, the basis of which is management, support of the territory where the land plot is located, infrastructure development and replenishment of the budget.

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## INNOVATIVE CULTURE AND ITS SIGNIFICANCE IN THE INNOVATIVE DEVELOPMENT OF THE ENTERPRISE

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**Key words:**

innovation culture, innovation potential, innovation system, intellectual capital.

The article considers the innovative culture of the enterprise as an important internal subsystem and a condition for the effective implementation of the goals of innovative development of the enterprise. The essence and features of the formation of innovation culture are revealed and its importance in the development of innovation activity of the enterprise is confirmed. The role and place of innovation culture in the process of implementing the innovation strategy of enterprise development are determined. The main tasks and principles of formation of an effective innovation culture are allocated. The relationship between innovation culture, intellectual capital and the potential for innovative development of enterprise has been studied. It is noted that innovative culture performs such functions as translational, selective, innovative.

It has been established that the current stage of development of society and economy requires the strengthening of innovative activities, which are aimed at creating and implementing new solutions. This is necessary both to meet the needs of consumers and to optimize internal business processes. Since the level of innovation activity of an enterprise depends on the state of its innovation culture, it is especially important to strengthen this component. This includes the formation and adherence to innovative values, which become the basis for successful development. The fundamental factors and phenomena that directly affect the innovation culture of the enterprise are revealed, their characteristics are provided. The structure of the innovation potential of the enterprise and its relationship with the basic elements and factors of innovation culture have been determined. The main problems of managing the development of innovative culture of domestic enterprises are summarized and ways to overcome them are proposed.

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## ІННОВАЦІЙНА КУЛЬТУРА ТА ЇЇ ЗНАЧЕННЯ В ІННОВАЦІЙНОМУ РОЗВИТКУ ПІДПРИЄМСТВА

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**Ключові слова:**

інноваційна культура, інноваційний потенціал, інноваційна система, інтелектуальний капітал.

У статті розглянуто інноваційну культуру підприємства як важливу внутрішню підсистему та умову ефективної реалізації цілей інноваційного розвитку підприємства. Розкрито сутність і особливості формування інноваційної культури та підтверджено її значення в розвитку інноваційної діяльності підприємства. Визначено роль і місце інноваційної культури у



процесі реалізації інноваційної стратегії розвитку підприємства. Виділено основні завдання і принципи формування ефективної інноваційної культури. Досліджено взаємозв'язок інноваційної культури, інтелектуального капіталу та потенціалу інноваційного розвитку підприємства. Зазначено, що інноваційна культура виконує такі функції як трансляційна, селекційна, інноваційна.

Встановлено, що сучасний етап розвитку суспільства та економіки вимагає посилення інноваційної діяльності, яка спрямована на створення й впровадження нових рішень. Це необхідно як для задоволення потреб споживачів, так і для оптимізації внутрішніх бізнес-процесів. Оскільки рівень інноваційної активності підприємства залежить від стану його інноваційної культури, особливо важливо зміцнювати цю складову. Це включає формування й дотримання інноваційних цінностей, які стають основою для успішного розвитку.

Розкрито фундаментальні чинники та явища, які безпосередньо впливають на інноваційну культуру підприємства, надано їх характеристику. Визначено структуру інноваційного потенціалу підприємства і її взаємозв'язок із базовими елементами та факторами інноваційної культури. Узагальнено основні проблеми управління розвитком інноваційної культури вітчизняних підприємств і запропоновано шляхи їх подолання.

### **Problem statement**

The transition from an investment, mainly extensive, type of development to a new, effective innovative approach is a key task of the country's modern development strategy. This approach not only expands the sources of financing, but also creates opportunities for achieving a balance between production, accumulation and consumption, and also contributes to radical changes in the development of the state. This direction of development is focused on the rapid reduction of the gap between the export-industrial model and the innovation-post-industrial economy, which are characteristic of different stages of civilizational development.

In the current conditions of entrepreneurship and production development, especially against the background of the crisis, global changes and unpredictable challenges, enterprises cannot exist without the introduction of alternative approaches to their work. In this regard, the use of innovative technologies in various areas of the enterprise's activity is becoming increasingly important, which becomes an important factor in their survival and development [1].

The main direction of the introduction of the latest technologies remains production, but today it is important to apply innovations also at the managerial level and in all links of the organizational structure. In this context, the importance of innovation culture at the enterprise is growing. Its effective implementation contributes to the comprehensive attraction of innovations and their most profitable use. Support of innovation culture in all areas of the enterprise's activity contributes to the formation of a positive atmosphere in the team and creates favorable conditions for the implementation of innovation policy in the future.

### **Analysis of recent research**

Many scientists and researchers devoted their works to the issues of determining the essence of innovation culture, assessing its importance for ensuring competitiveness and increasing the efficiency of economic activity of

enterprises, in particular, O.I. Vikarchuk, G.M. Zakhar-chyn, S.M. Ilyashenko, S. Kazmirchuk, M.O. Kalnitska, N. Kovalenko, T.O. Soboleva, T.S. Nezamedinova, A.E. Spitsyna, Y.S. Shipulina, N. Yuryk and others. However, despite the significance of the results obtained, today there is no sufficiently clear justification of specific directions for assessing the state of innovation culture, the essential concept of the innovation culture of the enterprise, its purpose, functions, impact on the activity of the enterprise, its place in the implementation of the innovation policy.

### **Formation of goals**

The article is aimed at studying the concept of «innovation culture», determining the role and significance of innovation culture in the process of implementing innovative development of enterprise and its importance for ensuring the development of intellectual potential, revealing the principles of formation of innovation culture and its main tasks, studying the relationship of innovation culture with the innovation system of enterprise.

### **Presentation of the main material**

We understand the innovation system of an enterprise as a set of interrelated components: innovation potential, innovation process and innovation culture as a functional subsystem [2]. At the same time, we believe that innovation culture in a broad interpretation is present both in the innovation potential and in the innovation process (Fig. 1). Innovative culture is usually considered as a complex system of behavior models formed in the organization and inherent in its members, determining the style and way of its functioning. In this sense, an innovative culture is not something given from the beginning. It is formed in the process of social interaction and is transmitted through training, communication between groups, behavioral patterns, values, norms, work ethics, symbols, leadership style, ceremonies, manners of communication.

Innovation culture, as a functional subsystem of an enterprise, has its own life cycle, the pace and rhythm

of which may differ from the life cycle of the general innovation system of an enterprise. Its development is possible according to two approaches: cascading or spiral life cycle models. The cascade model provides for the gradual development of an innovative culture, its implementation and maintenance throughout the entire period of operation. This approach is well consistent with the command management system, but the strict regulation of processes often does not correspond to the realities of practice. Because of this, the cascade model can limit the development of an innovative culture and shorten its life cycle.

More natural in the conditions of a changing environment is the spiral model of the life cycle, which organically integrates the innovation culture into the innovation system of the enterprise and stimulates their evolutionary development [2]. Innovation culture covers a wide range of aspects: from creating favorable conditions for the effective use of the innovative potential of an individual, enterprise or organization to its transformation and improvement. It forms people’s receptivity to new ideas, their readiness and ability to support and implement innovations in various fields of activity, ensuring progressive development and adaptation to changes [4].

According to the Law of Ukraine «On Priority Areas of Innovation Activity in Ukraine», innovative culture is considered as an integral part of the innovation potential, which characterizes the level of educational, general cultural and socio-psychological preparation of a person and society as a whole for the perception and creative implementation of the idea of developing the country’s economy on an innovative basis [5]. The innovative culture of the organization is inextricably linked with the development of its intellectual capital, the development and realization of its potential for innovative development. Figure 2 presents a scheme of interrelations between the innovative culture

of the organization, its intellectual capital and the potential for innovative development.

Innovative culture performs the following functions [4]:  
translational – transfer from the past to the present and from the present to the future of established types of innovative behavior of social subjects that have undergone long-term testing and acquired a certain value color within a given society;

selection – selection of newly created or borrowed innovative behavioral models that meet the needs of society at a certain stage of its development to the greatest extent; innovative at a certain stage of its development;

innovative – disclosure of creative capabilities of the described socio-cultural mechanism, development of new types of innovative behavior based on samples of innovative activity that arose within the culture itself or were instilled from the outside.

Thus, the innovation culture is a reflection not only of the level of development of innovation processes at the enterprise, but also of the degree of involvement of people in these processes and their satisfaction from participation in them. It builds a receptivity to new ideas, as well as a willingness and ability to support and innovate in all areas of activity. Innovative culture, considered as a promising method of management, can be defined as a self-sufficient and self-regulating socio-psychological mechanism. It influences the leadership style and forms an innovative model of behavior at each stage of the innovation process. Its role in the development of the enterprise is to organize, optimize, rationalize, control, regulate and stimulate interaction between all elements of the innovation system, ensuring their effective cooperation [7].

The purpose of forming a culture of innovation is to implement effective innovations in a qualitative dimension, to improve the mechanism for activating the necessary potentials in the innovation process. The signs of

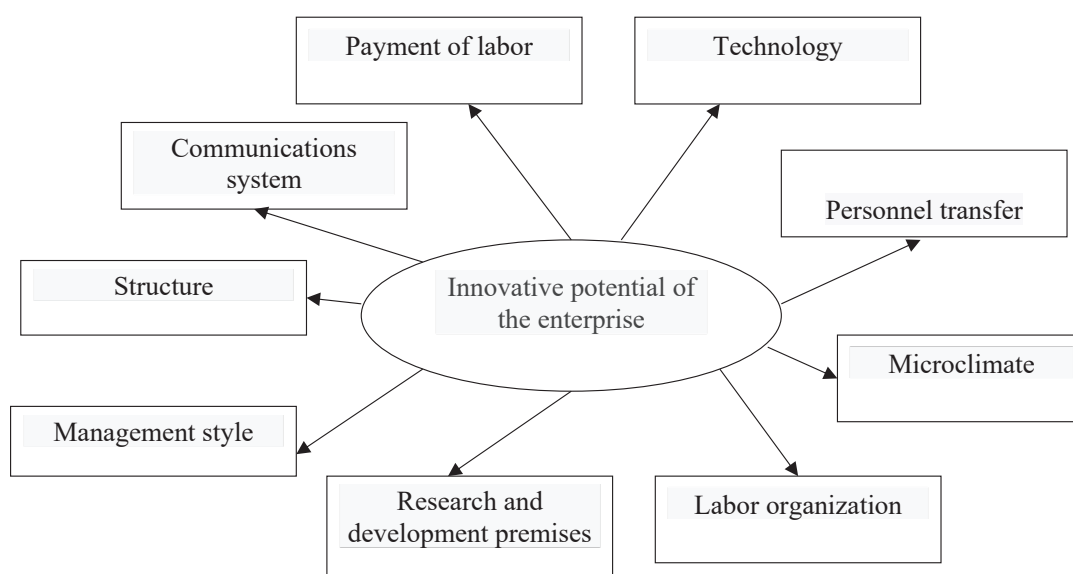


Fig. 1 – Structure of the innovation potential of the enterprise

Source: built on the basis of [3]

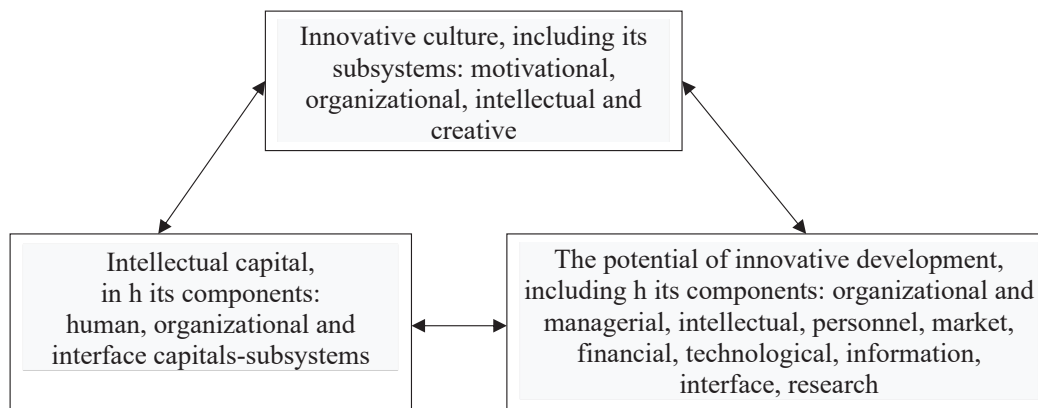


Fig. 2 – Scheme of interrelations of innovation culture, intellectual capital and potential for innovative development of enterprise

Source: built on the basis of [6]

innovation culture are the desire for innovations, the ability to implement them and develop the innovative potential of the enterprise [8].

When analyzing the concept of innovation culture, the following tasks of innovation culture in the system of innovation of enterprise activity are distinguished: identification of creative forces and abilities, talents, development and realization of the creative potential of the enterprise; optimization of personnel, production, financial, scientific and technical potentials for the implementation of the innovation process and the existence of an innovation system; stimulation of intellectual and creative activity to achieve certain goals through the use of innovative ideas; activation and optimization of innovation processes at the enterprise; formation and implementation of innovative strategies for the development of the enterprise; application of a democratic management style; elimination of barriers within the organizational structure of the enterprise for free communication and information transfer; cooperation with all participants in the innovation infrastructure; in combination with corporate culture, the formation of an intensive-intellectual climate within the enterprise, as well as the creation of an innovative image; organizational and managerial support of the innovation process [9].

Generalization of literature sources and practice of innovation activity made it possible to identify the main principles of the formation of innovation culture [6]:

- clear formulation of the goals of innovation activity and their clarity;
- awareness of the priority of goals;
- focus on results;
- cooperation of project team members;
- free exchange of ideas and information between members of the innovation project team;
- tolerant perception by management and team members of ideas expressed by other employees;
- tolerant perception of possible mistakes and failures;
- delegation of authority to team members;
- participation of each team member in the process of achieving the goals of the innovation project, awareness of its significance;

- freedom of creativity and expression;
- encouraging initiative and creative search of employees;
- encouraging the development and acquisition of new knowledge and skills;
- inadmissibility of imposing the ideas of the head of an innovative project on team members;
- protection of the rights of each team member to innovative solutions.

The role of innovation culture in the system of innovation activity of an enterprise is that it is an important effective functional subsystem that performs a number of key tasks. Firstly, it stimulates creative thinking. Secondly, innovation culture reflects the relationships that arise at the entire stage of the innovation cycle, giving them organization and structure. It also significantly reduces resistance to innovation, which contributes to more effective implementation of changes. Due to its institutional nature, the innovation culture streamlines the innovation process, optimizing the innovation path of the enterprise and ensuring its sustainability and development.

A systematic approach to innovative development involves the direct presence of innovation culture throughout the innovation path, which includes the following main stages [2]:

- 1) the emergence of an idea-idea, i.e., the concept of creating an innovative product;
- 2) concept analysis – translation of the idea into the preliminary design, preliminary calculations of all parameters of the innovative product, which justify the feasibility of its creation;
- 3) creation of a working model as a real proof of concept;
- 4) development of a prototype, i.e., actually a working version of an innovative product, the purpose of which is to assess its operational characteristics and industrial production technology;
- 5) creation of an industrial prototype, i.e., a fully functional model, on the basis of which the technological conditions of industrial production are laid;
- 6) creation of an industrial design of an innovative product that is completely ready for mass production;

7) entering the market of an innovative product, i.e. commercialization of an innovative idea-idea.

Each of the listed stages is characterized by the relationship that develops between the initiator of the idea, its actual developer and producer, as well as the investor, user and other participants in the innovation cycle. The task of the innovation culture is precisely to ensure that these relations take the form of equivalent partnerships, in which each participant is interested and motivated by a single goal. The formation of an innovative culture is closely related to the development of creative abilities and the realization of the creative potential of each person who is its subject. Innovative culture reflects the holistic orientation of a person, which is fixed in his motives, knowledge, skills and abilities, as well as in behavioral images and norms. The process of forming an innovative culture is based on the organization’s value system, which includes a set of ideas, often unwritten, that determine the goals and meaning of the organization’s work, as well as form the basis for its development and innovative activity.

Innovation culture as a whole is considered as an integral part of the innovation potential, which belongs to the resource-intangible block of the enterprise. However, the definition of this concept is ambiguous and varies in different sources. Usually, innovation culture is interpreted as the level of general cultural, educational and psychological preparation of personnel for the perception of innovative development of the enterprise, as well as as the active participation of employees in the process of introduction and development of the latest technologies [10].

It is proposed to assess the state of innovation culture of a particular enterprise by comparing it according to certain criteria with the best enterprises or institutions-innovators in the market or analyzing it in dynamics. The main criteria for assessing the innovation culture of an enterprise are grouped by individual components in Table 1.

Analyzing the process of implementation and formation of an innovative culture, it is advisable to highlight that it is influenced by various factors, both external and internal. The innovative culture of society provides not only the constant creation and implementation of new things,

but also includes mechanisms that allow the individual to adapt to changes in various fields of activity. The innovative culture of the enterprise is inextricably linked with the development and realization of the potential of innovative development. To increase the level of innovation culture, it is necessary to carry out systematic management and control over the factors that form the innovation potential of the enterprise [7]:

- human factors (creativity of managers and employees, ability to predict the future and use market opportunities, managerial skills, ability to learn, information openness, ability to manage projects, availability of a staff motivation system, ability to manage risks, composition and competence of personnel, share of personnel employed in the intellectual sphere, level of productivity);

- organizational factors (patents, know-how, licenses, certificates, availability of own research and development, level of development of innovation culture, access to scientific and technical information networks and business information, progressiveness of management methods, attitude of management and personnel to changes and innovations, size and scope of activity of the enterprise, speed of reaction to changes, formed image of the enterprise);

- material factors (available technical means, level of automation of processes, modernity of the technologies used, modernity of research and development, degree of renewal of fixed assets, quality of fuels and lubricants and components);

- financial factors (availability of own financial resources, the possibility of using external sources of financing, R&D costs, capital structure, financial stability of the enterprise, credit reputation);

- relational factors (the role of the enterprise in the supply chain, the favorability of other participants in the supply chain to innovation, logistics partnership, development and implementation of research and development in cooperation with other organizations, customer loyalty, competitive position of the enterprise, the level of cooperation with other enterprises, consumers, suppliers and intermediaries, the availability of external consultants, cooperation with scientific institutions and higher education institutions, the degree of distribution of risks and benefits).

Table 1 – Criteria for evaluating the components of the innovation culture of the enterprise

Motivation	Organization	Knowledge, creative innovative behavior (intellectual-creative component)
Feeling the need for knowledge, experience, etc. Freedom of creativity from political, religious, bureaucratic, etc. restrictions. Demand for innovations and innovators. Legal protection of copyright. High pay for work results. Участь інноваторів у прибутках. Tolerant attitude of colleagues and society Recognition and gratitude of colleagues and management	The company’s susceptibility to unexpected, non-trivial decisions. Taking into account the interest of personnel. Flexible work schedule. Favorable working and rest conditions. Practical orientation to the functionality of personnel. Flexibility of organizational management structures. Mobility of vertical and horizontal links and movements of personnel. Freedom of communication and transmission of information. Democratic management style. Trying to balance between preserving traditions and modifying them	Ability to go beyond existing knowledge and experience. Striving for self-realization and recognition. Focus on results. Work efficiency. Ability to long-term mobilization and concentration. Constant self-learning and self-improvement. The ability to forecast under conditions of uncertainty. Willingness and ability to transmit knowledge, skills, experiences, etc.

Note: Built on the basis of [7]

Table 2 – Problems of management of the development of innovative culture of domestic enterprises and ways to overcome them

Problems	Ways to overcome
Unclear understanding of the essence of innovation culture by enterprise management	Management's understanding of the role of the innovation culture of enterprises as one of the main factors in the activation of their innovation activity is an effective motivator for purposeful management of its development, the use of modern theoretical and methodological developments for this. To strengthen motivation, an active state policy of supporting innovative business is needed.
Слабкі уявлення про структуру інноваційної культури і склад елементів її складових підсистем	
Lack of practice-oriented effective methods for diagnosing the state of innovation culture of enterprise	Development of methods for diagnosing the state of innovation culture of enterprise, its components and their elements
Limited tools and methods for managing the development of innovation culture	Development of a theoretical and methodological approach to the management of the development of the innovative culture of the enterprise based on the results of its diagnostics

Note: Built on the basis of [9]

Innovative culture can develop effectively only in conditions of legal, political and economic stability. Abrupt changes in these areas can interfere with the consolidation of positive innovative achievements, as well as prevent the abandonment of negative traditions. This can lead to disorientation, spontaneous self-regulation and deepening of the departure from the evolutionary paths of the development of society. Sustainable development of innovative culture requires a certain orderliness and predictability of external conditions. In addition, it is necessary to take into account many different factors in order to effectively contribute to innovative development, activities and activity of personnel, maintaining a favorable climate in the organization.

In Table 2 summarizes the main problems of managing the development of innovation culture of domestic enterprises and proposes ways to overcome them.

For the successful implementation of programs for the transition to innovative development, it is important to form an innovative culture, which becomes the basis for creating an innovative and favorable environment at the national level. The innovation culture of an individual enterprise is formed under the influence of the general innovative culture of society. Although there are examples of successful innovation activities of individual domestic enterprises that have a high level of innovation culture, these achievements are often limited to certain industries, such as aerospace engineering or certain types of military equipment, which takes place against the background of a general low level of innovation culture in the country. This indicates the need for an integrated approach to the development of innovations at the state level.

### Conclusions

Innovation culture helps enterprises in choosing clear and achievable goals, as well as develops the desire of personnel for innovative development. It reflects the holistic orientation of a person, which is fixed in his motives, knowledge, skills and abilities, as well as in styles and norms of behavior. In addition, innovation culture

demonstrates the level of activity of social institutions and the degree of satisfaction of people from participation in these processes and results. Its important function is the role of a filter on the way to introducing innovations, since not all innovations can lead to positive results. Therefore, an innovative culture helps to weed out less effective ideas, ensuring their implementation only after a thorough assessment.

The role of innovation culture in the innovative development of an enterprise is to organize, optimize, control, regulate and stimulate the interaction of all elements of the innovation system of an enterprise. It ensures the effective functioning of innovation processes, supports coordinated work between different departments and contributes to the maximum use of innovation potential. Innovative culture is the sensitivity of the socio-economic system (or its components) to information of a creative nature. It is aimed at accumulating, processing, generating and using this information in processes related to innovation activities. Such a culture provides a constant flow of new ideas and solutions that are necessary to support innovative development at all stages of the life cycle of an enterprise.

The innovative culture of the enterprise plays an important role in the formation of a positive image among external partners and consumers, as it demonstrates the enterprise as an active developer and implementer of innovative ideas, ready for further innovations. Such an image increases trust in the company and contributes to the establishment of successful business connections. The role of innovation culture in the development of innovation activity of an enterprise lies in its function as a stimulator of creative thought. It helps to optimize all components of the innovation potential of the enterprise, creates a favorable atmosphere for the generation of new ideas. Innovation culture also reflects the relationships that develop throughout the innovation cycle, identifying weak links, and forms in employees the desire to work proactively, adequately perceive modern challenges of the time and quickly adapt to changes.

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# ECONOMIC AND MATHEMATICAL MODELING AND INFORMATION TECHNOLOGIES IN ECONOMICS

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## MODERN PROBLEMS OF IMPLEMENTATION OF INFORMATION SYSTEMS IN BUDGETARY INSTITUTIONS

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**Key words:**

budget, budget system, budgetary institution, information, information system, information and analytical system, information technologies, automated system of financial settlements.

The article examines the factors that contribute to the automation of budgetary institutions, including the accelerated computerization of society, the development of new information technologies, and scientific approaches to labor organization. The essence of an information system is analyzed from technical, business, and semantic perspectives. Conditions under which automated information systems in budgetary institutions should enhance the quality of accounting information are outlined. It has been established that two approaches are employed globally for the creation and development of public finance management information systems: centralized and decentralized, with their respective advantages and limitations identified. The article highlights the features of implementing an automated financial settlement system as a territorially distributed system. The role and significance of an automated financial settlement system as a distributed system are defined. Additionally, the purpose and main objectives of the integrated information-analytical system «Transparent Budget» are specified.

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## СУЧАСНІ ПРОБЛЕМИ ВПРОВАДЖЕННЯ ІНФОРМАЦІЙНИХ СИСТЕМ В БЮДЖЕТНИХ УСТАНОВАХ

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**Ключові слова:**

бюджет, бюджетна система, бюджетна установа, інформація, інформаційна система, інформаційно-аналітична система, інформаційні технології, автоматизована система фінансових розрахунків.

У статті досліджені фактори, що сприяють автоматизації бюджетних установ зокрема, такі, як прискорена комп'ютеризація суспільства, розвиток нових інформаційних технологій, наукові підходи щодо організації праці. Досліджено сутність інформаційної системи з технічного погляду, ділового та семантичного. Зазначено умови, при виконанні яких автоматизовані інформаційні системи бюджетної установи повинні сприяти підвищенню якості облікової інформації. Встановлено, що у світовій практиці застосовуються два підходи до створення і розвитку інформаційних систем управління суспільними фінансами – централізований та децентралізований, визначені їх переваги та обмеження. Зазначено особливості впровадження автоматизованої системи фінансових розрахунків як територіально розподіленої системи. Визначено роль та значення автоматизованої системи фінансових розрахунків як територіально розподіленої системи. Визначено призначення та основні завдання інтегрованої інформаційно-аналітичної системи «Прозорий бюджет».

**Problem statement**

The market transformation of the economy requires a theoretical reevaluation and practical improvement of the forms and methods of financial support for the development of the state’s economic system. It is widely accepted that the state plays a key role not only in the financial provision of budgetary processes but also in actively regulating the mechanism for delivering services to optimize various sources of funding. The issue of the effective use of financial resources is highly relevant to budgetary institutions. When developing mechanisms for modern financial and economic relations within budgetary institutions, the critical focus is on the formation, distribution, and utilization of financial resources.

Budgetary institutions and organizations are a key part of this system and occupy a significant share of the expenditure part of the budget. Therefore, the study of issues related to the improvement of information systems aimed at increasing the efficiency of the use of budget funds is of great practical importance.

The relevance of informatization in the socio-economic sphere is quite evident. The need for the development and application of effective and adequate computer programs and technologies is increasing today. Currently, there is a pressing need in budgetary institutions to expand analytical work. In this regard, the automation of budgetary institutions, taking into account modern requirements, becomes an objective necessity.

**Analysis of recent research**

Such scientists-economists as Yu. V. Volosiuk [13], L. Hutsayliuk [1], T. S. Kuchmiiova [13], S.M. Romashko [5], S.V. Syrtseva [13], O. O. Skoryk [7], O. L. Totska [10], N. Khorunzhak [1] and others. However, even today the functioning and implementation of computer information systems of budgetary institutions are characterized by the presence of a number of problems not only of an economic, but also of an informational nature.

**Goal formation**

The article is aimed is to explore the objective necessity and the specific features of implementing information-analytical systems in the operations of budgetary institutions.

**Summary of the main material**

One of the components of the global computer system in the public sector is an automated accounting system. Since it is the basis for the formation of information support for activities and is characterized by the presence of

large arrays of various information, this, in turn, requires the widespread application of the achievements of technical progress in the field of creating information automated systems [1].

It should be noted that several factors contribute to the automation of budgetary institutions, including accelerated computerization of society, the development of new information technologies, and scientific approaches to labor organization. All of these factors form the foundation for the development and implementation of both relatively simple automated workstations aimed at solving specific local tasks and complex automated management systems, which operate in large departments of institutions, organizations, and entities in the budget sector, addressing a variety of tasks.

Budgetary institutions include organizations and institutions whose activities are fully or partially financed from the budget (state or local). These include, in particular, institutions of healthcare, culture and art, physical culture and sports, educational institutions, as well as other institutions created to meet the socio-economic, educational, cultural, educational and other needs of the population.

According to the Budget Code of Ukraine, budgetary institutions are state authorities, local self-government bodies, as well as organizations established by them in accordance with the established procedure, which are fully maintained at the expense of the state budget or local budget, respectively. Budgetary institutions are non-profit [2].

Based on this definition, ensuring the activities of budgetary institutions requires appropriate prerequisites for the organization of their information systems. The Law of Ukraine «On Information Protection in Information and Telecommunication Systems» defines an information (automated) system as an organizational and technical system in which the technology of information processing using hardware and software is implemented [3].

According to the National Standard ISO/IEC 2382:2017, an information system is an information processing system that works in conjunction with organizational resources, such as people, technical means and financial resources, which provide and distribute information [4]. Another definition, an information system is a set of hardware, software and organizational tools for storing and processing information in order to meet the information needs of users. The essence of the information system can be investigated in three directions (Table 1).

From the above definitions and outline of the essence of the information system, its main purpose follows – the preparation and provision of information necessary to

Table 1 – The essence of the information system from different points of view [5]

From a technical point of view	From a business point of view	From a semantic point of view
A set of interdependent components that collect, store, process and distribute information in order to ensure the management of the organization and support managerial decision-making	A set of information, hardware, software and technological means, means of communication, methods and procedures for data processing and personnel that organize the collection, storage, processing and distribution of information for the preparation and adoption of managerial decisions	A set of various interrelated or interdependent information about the state of the object of management and the processes that occur in it. This information is expressed in indicators and other information aggregates collected and processed with the help of information technologies according to a certain methodology and according to a given algorithm



ensure the management of all resources of an enterprise or organization, the creation of an information and technical environment for the management of an economic entity.

Automated information systems in a budgetary institution should contribute to improving the quality of accounting information, which is possible under certain conditions [6]:

- development of accounting automation software;
- the ability to improve software products in case of changes in accounting methodology and techniques, as well as to respond promptly to legislative changes;
- availability and unrestricted access to an up-to-date database;
- a unified approach to processing and systematizing primary documents, generating consolidated documentation, and managing internal documentation systems, etc.;
- creation of databases for the prompt retrieval of information in electronic form for accounting, analysis, and control of the institution's activities;
- the ability to submit electronic reporting forms within the treasury service system and data exchange;
- the ability to use external documents;
- the ability to adjust the software system to fit the specific needs of the institution, meaning it should be based on a configurator.

The implementation of these conditions will not only improve accounting practices and enhance the quality of work within the budgetary institution but also create a comprehensive system that will address a range of practical and managerial tasks, including monitoring the availability and use of budget funds. Secondly, it will rationalize the accounting process in terms of executing accounting operations, improving the quality and reliability of the information received about the institution's economic activities.

In world practice, two approaches to the creation and development of information systems for public finance management can be distinguished – the construction of information systems on the principle of the maximum possible unification and integration of functional areas of management (centralized approach) and the use of local systems (decentralized approach) [7].

The advantages of building information systems on the principle of the maximum possible integration and unification of functional areas of management include the use of uniform requirements for public finance management, the development of interagency cooperation, optimization of costs for information, telecommunication and transport infrastructure, energy and other resources. At the same time, these systems are less adaptive to external changes and user requests, require significant costs to ensure the reliability of functioning and preservation of information resources, as well as compliance with formal procedures for their application.

The use of mainly local systems allows you to implement a more flexible approach to financial management and the possibility of step-by-step development of the existing infrastructure, but does not provide access to information in real time, requires significant costs for the acquisition, maintenance, revision and modernization of software. Such systems are quite material-intensive and lead to low

labor productivity of employees engaged in accounting activities [7].

In Ukraine, the introduction of automated systems contributes to the creation of a single information space that covers all functional aspects of the budget sphere and unites all participants in the budget process. The basis of this information space is the full automation of the process of cash execution of the budget. It provides optimization of comprehensive budget accounting, strengthening of financial control and effective management of public financial resources.

Public finances occupy an important place in financial relations and include such components as the state budget, extra-budgetary funds and public credit. All calculations related to the state budget are carried out using an automated system of financial settlements. All calculations related to the state budget are carried out using an Automated Financial Settlement System (AFSS), which significantly reduces the number of errors associated with manual data entry and also shortens the time required for processing information, thereby improving the efficiency of the work process.

This system is a comprehensive tool that ensures the implementation of operations for the creation and implementation of the state budget of Ukraine, using economic and mathematical methods, computer technology and appropriately organized work processes.

Automated system of financial settlements is a geographically distributed system. There are three levels of the hierarchy, which are the objects of automation: national, regional, district, which are interconnected by a network. The budget is planned primarily at the district level, generalized at the regional and state levels.

The concept of functioning of an automated system of financial settlements assumes that at each level in each vertical, a local data processing system is created, which automates functions through automated workplaces. The automated system of financial settlements combines automated workplaces of specialists working in the central office and territorial bodies. An automated system of financial settlements is an integrated system (corporate), which should reflect a holistic picture of the financial situation in the country, provide its comprehensive analysis, help in forecasting and support collective and individual decision-making.

Functional subsystems of the automated system of financial calculations include: consolidated budget calculations; state revenues; finances of economic sectors; budget expenditures; planning and forecasting; changes in the plan; accounting and control; reporting and analysis.

An automated information system for online interaction with budget fund managers (AIS «GRK-WEB») is currently in the stage of experimental-industrial operation [8]. The AIS «GRK» system, based on available data from budget requests, budget program passports, and information on their execution, generates a structured report titled «Information on the achievement of planned goals, objectives, and performance indicators of budget programs, as well as the goals of state policy based on the results of the 202\_ year».

Planning and forecasting processes are of particular importance. A long-term financial plan is formed on the basis of indicators of the forecast of economic and social

development of the country. No less important is the subsystem of control over the implementation of the budget, which provides timely monitoring and analysis of the implementation of budget tasks. Here, cooperation with the automated information system of the Treasury and the Tax System is especially closely carried out, and the possibility of using funds by commercial banks is excluded.

The Ministry of Finance of Ukraine plans to develop a new IT system for budget planning and monitoring of budget execution to automate data exchange between all participants in the budget planning process, budget preparation, execution, and monitoring. The development of this software is part of the «Program for Supporting Public Financial Management in Ukraine» (EU4PFM) project. The new software will include analytical modules that provide decision-makers with quick access to requested data. Communication between participants in the budget process will occur in a digital format and in real-time. This will reduce the amount of manual data processing and the associated errors in calculations during the collection and processing of budget requests from the main budget fund managers [9].

The «Reporting and Analysis» subsystem allows you to strengthen control over the implementation in the regions in the context of budget classification indicators, loan managers and payers, and the implementation of budget discipline by all participants in the budget process.

Information support of the automated system of financial settlements consists of [10]:

- databases of normative, reference, planned and factual information (Ukrainian budget classification, budget revenues, staff, contingent of budgetary institutions, etc.);
- incoming messages (schedule of revenues by territories, schedule of expenditures, directories of subordinate financial bodies, indicators of income and expenditures);
- outgoing information messages (state budget, schedule of revenues and expenditures by territories and items, etc.);
- archival data.

The introduction of an automated system of financial settlements allows you to eliminate duplication of work in the departments of financial authorities, reduces the workload on employees, and increases the speed of data processing. The automated system of financial settlements organizes data exchange between all levels of the Ministry of Finance of Ukraine, as well as communicates with other users and providers of financial information.

On 11.02.2016, the Cabinet of Ministers of Ukraine adopted the Concept of Creating an Integrated Information and Analytical System «Transparent Budget» [11]. One of the main tasks of the Transparent Budget system is to automate the budget process and eradicate the corruption component in this process. The information and analytical system «Transparent Budget» ensures the transparency of budget processes and procedures at the state and local levels, and also allows citizens to control the use of funds by managers, recipients of budget funds, state-owned enterprises, the Pension Fund and the Social Insurance Fund.

The Transparent Budget system is part of the open government of Ukraine, responds to civil society's demand for transparency in the use of public funds and takes into account the recommendations of the World Bank, the

International Monetary Fund and the International Budget Partnership on international transparency standards such as Open Budget, Open Spending, Open Contracting and Citizen Participation.

The «Transparent Budget» system provides citizens with access to information about public funds at all stages of planning and use, helps to increase the investment attractiveness of the country due to a more open government policy, reduces the likelihood of abuse and corruption at all stages of the budget process [12]. The «Transparent Budget» system publishes information about fiscal risks, specifically data on factors that could affect revenue shortfalls or increase state budget expenditures, information on quasi-fiscal operations, and financial statements of the largest state-owned enterprises [13].

At present, the issue of further active development of the «Transparent Budget» system is relevant, which provides for the disclosure of information on public funds and high-quality comprehensive information and analytical support for the work of the Ministry of Finance of Ukraine, including with central executive authorities, the activities of which are directed and coordinated by the Cabinet of Ministers of Ukraine through the Minister of Finance (in particular, the State Tax Service of Ukraine, the State Customs Service of Ukraine, Treasury, State Audit Service of Ukraine). The issue of determining national norms and mechanisms of public participation in the budget process remains relevant. It is necessary to create a platform to automate the process of concluding contracts with government agencies and reporting on them for the prompt and effective management of financial resources and liquidity.

The main purpose of the automated information system of the Treasury is to coordinate and ensure effective interaction of treasury bodies of all levels with each other and with other participants in the budget process. It provides prompt information service, automation of key processes, organization of communication and centralized data transfer.

In the process of cash execution of budgets of various levels, the automated information system of the treasury records real cash flows, reflecting income receipts and expenditures. All information on the movement of funds is sent to the relevant treasury authorities and transferred to other participants in the budget process to ensure transparency and coordination. In addition to cash flows, the automated information system of the treasury generates data on non-cash flows.

This includes proving planned indicators, justifying financial obligations, and creating and submitting reports on the implementation of budgets. All this information is formed in the form of reporting data and regulatory reference materials that ensure the completeness and accuracy of the budget process. Therefore, in the currently existing automated information systems of the Treasury, information related to the movement of cash and non-cash flows is separately formed. Reflection of these information flows in the information system of the Treasury, their automated processing is a decisive factor in increasing the efficiency, analyticality and reliability of information on the state and movement of budget resources [7].

### Conclusions

One of the key requirements for modern computer information systems is to ensure the unity of the information base, which is achieved through one-time data entry. Various computer programs are used to integrate the processing of primary accounting information and adapt the software to the needs of users. This approach is necessary for budgetary institutions, because it helps to increase the efficiency of budget resources management and strengthen control over their intended use. Computerization of accounting in budgetary institutions is also an important prerequisite for the creation of a single information base «State Treasury – Budgetary Institutions».

This will ensure effective management of budget resources for both the main managers and the managers

of lower levels. New phenomena and processes in the economic life of budgetary institutions, particularly the active development of information technologies, automation, and digitalization of the budget process, require the adaptation of existing software. Traditional approaches to defining the types of activities and goals of these institutions in market conditions have undergone significant changes. Today, budgetary institutions are actively involved in market processes, developing activities related to the provision of paid services, which became possible due to the relevant regulatory frameworks. Improvement of computer information systems in such institutions contributes to the simplification of accounting procedures, increases the efficiency of access to data necessary for management, and ensures the rational use of budget resources.

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# NATIONAL ECONOMY'S MARKET MECHANISMS OF ACCOUNTING, ANALYSIS AND AUDIT

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## REGULATION AND ACCOUNTING OF VALUE ADDED TAX

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### Key words:

e-commerce, trade, Internet trade, implementation, goods, services, works.

The article defines that the company's tax calculations are an important component in the system of business calculations. Accordingly, an extremely important task of the accounting system of every enterprise is the reflection in the accounting of calculations with the budget for taxes. For value added tax (VAT) payers, the issue of reflecting this tax in the accounting of calculations with the budget is of particular importance, taking into account the complexity of the procedure for its collection and administration. It was concluded that the introduction of the electronic VAT administration system is one of the ways to minimize manipulations and corruption schemes. The article raises the problem of the lack of an effective methodology for the accounting display of VAT payments. The content of VAT as an accounting category is disclosed and the accounting support system for VAT calculations is justified in the context of the operation of regulatory and legal acts. According to the results of the conducted theoretical research, it was determined that for VAT calculations, payers use a separate subaccount 6412 "Calculations with the VAT budget". The article presents a classic scheme for displaying the VAT tax credit in accounting. In order to solve the accounting task of reducing the VAT payable when dividing the potential amounts that can be included in the tax credit and the actual amounts that can be included in the tax credit on the basis of the received from the Unified Register of Tax Invoices. Therefore, the article reflected in the synthetic accounting the tax credit from VAT using subaccounts 6441 "Tax credit" and 6442 "Tax credit unconfirmed". The possibility of synthetic accounting of VAT tax liabilities using subaccounts 6431 "Tax liabilities" and 6432 "Unconfirmed tax liabilities" is reflected. The conducted research shows a critical assessment of the general VAT calculation system, which allows us to identify a number of problems that are not primarily related to the interests of business entities. The possibility of resolving controversial issues regarding the objectivity of transit calculations 643 "Tax liabilities" and 644 "Tax credit" has been established.

## НОРМАТИВНО-ПРАВОВЕ РЕГУЛЮВАННЯ ТА ОБЛІКОВЕ ЗАБЕЗПЕЧЕННЯ ПОДАТКУ НА ДОДАНУ ВАРТІСТЬ

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### Ключові слова:

електронна комерція, торгівля, Інтернет-торгівля, реалізація, товари, послуги, роботи.

У статті визначено, що розрахунки підприємства за податками є важливою складовою в системі розрахунків підприємницької діяльності. Відповідно, надзвичайно важливим завданням системи обліку кожного підприємства є відображення в обліку розрахунків з бюджетом за податками. Для платників податку на додану вартість (ПДВ) особливої актуальності набуває питання відображення в обліку розрахунків з бюджетом за даним податком, враховуючи складність порядку його стягнення та адміністрування. Зроблено висновок, що запровадження системи електронного адміністрування ПДВ є одним із способів мінімізації маніпуляцій та корупційних схем. У статті

постає проблема відсутності ефективні методики облікового відображення розрахунків з ПДВ. Розкрито зміст ПДВ як бухгалтерської категорії та обґрунтовано систему облікового забезпечення розрахунків з ПДВ в контексті дії нормативно-правових актів. За результатами проведеного теоретичного дослідження було визначено, що для розрахунків за ПДВ платники використовують окремий субрахунок 6412 «Розрахунки з бюджетом за ПДВ». У статті подано класичну схему відображення в обліку податкового кредиту з ПДВ. Задля вирішення облікового завдання зменшення ПДВ до сплати під час розділення потенційних сум, що можуть бути включені до податкового кредиту, та реальних сум, які на підставі отриманих з Єдиного реєстру податкових накладних можуть бути включені до податкового кредиту. Тому у статті було відображено в синтетичному обліку податкового кредиту з ПДВ із застосуванням субрахунків 6441 «Податковий кредит» і 6442 «Податковий кредит непідтверджений». Відображено можливість синтетичного обліку податкових зобов'язань з ПДВ із застосуванням субрахунків 6431 «Податкові зобов'язання» та 6432 «Податкові зобов'язання непідтверджені». Проведене дослідження свідчить про критичну оцінку загальної системи розрахунку ПДВ, що дозволяє виявити низку проблем, не пов'язаних в першу чергу з інтересами суб'єктів господарювання. Встановлена можливість вирішення спірних питань щодо об'єктивності проведення транзитних розрахунків 643 «Податкові зобов'язання» та 644 «Податковий кредит».

### Statement of the problem

The company's tax calculations are an important component in the system of business calculations. Accordingly, an extremely important task of the accounting system of every enterprise is the reflection in the accounting of calculations with the budget for taxes. The implementation of this task is a key element of the organization of such calculations, because accounting provides appropriate information support. In addition, it is worth understanding that the taxation process significantly affects economic activity as a whole and, accordingly, affects income, expenses, financial results, the value of assets, the amount of liabilities, etc.

For value-added tax payers, the issue of reflecting this tax in the accounting of calculations with the budget is of particular importance, taking into account the complexity of the procedure for its collection and administration. The introduction of the electronic VAT administration system became one of the ways to minimize manipulations and corruption schemes. However, the lack of funds for the registration of tax invoices (adjustment charges) prompts the search for opportunities to manage the formula of the VAT electronic administration system. Therefore, a perfect VAT calculation system is of great importance both for the economy of the enterprise and for the state.

### Analysis of recent studies and publications

In scientific publications, considerable attention is paid to the functioning of VAT, the effectiveness of its application and its impact on economic activity. Research on the calculation, administration and control of VAT is of great importance. Bilobrovenko T.V. [1], investigating the issue of accounting and control of calculations with the budget for VAT, claims that this tax has the right to exist, provided further improvement of its administration, calculations and control. Khodykina A. A. and Burkovska A.V. [9] after examining the state of VAT calculation, identified directions for its improvement. Dubynska O.S. and

Kostyuchenko O.O. [2] proves the need to introduce changes to the TKU to cancel the application of the “first event” accounting method during VAT calculation. Kotsan O.P. [3] substantiates the need to use the “charges” method for VAT calculation. However, frequent changes in tax legislation, the introduction of monitoring of registration (cancellation of registration) of tax invoices, the cancellation of the VAT Accounting Instructions [8], variations in the method of VAT reimbursement by individual economic entities cause significant attention and work of accountants. Effective methods of accounting display of VAT payments remain missing.

### Objectives of the article

The purpose of the study is to reveal the content of VAT as an accounting category and to substantiate the system of accounting support for VAT calculations in accordance with regulatory and legal acts.

### The main material of the research

Characterizing the procedure for displaying VAT budget calculations in accounting, it is worth noting that “unlike other taxes, the process of determining value added tax is closely integrated into synthetic accounting, because each amount of tax liabilities and tax credit is separately reflected in accounting accounts” [ 1].

For value-added tax calculations, payers use a separate sub-account of the following order: sub-account 641 “Tax calculations”, for example, 6412 “Calculations with the VAT budget”. At the same time, “taking into account the specifics of accounting for tax liabilities and tax credit at the first event, which may be preliminary payments, the Chart of Accounts [4] also provides for special sub-accounts of synthetic account 64 “Tax Settlements and Payments” – sub-account 643 “Tax Liabilities” and subaccount 644 “Tax credit” [1].

The tax credit is reflected by the payers in the accounts either upon receipt of goods or services against future

payment, or upon transfer of advance payment to suppliers to VAT payers.

The classic approach to accounting for acquisitions on the terms of payment upon delivery or with deferred payment assumes that goods and materials are capitalized (or expensed) at the amount of the purchase price excluding value added tax, and the amount of value added tax is separated and reflected as the amount of tax credit for reducing tax liabilities by debiting subaccount 6412 "Calculations with the VAT budget". The credit reflects the formation of accounts payable to the supplier (contractor), repayment of the accountable person's debt in advance, because this accounting object must be reflected in the amount including value added tax.

In cases where the first event is the transfer of an advance payment, if there is a received tax invoice for the debit of sub-account 6412 "Calculations with the VAT budget", a tax credit is displayed in the credit correspondence with the special sub-account 644 "Tax credit". It is through the credit of this subaccount that the amount will be available in the current account until the goods or services are received from the supplier (contractor) against the advance payment for the corresponding amount. Sub-account 644 "Tax credit" is a balance sheet, accordingly, the balance of this account at the end of the reporting period is reflected in the balance sheet as part of the liability item "other current liabilities". Compensation of the amount is carried out on the condition of receipt of goods (services) at the expense of the transferred advance payment in full and, accordingly, repayment of receivables for the issued advance.

The display of the tax credit on the example of the purchase of goods according to the classical scheme of correspondence of accounts described above is presented in the table 1.

At the same time, the reflection of the tax credit in accounting in practice is complicated by the fact that in

some cases, despite the obligation of the supplier (contractor) to register the tax invoice within the terms established by the tax legislation, such registration may occur with a violation of the terms or not at all. As a result of the supplier's failure to fulfill its obligations regarding the registration of the tax invoice, the buyer actually temporarily (until the registration of the tax invoice by the supplier) loses the right to a tax credit.

Accordingly, in accounting, there is a need to separate the potential amounts that can be included in the tax credit, and the actual amounts that, based on the information obtained from the Unified Register of Tax Invoices [5], can be included in the tax credit and accordingly reduce the value added tax payable. In order to solve this accounting task, two subaccounts of the following order are separated on subaccount 644 "Tax credit": 6441 "Tax credit" and 6442 "Tax credit not confirmed".

Correspondence of accounts regarding the display of tax credit on the example of the purchase of goods with the use of the specified sub-accounts is presented in the table. 2.

Thus, if a separate tax invoice is not registered by the supplier in time and, accordingly, is not received by the buyer, then the corresponding amount of value added tax as a potential tax credit in the accounting will remain as a debit to subaccount 6442 "Tax credit not confirmed" until the registration of the corresponding tax invoice, and already upon the fact of such registration, it will be transferred to the debit of subaccount 6412 "Calculations with the VAT budget".

Tax liabilities are reflected by payers in accounting either upon the fact of shipment of products, goods (upon the fact of performance of work, provision of services) to buyers against future payment, or upon the fact of receiving advance payment from buyers for products, goods, works, services. In synthetic accounting, tax liabilities are

Table 1 – The classic scheme of displaying the VAT tax credit in accounting

Content of business transactions, documentary basis of display	Accounting posting		Amount, UAH
	Dt	Ct	
1. Purchase of goods on terms of payment upon delivery or deferred payment			
1.1. Goods purchased from the supplier worth UAH 60,000.00, including VAT 20%:			
– for the amount without VAT	281	631	50000,00
– for the amount of VAT (in the presence of a received tax invoice registered by the supplier in the Unified Register of Tax Invoices)	6412	631	10000,00
1.2. UAH 60,000.00 was transferred from the current account to the supplier for the goods received, including VAT 20%	631	311	60000,00
2. Purchase of goods on the terms of advance payment			
2.1. Advance payment for goods in the amount of UAH 60,000.00, including 20% VAT, was transferred from the current account to the supplier.	631	311	60000,00
2.2. Displayed tax credit – on the basis of the tax invoice received from the Unified Register, registered by the supplier	6412	644	10000,00
2.3. Goods worth UAH 60,000.00, including VAT 20, received from the supplier at the expense of the transferred advance payment have been accounted for:			
– for the amount without VAT	281	631	50000,00
– for the amount of VAT	644	631	10000,00

reflected as an increase in accounts payable to the budget under the credit of subaccount 6412 “Settlements with the budget for VAT”.

If the first event is the shipment of goods or the performance of works (services), then at the time of taking into account VAT tax liabilities, income from the sale of products (goods, works, services) has already been recognized in accounting. Accordingly, by the amount of tax liabilities, the reflected income is reduced by debit, and tax liabilities are recognized by the credit of subaccount 6412 “Calculations with the VAT budget”. Thus, for example, in the case of recognition of tax liabilities due to the sale of finished products, the specified income is reduced by the debit of sub-account 701 “Income from the sale of goods”, and tax liabilities are reflected by the credit of sub-account 6412 “Calculations with the VAT budget”.

In the case of taking into account tax liabilities based on the fact of receiving advance payment from the buyer, tax liabilities are similarly reflected under the credit of subaccount 6412 “Calculations with the VAT budget”, but it is impossible to correspond the specified amount with the debit of income accounting accounts – income based on the fact of advance payment is not recognized, only on accrual basis. That is why, in order to comply with the principle of double entry to reflect the specified amount, the Chart of Accounts [4] provides for a special sub-account 643 “Tax liabilities”. Accordingly, the amount of value added tax, for which VAT liabilities are recognized, is temporarily reflected in the debit of subaccount 643 “Tax liabilities” before the recognition of income from sales. It is through the debit of this subaccount that the amount will be

available in the current account until the goods (services) are shipped to the buyer (execution to the customer) at the expense of the received advance payment for the corresponding amount. Sub-account 643 “Tax liabilities” is a balance sheet, accordingly, the balance of this sub-account at the end of the reporting period is reflected in the balance sheet as part of the asset item “other current assets”. Compensation of the amount is carried out under the condition of shipment of goods (performance of works, provision of services) at the expense of the received advance payment in full and, accordingly, repayment of the payables due to the received advance.

The display of tax obligations on the example of the sale of goods according to the above-described classical scheme of correspondence of accounts is presented in table 3.

At the same time, separate software products designed for the automation of accounting complicate the procedure for displaying tax liabilities in accounting, separating the need to take them into account and the actual accounting through the formation and registration of the corresponding tax invoice. In this way, tax invoices drawn up by the seller – a VAT payer are separately displayed in synthetic accounting. To implement the specified accounting scheme, two subaccounts of the following order are separated into subaccount 643 “Tax liabilities”: 6431 “Tax liabilities” and 6432 “Tax liabilities not confirmed”.

Correspondence of accounts regarding the display of tax liabilities on the example of the sale of goods using the specified sub-accounts is presented in the table. 4.

In contrast to the separation of VAT amounts under the

Table 2 – Display in synthetic accounting of tax credit from VAT using subaccounts 6441 “Tax credit” and 6442 “Tax credit not confirmed”

Content of economic transactions, documentary basis of display	Accounting posting		Amount, UAH
	Dt	Ct	
1. Purchase of goods on terms of payment upon delivery or deferred payment			
1.1. Goods received from the supplier with a value of UAH 60,000.00, including VAT 20% – based on the supplier's documents on the receipt of goods:			
– for the amount without VAT	281	631	50000,00
– for the amount of VAT	6442	631	10000,00
1.2. Displayed tax credit – on the basis of the tax invoice received from the Unified Register, registered by the supplier	6412	6442	10000,00
1.3. UAH 60,000.00 was transferred from the current account to the supplier for the goods received, including 20% VAT – based on a bank statement	631	311	60000,00
2. Purchase of goods on the terms of advance payment			
2.1. Advance payment for goods in the amount of UAH 60,000.00, including 20% VAT, was transferred to the supplier from the current account – on the basis of a bank statement:			
– for the amount of VAT payment	631	311	60000,00
– for the amount of VAT	6442	6441	10000,00
2.2. Displayed tax credit – on the basis of the tax invoice received from the Unified Register, registered by the supplier	6412	6442	10000,00
2.3. Goods worth UAH 60,000.00, including VAT 20%, received from the supplier on account of the transferred advance payment, including VAT 20% – on the basis of documents on receipt of goods:			
– for the amount without VAT	281	631	50000,00
– for the amount of VAT	6441	631	10000,00

tax credit, the presented separation of tax liabilities into potential and reflected by means of a registered tax invoice is not, in our opinion, of fundamental importance, because untimely registration of a tax invoice in the Unified Register of Tax Invoices does not release the payer from the obligation to declare such amount in the VAT tax return [6] to increase the VAT payable in this way.

Accordingly, in synthetic accounting, such an amount should in any case be reflected as a credit to subaccount 6412 "Calculations with the VAT budget", even if the tax invoice was not registered due to the lack of funds of the registration limit (including as a result of the lack of financial opportunity to increase it), or due to the blocking of its registration by tax authorities.

A separate issue of the synthetic accounting of calculations with the budget for VAT is transactions related to the payment of this tax to the budget, because such payment is not made from the current account (except for cases of transfer of tax to the budget during customs clearance of imported goods).

Each VAT payer has a special VAT account in the bodies of the State Treasury Service of Ukraine [7]. Funds in such an account as a special account are reflected in synthetic accounting on subaccount 315 "Special accounts in national currency". Funds are debited to the budget from the relevant treasury account in the terms established by tax legislation by treasury employees in the amount of the declared tax payable for the relevant tax (reportable) month if funds are available in a special VAT account. The taxpayer – the owner of a special account – is responsible for the availability of the required amount. The absence of the required amount will lead to the formation of arrears, the charging of penalties and the application of fines to the VAT payer for late payment of the declared amount of tax. Thus, in the absence of the necessary amount in the treasury account, the taxpayer must transfer it from the current account to a special treasury account before the deadline for paying VAT to the budget. Quite often, the necessary

amount is already available in the special VAT treasury account at the time of payment, because the treasury account is also replenished by transferring funds from the current account to increase the amount of the registration limit in order to ensure timely registration of tax invoices and calculations of adjustments to them.

The transfer of funds from the current account to a special treasury account with VAT is reflected in the synthetic accounting by accounting entries: Dt 315 "Special accounts in national currency" Ct 311 "Current accounts in national currency".

The debit of funds from the special VAT account to the budget for the payment of the declared amount of VAT payable is reflected in synthetic accounting by accounting entry: Dt 6412 "Calculations with the budget for VAT" Ct 315 "Special accounts in national currency".

It is worth noting that in scientific studies [2, p. 121] there is an opinion that today in practice two parallel models of VAT accounting are used, which relate to the financial accounting of VAT and tax calculations for VAT (Fig. 1).

It is believed that there is a need to harmonize financial accounting and VAT tax accounting data as much as possible. We express the opinion that the division of accounting into its subsystems (management, financial, tax, statistical) is conditional. All incoming information flows are summarized according to the elements of the accounting method and provide enterprise management subsystems and the formation of output information for different groups of users. Accounting, as the main one for establishing settlements with the herd, payments and deductions to the budget, should be unified. The main reason for distinguishing between tax and accounting of tax liabilities and tax credit is the moment of their occurrence. However, with the help of sub-accounts 643 "Tax liabilities" and 644 "Tax credit" you can analyze the situation. The above material confirms the importance of the VAT settlement system. Therefore, among the main tasks of accounting for VAT payments, it is worth highlighting:

Table 3 – The classic scheme of displaying VAT tax liabilities in accounting

Content of economic transactions, documentary basis of display	Accounting posting		Amount, UAH
	Dt	Ct	
1. Sale of goods on terms of payment upon delivery or with deferred payment			
1.1. Sold goods worth UAH 90,000.00, including VAT 20%, shipped to the buyer:			
– for the amount of the sales price including VAT	361	702	90000,00
– for the amount of VAT tax liabilities	702	6412	15000,00
– on the cost of goods sold	902	281	61500,00
1.2. Cash received from the buyer for sold goods in the amount of UAH 90,000.00, including VAT 20%, was received on the current account	311	361	90000,00
2. Sale of goods on the terms of advance payment			
2.1. Advance payment from the buyer for goods in the amount of UAH 90,000.00, including VAT 20%, was received on the current account:			
– for the amount of VAT payment	311	361	90000,00
– for the amount of VAT	643	6412	15000,00
2.2. Goods shipped to the buyer at the expense of the received advance payment in the amount of UAH 90,000.00, including VAT 20%:			
– for the amount of the sales price including VAT	361	702	90000,00
– for the amount of VAT tax liabilities	702	643	15000,00
– on the cost of goods sold	902	281	61500,00



Table 4 – Display in synthetic accounting of tax liabilities from VAT using subaccounts 6431 “Tax liabilities” and 6432 “Tax liabilities not confirmed”

Content of economic transactions, documentary basis of display	Accounting posting		Amount, UAH
	Dt	Ct	
1. Sale of goods on terms of payment upon delivery or with deferred payment			
1.1. Sold goods shipped to the buyer with a value of UAH 90,000.00, including VAT 20% – on the basis of the invoice: – for the amount of the sales price including VAT – for the amount of VAT tax liabilities – on the cost of goods sold	361 702 902	702 6432 281	90000,00 15000,00 61500,00
1.2. On the basis of the prepared tax invoice to confirm the recognition of tax liabilities	6432	6412	15000,00
1.3. Cash received from the buyer for the sold goods in the amount of UAH 90,000.00, including VAT 20% – based on a bank statement	311	361	90000,00
2. Sale of goods on the terms of advance payment			
2.1. Advance payment from the buyer for goods in the amount of UAH 90,000.00, including VAT 20%, was received on the current account – on the basis of a bank statement: – for the amount of VAT payment – for the amount of VAT	311 6431	361 6432	90000,00 15000,00
2.2. On the basis of the prepared tax invoice to confirm the recognition of tax liabilities	6432	6412	15000,00
2.3. Goods shipped to the buyer at the expense of the received advance payment in the amount of UAH 90,000.00, including VAT 20% – on the basis of the invoice: – for the amount of the sales price including VAT – for the amount of VAT tax liabilities – on the cost of goods sold	361 702 902	702 6431 281	90000,00 15000,00 61500,00

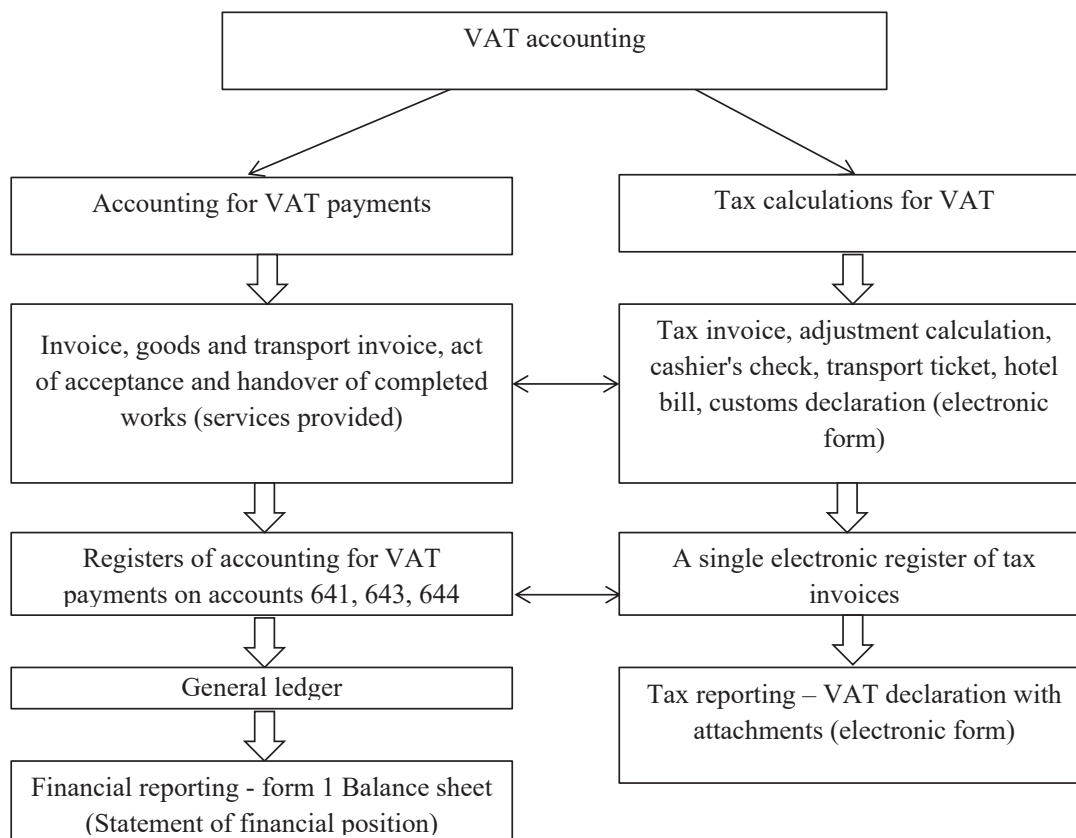


Fig. 1 – Scheme of the VAT accounting model

- correct and timely registration of tax invoices;
- analysis of registered and unregistered invoices for tax purposes;
- objective display of “substitutes” for tax invoices in the VAT calculation system;
- reliable and true reflection in the accounting system of VAT transactions added to taxation;
- timely creation of registers of synthetic and analytical accounting and tax reporting.

### Conclusions

The conducted research shows a critical assessment of the general VAT calculation system, which allows us to identify a number of problems that are not primarily related

to the interests of business entities. It was established that there are controversial issues regarding the objectivity of conducting transit calculations 643 “Tax liabilities” and 644 “Tax credit”. This issue seems to be relevant in relation to the existing assessment schemes and the mechanism for charging, adjusting and refunding VAT. Various factors influence the organization of VAT payment. The most common tax changes are both positive and negative. Most of them relate to analytical control, which is applied taking into account the specifics of calculations for individual business operations. Therefore, the goal of further research should be a clear justification of the method of accounting for VAT calculations and the regulation of individual issues at the legislative level.

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# THEORETICAL AND APPLIED ASPECTS OF ECONOMIC PROCESSES IN UKRAINE AND IN THE WORLD ECONOMY

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## INCREASING THE ROLE OF INNOVATION IN THE ECONOMIC SYSTEM AT THE MACRO LEVEL, TAKING INTO ACCOUNT GLOBALIZATION PROCESSES

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ORCID: 0000-0002-3827-6972, 0009-0000-8553-9416***Key words:**

innovation policy, national innovation system, green economy, competitiveness, innovation infrastructure, globalization, knowledge economy, technological development.

The article highlights the significance of innovation in the modern economic system at the macro level, taking into account the challenges of globalization and the necessity to adapt national economies to new conditions. The work emphasizes the importance of developing the national innovation system (NIS) of Ukraine as a key tool for increasing the country's competitiveness in the global economy. A comprehensive approach is used to analyze the functioning of the NIS, which includes studying the relationships between its main components: education, science, innovation infrastructure and state regulation.

The methodological basis of the study is a comparative analysis with the experience of leading countries in the field of innovation development, in particular Finland. The article analyzes the strategic directions of the formation of the NIS, defined in the Concept of the Development of the NIS of Ukraine until 2025, and suggests ways to increase the effectiveness of the implementation of its tasks. Particular attention is paid to the problems of coordination between the public and private sectors, the insufficient level of financing of innovation activities, as well as the development of mechanisms for stimulating innovation through interaction with international markets.

The results of the study demonstrate that the effective functioning of the NIS of Ukraine requires the integration of world practices, investments in science and education, and stimulation of cooperation between universities, research institutions and business. The prospects for the implementation of innovations in the field of green economy, energy and high-tech production are determined.

The conclusions emphasize that the successful modernization of the national economic system is possible only under the conditions of active implementation of innovations. Recommendations are proposed for the creation of a favorable innovation climate, the development of effective mechanisms of state regulation and investment in infrastructure, which will contribute to increasing the innovation capacity of Ukraine.

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## ПІДВИЩЕННЯ РОЛІ ІННОВАЦІЙ В ЕКОНОМІЧНІЙ СИСТЕМІ НА МАКРОРІВНІ З УРАХУВАННЯМ ГЛОБАЛІЗАЦІЙНИХ ПРОЦЕСІВ

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інноваційна політика, національна інноваційна система, зелена економіка, конкурентоспроможність, інноваційна інфраструктура, глобалізація, економіка знань, технологічний розвиток.

Стаття досліджує значущість інновацій у сучасній економічній системі на макрорівні з урахуванням викликів глобалізації та необхідності адаптації національних економік до нових умов. У роботі підкреслюється важливість розвитку національної інноваційної системи (НІС) України як ключового інструменту підвищення конкурентоспроможності країни у світовій економіці. Для аналізу функціонування НІС використовується комплексний підхід, що включає вивчення взаємозв'язків між її основними складовими: освітою, наукою, інноваційною інфраструктурою та державним регулюванням.

Методологічною основою дослідження є порівняльний аналіз з досвідом провідних країн у сфері інноваційного розвитку, зокрема Фінляндії. У статті проаналізовано стратегічні напрями формування НІС, визначені в Концепції розвитку НІС України до 2025 року, та запропоновано шляхи підвищення ефективності реалізації її завдань. Особливу увагу приділено проблемам координації державного та приватного секторів, недостатньому рівню фінансування інноваційної діяльності, а також розвитку механізмів стимулювання інноваційної діяльності шляхом взаємодії з міжнародними ринками.

Результати дослідження свідчать, що ефективне функціонування НІС України потребує інтеграції світового досвіду, інвестицій у науку та освіту, стимулювання співпраці між університетами, науковими установами та бізнесом. Визначено перспективи впровадження інновацій у сфері зеленої економіки, енергетики та високотехнологічного виробництва.

У висновках підкреслюється, що успішна модернізація національної економічної системи можлива лише за умов активного впровадження інновацій. Запропоновано рекомендації щодо створення сприятливого інноваційного клімату, розвитку ефективних механізмів державного регулювання та інвестування в інфраструктуру, що сприятиме підвищенню інноваційного потенціалу України.

### Statement of the problem

Globalization, accompanied by the rapid development of technologies, changes in world economic processes and increased competition in international markets, puts forward new requirements for national economies. In such conditions, innovations play a key role in ensuring the competitiveness of the country. However, in Ukraine, despite the existence of conceptual documents and programs aimed at the development of the national innovation system (NIS), its effectiveness remains low due to the imperfection of the infrastructure, insufficient funding and weak coordination between the public and private sectors.

An important problem is the low level of Ukraine's integration into the global innovation space. This complicates the implementation of modern technologies, the creation of competitive goods, as well as the development of the knowledge economy. Thus, the need to improve the NIS through the analysis of its components, interaction mechanisms and taking into account successful global practices, such as the experience of Finland, becomes obvious.

The formation of an innovation-oriented economy requires overcoming a number of challenges, including: insufficient funding for scientific research and development; weak integration of science, education, and business; and the lack of effective mechanisms to stimulate innovation activity.

These aspects require systematic research in order to form a comprehensive approach to the development of innovation infrastructure, increase the share of public spending on innovation and R&D, and ensure sustainable economic growth in Ukraine.

### Analysis of recent studies and publications

The topic of enhancing the role of innovations in the modern economic system, taking into account the globalization challenges in recent years, has found wide coverage in scientific discourse. The authors consider it through the prism of national innovation systems, their impact on

competitiveness and sustainable development. Attention was paid to this topic by P. P. Mykytyuk, Zh. L. Krysko, O. F. Ovsyanyuk-Berdadina, S. M. Skochylyas, V. S. Naydyuk, and others.

Despite a significant amount of research in the field of NIS development and the existence of conceptual documents, some aspects (coordination mechanisms between the public and private sectors; a comprehensive methodology for assessing innovation capacity at the macro level; ways of international scientific and technical cooperation) remain insufficiently studied, which requires additional analysis.

### Objectives of the article

The purpose of this article is to study the role of innovations in the macroeconomic system, taking into account the peculiarities and challenges of the global world, as well as to identify mechanisms for increasing the efficiency of the Ukraine's NIS to ensure its competitiveness. In particular, the implementation of the stated goal involves solving the following tasks: analyzing the significance of innovations and their impact on the country's economic development; assessing the state of the Ukraine's NIS and comparing it with other countries; developing recommendations for improving the mechanisms for the functioning of the Ukraine's NIS; studying the prospects for the development of innovations in the areas of the green economy, high technologies and energy; formulating strategic directions for the development of the Ukraine's NIS.

Together, the aim and objectives are aimed at creating effective mechanisms for the modernization of the NIS, which is a prerequisite for economic growth and integration of Ukraine into the global economy.

### The main material of research

Before solving the outlined problems, it is necessary to review the theoretical and historical foundations of the NIS construction.

The term «innovation system» appeared in the 1980s. This concept was first introduced by K. Freeman during the study of Japan's technological policy.

M. V. Sharko defines NIS as «an economic mechanism based on the creation and use of new knowledge, an entrepreneurial approach, integration into external markets, and accelerated development of the country's and its regions' competitiveness» [1, p. 26].

The modern process of NIS formation and development is considered through the organizational and methodological approach of innovation [2], which should provide conditions for creating an innovative environment at different levels of management. It includes the formation of a favorable innovation and investment climate and ensuring the efficiency factors of innovative development at the level of the state, regions and enterprises in the global economy.

A national innovation system can be characterized as: an interactive network of public and private sector institutions that create, adapt, import, modify and disseminate new technologies; infrastructure that contributes to the technological development of companies that can effectively use knowledge and innovation; a system for managing and using technology at the national level to implement innovations and organize collective learning processes; a mechanism that stimulates innovation development through the use of technology [4].

In view of the above, it can be summarized that the national innovation system is a complex of relationships between innovation entities aimed at creating, applying and disseminating innovations within a particular country. Its formation is determined by cultural, historical, scientific and technical, economic and informational conditions.

The NIS of Ukraine has a long history, around which there are often discussions about its structure, components and functions. As stated in the Concept for the Development of the National Innovation System [3], it includes state regulation, education, knowledge creation, innovation infrastructure and production. Each of these components must implement certain directions and perform tasks stipulated by the Concept.

The structure of Ukraine's NIS is quite extensive (Fig. 1). It combines both the public and private sectors, which interact with each other in generating, disseminating new and advanced knowledge, as well as their effective use to create new competitive goods.

The effectiveness of the NIS functioning depends largely on the level of cooperation between the private and public sectors. The presence of both the desire and the resources for interaction on the part of both institutions is an important condition for a successful partnership.

Currently, government programs are being implemented aimed at developing the state's innovation policy, which define the key tasks of forming the NIS. However, they do not sufficiently detail the relationships between the main elements of the system and the mechanisms for managing innovative development. This creates difficulties in coordinating the state industrial, financial, tax policy with the policy in the field of education, science, scientific,

technical and innovation activities. As a result, the NIS of Ukraine is in poor condition.

The strategic goal of the functioning of the NIS is its development based on the achievements of scientific and technological progress. In each case, the strategy for the development of the NIS depends on the national macroeconomic policy, regulatory and legal support, mechanisms of direct and indirect state regulation, the state of scientific, technological and industrial potential, the volume of the domestic market, as well as on the cultural traditions, customs and specifics of the country.

In Ukraine, the main document regulating the development of NIS is the Concept for the Development of the National Innovation System [3]. Its purpose is to determine the key principles of creating and implementing a balanced state policy aimed at developing the NIS and increasing the competitiveness of the national economy. The tasks and directions envisaged by the Concept include: creating conditions for the effective work of innovation entities; integrating the Ukrainian research sector into the global scientific and technological space; increasing exports of high-tech products and technologies by 5-7 times by 2025.

The Concept is financed from the state budget, and an action plan is created every three years to ensure the development of the NIS. However, analyzing the realities of today, we understand that the objectives were not achieved due to martial law and other problems of modern Ukraine.

Trends in the development of the world economy clearly show that there is no other path for Ukraine to progress than the formation of a knowledge-oriented economy, that is, an intellectual and innovative type. Ignoring this fact may lead to the country's marginalization in the high-tech products market.

Globalization requires Ukraine to make certain transformations and adaptations, and to more actively implement innovations into the economic system. Therefore, Ukraine should be actively considering and studying the experience of other countries in resolving this issue.

We believe that Ukraine can benefit from the experience of Finland [6] in forming a national innovation system, as well as in developing macro technologies, clusters, and innovation infrastructure. Ukraine has much in common with Finland, in particular, a significant potential for economic growth based on innovation.

Finland's success in building a knowledge economy proves that such a level is achievable for countries with different levels of economic development. Several main areas of reforming the innovation system at the macro level can be identified:

- focusing on the policy of developing internal competition among producers of innovative products;
- full deregulation and liberalization of the telecommunications sector to spread innovative thinking and popularize innovative products;
- economic openness and liberalization, creating conditions for attracting venture capital;
- priority investment in the quality and accessibility of general and vocational education;

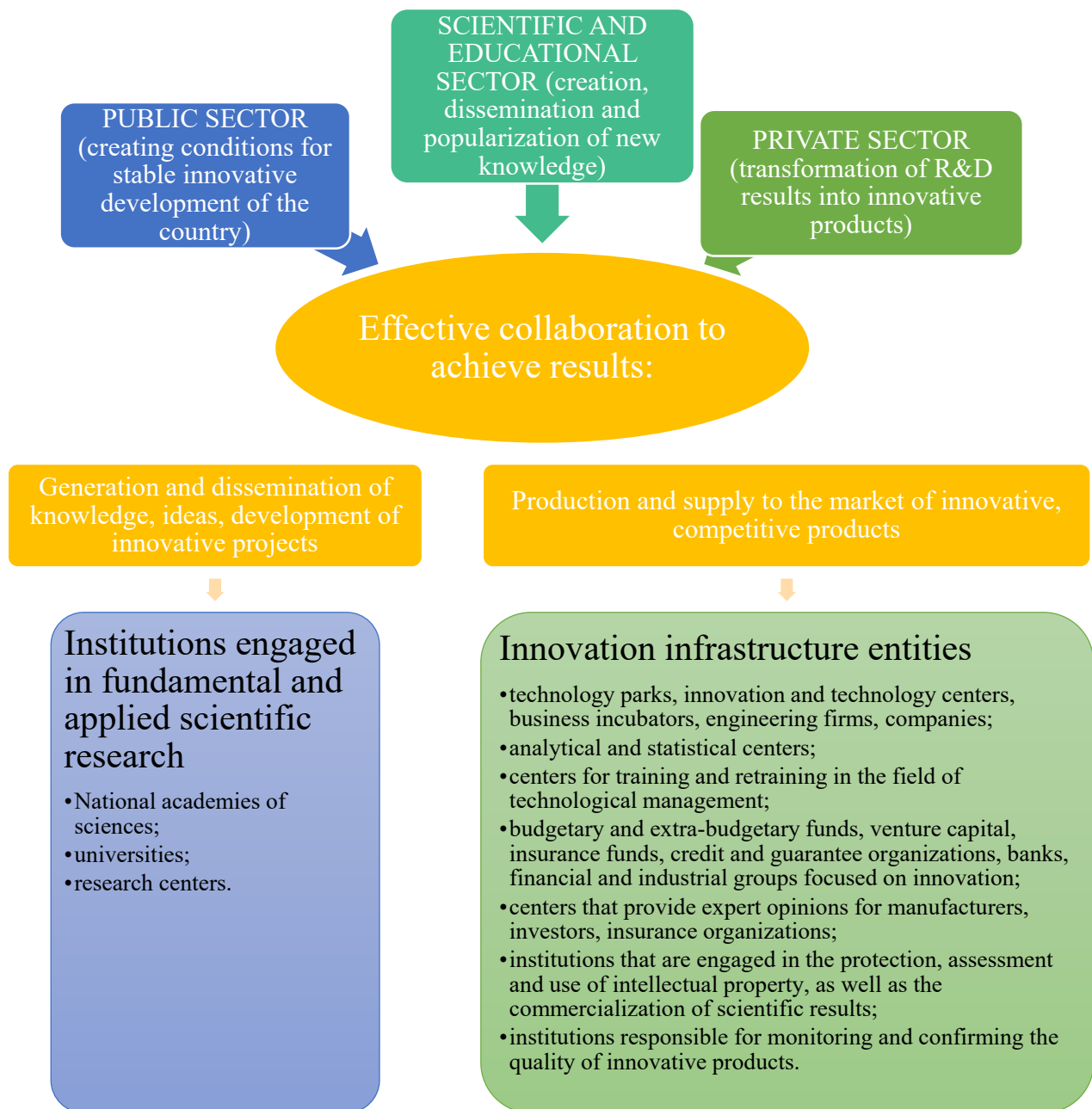


Fig. 1 – Structure of the Ukraine’s NIS

Source: developed by the authors based on [4, 5]

– application of a systemic approach to industrial and innovation policy based on technological forecasting.

Finland’s experience shows that education is a key area of investment in creating a knowledge economy, as it affects the demand and supply of intellectual capital. The essence of a systemic approach to industrial and innovation policy, taking into account Finland’s experience, is to organize cross-links between research centers, universities, enterprises, industrial associations, financial centers and state agencies. For this purpose, it is advisable to apply methods and mechanisms that stimulate partnerships between these economic entities. This will allow achieving

the desired results through prioritizing investment in R&D and an effective system of cooperation.

From the experience of Finland’s development [6], several important aspects can be highlighted that should be taken into account for the development of Ukraine. First, the crisis can be turned into an opportunity. In Finland, GDP was quickly restored and a large-scale restructuring of the economy was carried out thanks to a high-quality education system. The high level of education of the population turned into a powerful impetus for economic growth. In addition, the education system responded quickly and flexibly to new opportunities.

Secondly, Finland has constantly improved its technology and education system at the state level to maintain the competitiveness of the Finnish economy in a demanding global environment.

Third, it is important to anticipate and prepare for the future. The constant pursuit of progress and the strategic vision of institutional leaders have helped Finland transition to a knowledge economy.

### Conclusions

The analysis conducted allowed us to draw the following conclusions:

1. The effective functioning of the NIS is an important condition for Ukraine's integration into the global market and the formation of an intellectual-innovative economy. This requires the use of world experience, in particular Finland, which demonstrates successful examples of implementing innovation policy.

2. One of the main problems preventing Ukraine from building an effective NIS is the insufficient level of

coordination between the public and private sectors. This necessitates the development of mechanisms to stimulate cooperation between education, science, business, and government.

3. Taking into account the experience of Finland, it has been determined that investments in education and scientific research, the development of innovation infrastructure, and the promotion of a green economy are strategic priorities for the development of Ukraine's NIS.

4. Specific steps are proposed to improve the NIS, including reforming financial mechanisms, deregulating certain sectors, and developing innovative thinking through education and technology promotion.

Thus, ensuring Ukraine's competitiveness in the international arena is possible only if innovations are actively introduced, strategic economic management is implemented, and best practices are used. Further research should be aimed at a detailed analysis and improvement of coordination mechanisms between innovation actors, and at developing practical recommendations for their implementation.

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## FEATURES OF THE COMPETITIVENESS OF EU COUNTRIES IN THE CONDITIONS OF INCREASING GLOBAL CHALLENGES

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**Key words:**

competitiveness, determinants, EU, development, productivity, system analysis, strategy.

The question of the competitiveness of the EU countries in the conditions of increasing global challenges has been studied. It is substantiated that at the current stage of economic development, an important factor in supporting the development of the national economy is the intensification of foreign trade, especially in the case of a reduction in demand in the domestic market. This factor is particularly important from the point of view of competitiveness, because the success of a country's trade depends on its competitive advantages. At the same time, it should be noted that effective trade relations alone cannot guarantee a high level of competitiveness. It has been proven that a country can be considered competitive if it rationally manages its material and human resources, which is accompanied by an increase in production and an increase in the quality of life of the population. Attention is focused on the fact that the internal and external environment is constantly changing, which is accompanied by an increase in uncertainty and risk, because the purchasing power of the population is unstable, the number of competitors on the market increases, etc. This requires constant monitoring of changes in the competitive environment in order to maintain market positions and develop based on the use of competitive advantages. That is, the analysis of the situation on the market allows to determine effective methods of competitive struggle. The factors that make it possible to consider the specified competitiveness from the point of view of systemic analysis are singled out: systemic – infrastructural, macroeconomic, international, political-institutional, normative; structural – market, industry configuration, institutions, incentive and regulatory regimes, the degree of manufacturability and accessibility to international products; business factors – training, productivity, organizational methods and strategy. It is well-founded that openness, innovation, skills development and the free movement of goods and services, labor and capital are the driving forces of Europe's competitiveness, growth and prosperity. It was determined that the main indicators of economic competitiveness for EU countries are the integration of the internal market; increase in labor productivity; international competitiveness; public and private investment and investment in research and development.

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## ОСОБЛИВОСТІ КОНКУРЕНТОСПРОМОЖНОСТІ КРАЇН ЄС В УМОВАХ ПОСИЛЕННЯ ГЛОБАЛЬНИХ ВИКЛИКІВ

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**Ключові слова:**

конкурентоспроможність, детермінанти, ЄС, розвиток, продуктивність, системний аналіз, стратегія.

Досліджено питання конкурентоспроможності країн ЄС в умовах посилення глобальних викликів. Обґрунтовано, що на сучасному етапі розвитку економіки важливим чинником підтримки розвитку національної економіки є активізація зовнішньої торгівлі, особливо за умови скорочення попиту на внутрішньому ринку. Зазначений чинник є особливо важливим з точки зору конкурентоспроможності, адже успішність торгівлі країни залежить від її конкурентних переваг. При цьому, необхідно зауважити, що лише результативні торгові відносини не можуть гарантувати високий рівень конкурентоспроможності. Доведено, що країну можна вважати



конкурентоспроможною, якщо вона раціонально управляє своїми матеріальними та людськими ресурсами, що супроводжується збільшення виробництва, підвищенням якості життя населення. Акцентовано увагу на тому, що внутрішнє та зовнішнє середовище постійно змінюється, що супроводжується підвищенням невизначеності та ризику, адже нестабільною є купівельна спроможність населення, збільшення кількості конкурентів на ринку тощо. Зазначене вимагає постійного моніторингу змін у конкурентному середовищі з метою втримання позицій на ринку та розвитку на основі використання конкурентних переваг. Тобто, аналіз ситуації на ринку дозволяє визначити ефективні методи конкурентної боротьби. Виокремлено чинники, які дозволяють розглядати зазначену конкурентоспроможність з точки зору системного аналізу: системні – інфраструктурні, макроекономічні, міжнародні, політико-інституційні, нормативні; структурні – ринок, конфігурація галузі, інститути, режими стимулювання та регулювання, ступінь технологічності та доступності до міжнародних продуктів; бізнес-чинники – навчання, продуктивність, організаційні методи і стратегія. Обґрунтовано, що відкритість, інновації, розвиток навичок і вільний рух товарів і послуг, робочої сили та капіталу є рушійними силами конкурентоспроможності, зростання та процвітання Європи. Визначено, що для країн ЄС основними показниками економічної конкурентоспроможності є інтеграція внутрішнього ринку; зростання продуктивності праці; міжнародна конкурентоспроможність; державні та приватні інвестиції та інвестиції в дослідження та розробки.

### Statement of the problem

The dynamics of competitiveness in the modern economic environment is receiving more and more attention, focusing on the constant and consistent consideration of the specified category, which requires deeper scientific research. This topic highlights the new challenges of competitiveness at any level by identifying and analyzing its own determinants.

Over the past few decades, economic competition between countries has intensified. Almost every state aspires to become an influential and important player at the international level of economic relations and to take its proper place in the world economic market in order to prevent the main risks that globalization entails. Even if there is some doubt that states/nations still compete, it remains so – when the market is open, it is not only businesses that compete. Since entrepreneurship is possible only under certain state management conditions, therefore, at the macro level, we have evidence of competition between states – for resources (such as investments, oil), for the environment ("green technologies"), etc. The experience of the world economic crisis has shown that countries with a low level of national competitiveness are the most vulnerable to external shocks. Therefore, the topic of competitiveness (its assessment, improvement of policy) is very relevant and important for the future development of any state.

### Analysis of recent research and publications

The issue of competitiveness has been studied by scientists and remains relevant to this day. Among Ukrainian scientists, it is expedient to single out: V. Heyts [1], who formulated the key directions for increasing the level of competitiveness of the Ukrainian economy; J. Zhalil [2] and B. Kvasniuk [3], who investigate correlations between

the level of competitiveness and the socio-economic development of the country; D. Lukyanenko [4], who emphasizes the impact of globalization processes on competitiveness.

### Highlighting previously unsolved parts of the overall problem

Despite the importance of competitiveness in the context of a market economy, questions regarding the specifics of the competitive struggle of EU countries in the face of increasing global challenges remain unresolved. One of the reasons lies in the complexity of the mentioned phenomenon, which manifests itself in many different aspects, and the choice of the most adequate assessment methodology.

### The purpose of the article

The main goal of this work is to study the features of the competitiveness of the EU countries in the conditions of increasing global challenges.

### Presentation of the main material

At the current stage of economic development, an important factor in supporting the development of the national economy is the intensification of foreign trade, especially if there is a reduction in demand in the domestic market. This factor is particularly important from the point of view of competitiveness, because the success of a country's trade depends on its competitive advantages. At the same time, it should be noted that effective trade relations alone cannot guarantee a high level of competitiveness.

Under the condition of production of innovative goods, both successful trade and leading competitive positions in the world market are achieved. Innovations contribute to changing the organizational structure of society, intensify cooperation between the countries of the world and ensure a high level of competitiveness.

Note that the internal and external environment is constantly changing, which is accompanied by an increase in uncertainty and risk, because the purchasing power of the population is unstable, the number of competitors on the market increases, etc. This requires constant monitoring of changes in the competitive environment in order to maintain market positions and develop based on the use of competitive advantages. That is, the analysis of the situation on the market allows to determine effective methods of competitive struggle.

Competitiveness is the ability of a region to achieve high productivity, attract businesses, create jobs and promote innovation.

Growing challenges such as climate change, artificial intelligence and geopolitical tensions are changing the world we live in.

A more competitive EU will allow European companies to successfully compete on the world market. This can be achieved by creating an environment where they can develop products, services or solutions that are better, more efficient and more innovative than the products, services or solutions of their international competitors.

The dynamics of modern economic development and the strengthening of the influence of globalization processes have led to the transformation of individual territorial units – regions, cities, which are independent economic agents and constantly compete for various types of resources.

Competitiveness is important because it is positively related to long-term economic growth. A country can be considered competitive if it rationally manages its material and human resources, which is accompanied by an increase in production and an increase in the quality of life of the population. Thus, competitiveness is the ability to achieve high standards of living and a significant level of employment.

According to experts, the key determinants of competitiveness are: capital investment, division of labor and trade, investment, level of education, expenditure on human capital, research and development (R&D) and incentives for innovation, etc. [5].

The analysis of competitiveness takes into account a number of factors that allow considering the specified economic category from the point of view of systemic analysis (Fig. 1).

Let's consider each group of competitiveness factors in more detail.

Systemic factors are those that cannot be practically controlled. They generate conditions that are external, but serve as parameters of the decision-making process. They include the following types:

- infrastructure (availability, quality and cost of energy, transport, telecommunications, basic resources and technological services);
- macroeconomic (exchange rate, tax burden, gross domestic product (GDP) growth rate, credit supply and interest rates, as well as politicians' salaries);
- political and institutional (tax policy, tariff policy, fiscal support for technological risk, purchasing power);

- social (system of labor training, educational policy and training of personnel, labor and social security);
- regulatory (policy of industrial property protection, environmental protection, competition protection and consumer protection);
- international (trends in world trade, international capital flows, risky investments and technologies, relations with multilateral organizations).

Structural factors are those over which there is no complete control. In addition to the characteristics of supply and demand, these include the influence of non-market institutions that determine incentives and regulation, geographic distribution, the degree of technological complexity, rising tariffs, marketing systems, and access to international products.

Business factors are those over which there is significant control. These include cumulative knowledge, management efficiency, and human resources.

A competitive economy is an economy whose stable level of productivity is capable of stimulating growth and, as a result, income and welfare. Economic competitiveness has long been one of the key political priorities of the European Union (EU).

In this context, the EU accelerated its transition to climate neutrality and digital leadership, transforming the economy, society and industry and requiring new technologies, investments and innovations to ensure EU competitiveness, while enabling the EU economy and society to grow and reduce poverty and inequality. In other words, create an economy that works for people. This involves, among other things, a shift from linear production to a circular economy for products, services, markets and business models.

Two priorities of the European Commission, which are of particular importance for EU competitiveness:

- European Green Agreement;
- A Europe fit for the digital age.

The European Green Deal is aimed at creating a resource-efficient and competitive economy. This communication led to climate legislation and other measures to ensure that EU climate, energy, transport and tax policies are fit to reduce net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.

The digital transformation of the EU is mainly based on:

- digital strategy (2020) for a fair and competitive digital economy;
- Digital Compass 2030 (2021), designed to empower people and businesses to create a people-centric, sustainable and prosperous digital future;
- a proposed path to the Digital Decade (2021), closing digital capability gaps, focusing on digital skills, digital infrastructure, digital business and digital public services.

The new industrial strategy for Europe proposes new measures to accelerate the transition to green and digital technologies, and also responds to calls to identify and monitor the main indicators of economic competitiveness [6]:

- integration of the internal market;
- increase in labor productivity;
- international competitiveness;



Fig. 1 – Determinants of competitiveness from the point of view of systemic analysis

Source: [5]

– public and private investments and investments in research and development.

The economy of the European Union is the common economy of the member states of the European Union (EU). It is the second largest economy in the world in nominal terms after the United States and the third largest in terms of purchasing power parity (PPP) after China and the United States. The GDP of the European Union is estimated at US\$19.35 trillion (nominal) in 2022, or US\$26.64 trillion (PPS), representing approximately one-sixth of the global economy [7]. Germany has the largest national GDP of all EU countries, followed by France and Italy. In 2022, social security expenditures of the European Union (EU) totaled 19.5% of its GDP [8].

A five-point plan for a more competitive Europe:

- stimulation of capital investments for European companies;
- ensuring energy independence and lowering the price of energy;

- solving the problem of lack of skills;
- development of digital innovations;
- disclosure of the full potential of trade.

Openness, innovation, skills development and the free movement of goods and services, labor and capital are the driving forces behind Europe's competitiveness, growth and prosperity.

**Conclusions and suggestions.** Based on the analysis, it can be concluded that competitiveness is a complex category that combines a number of factors.

At the same time, it is important to note that the level of competitiveness is determined not only by the presence of certain factors, but also by the ability to use them effectively to achieve advantages.

It is important that the level of competitiveness is related to other indicators of development, such as the level and quality of life of the population. The more competitive advantages a country has and uses them effectively, the higher its level of development and living standards.

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## LEADERSHIP MODELS AND MANAGEMENT STYLES IN INTERNATIONAL MANAGEMENT

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### **Key words:**

social entrepreneurship, social entrepreneur, human capital, European experience, changes, human potential, innovative methods, creative approaches.

Leadership models and management styles in international management are studied. It is substantiated that the modern management system is characterized by the fact that the main value is human resources, which are the key to successful activity, and not the material component. It is proven that awareness of the importance of human resources allows to determine their significance for successful functioning in the domestic market and access to foreign markets, which identifies the transition from an industrial type of economy to an economy based on knowledge, information and technology. It was determined that the success of management and the effectiveness of international activities are largely determined by the effectiveness of management, in which the key role is assigned to the leader. At the same time, leadership is considered as a process of influencing the formulation of the key goals of a business entity, motives and incentives for behavior, as well as the formation of a favorable environment for the development of corporate culture. It is substantiated that the characteristic features of a leader are: honesty, the ability to work with people, equanimity, which, as a rule, are replaced by certain special features inherent in a certain culture, which causes the discrepancy between leadership theories. It has been proven that business leaders must have certain skills that are often determined by culture, there are leaders who are quite good at following instructions, following certain rules prescribed by management, and ensuring that all employees will follow them. At the same time, it is possible to display extreme behavior in the case when they refuse to follow instructions and refuse to take actions that will allow finding a compromise solution. It was determined that leaders are carriers of unique knowledge, possessors of intuition and instincts, who very often use and make the right decisions. It is also important to develop these abilities through the collection and accumulation of information, learning, emotionality, intelligence, and experience. The analysis of foreign experience showed that leadership can be effective only on the condition of building effective coordinated interaction in the team and communication between its members. After all, a person-manager formulates tasks for the lower links of the hierarchical structure through interaction and communication links with lower levels of management. However, leaders are change agents for each specific company.

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## МОДЕЛІ ЛІДЕРСТВА ТА СТИЛІ КЕРІВНИЦТВА В МІЖНАРОДНОМУ МЕНЕДЖМЕНТІ

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### **Ключові слова:**

соціальне підприємництво, соціальний підприємець, людський капітал, європейський досвід, зміни, людський потенціал, інноваційні методи, креативні підходи.

Досліджено моделі лідерства та стилі керівництва в міжнародному менеджменті. Обґрунтовано, що сучасна система управління характеризується тим, що головною цінністю є людські ресурси, які є запорукою успішної діяльності, а не матеріальна складова. Доведено, що усвідомлення важливості людських ресурсів дозволяє визначити їх значущість для успішного функціонування на внутрішньому ринку та виході на іноземні, що ідентифікує перехід від індустріального типу економіки до економіки, основою якої є знання, інформація та технології. Визначено,

що успішність управління та результативність міжнародної діяльності значною мірою обумовлена ефективністю управління, в якому ключова роль відводиться лідеру. При цьому лідерство розглядається як процес впливу на формулювання ключових цілей суб'єкта господарювання, мотиви та стимули поведінки, а також формування сприятливого середовища для розвитку корпоративної культури. Обґрунтовано, що характерними рисами людини-лідера є: чесність, здатність до праці з людьми, виваженість, котрі, як правило, заміщуються певними особливими ознаками, притаманними певній культурі, що обумовлює невідповідність між теоріями лідерства. Доведено, що бізнес-лідери мають володіти певними навичками, які досить часто визначаються особливостями культури, є лідери, які досить добре виконують надані інструкції, дотримуються певних правил, прописаних керівництвом, і надають гарантії того, що всі працівники будуть їх дотримуватися. При цьому можливим є прояв екстремальної поведінки у випадку, коли відмовляються слідувати інструкціям та відмовляються вживати дій, що дозволять знайти компромісне рішення. Визначено, що лідери – це носії унікальних знань, володарі інтуїції та інстинктів, котрі дуже часто використовують і приймають правильні рішення. Важливо також розвивати зазначені здібності через збір та накопичення інформації, навчання, емоційність, інтелект, досвід. Аналіз іноземного досвіду показав, що лідерство може бути ефективним лише за умови побудови ефективної узгодженої взаємодії в колективі та комунікації між її членами. Адже людина-управлінець формулює завдання для нижчих ланок ієрархічної структури через взаємодію та комунікаційні зв'язки з нижчими рівнями управління. Проте лідери є агентами змін для кожної конкретної компанії.

### **Problem statement**

The modern management system is characterized by the fact that the main value is human resources, which are the key to successful activity, and not the material component. The civilizational movement in the direction of the formation of a knowledge economy requires a change of views on the employee as a person whose activity is important for one's own well-being, for the business entity, for society, for the state. From the firm's point of view, human resources act as a source of profit. If we consider the material component in the activity of a business entity, it is necessary to note its passive nature, which determines the need for human participation in order to obtain added value. Awareness of the importance of human resources allows you to determine their significance for successful functioning in the domestic market and access to foreign markets, which identifies the transition from an industrial type of economy to an economy based on knowledge, information and technology.

An effectively functioning management system is a prerequisite for the company's successful operation on the international market. That is, it is important for any business entity to have leaders who influence the goal-setting process, form a motivational system and create favorable conditions for productive work and form a corporate culture through collective interaction.

### **Analysis of recent studies and publications**

Theoretical and practical issues of leadership and leadership styles were studied by foreign and Ukrainian scientists. Among the foreign researchers, it is worth highlighting: M. Meskona, M. Alberta, F. Khedouri [1], K. Dixon [2], D. Akag [3]. Ukrainian scientist A.R. Dun-ska [4] paid special attention to the analysis of leadership

in international business. Creative leadership was studied by Pashchenko S.Yu., Serbin O.O., Stoyan S.P., Trofimov A.Yu., Lukin D.V. [5].

### **Highlighting previously unsolved parts of the overall problem**

Given the development of international business and the desire to increase the efficiency of national enterprises, the issue of analyzing leadership models and management styles requires deeper research.

### **Objectives of the article**

The main goal of this work is the analysis of leadership models and management styles to identify the most successful ones for their use in the national economy.

### **Presentation of the main material**

The success of management and the effectiveness of international activities are largely determined by the effectiveness of management, in which the key role is assigned to the leader. By definition, leadership is the process of influencing the formulation of the key goals of a business entity, motives and incentives for behavior, as well as the formation of a favorable environment for the development of corporate culture [6].

Globalization processes convincingly prove the need for mutual understanding to achieve certain results and successful development. In international business, a significant level of flexibility, adaptability and the presence of one's own vision regarding the introduction of business in other countries of the world is important.

An example of the existence of a leader in business is the perception of power distance between God and other

people in different cultures of the world. If we consider the countries of East Asia, it is necessary to note a significant power distance, which is characteristic of them, taking into account the peculiarities of culture and values. Note that this indicator of power distance is mostly associated with religious beliefs, namely Confucianism, which emphasizes that harmony with the world is achieved only if one is aware of one's own role and importance in society. In addition, Confucius formulated a system of relations, which involves the subjugation of people of a "lower level" to those who occupy a higher rung in the hierarchy. At the same time, representatives of the "higher level" must protect people at a lower level and direct them to the right actions, bear responsibility for each of them. The above is interpreted as a mutual obligation. Note that the above principle is followed in the countries of East Asia until now.

However, globalization processes are constantly expanding their horizons and territories. This means that a manager from China, Japan or Korea can manage a team from the West, whose members must adhere to the rules specified in the respective business protocols that define the differences in business models.

Speaking about the qualities of a human leader, we note that there are characteristic features of a universal character: honesty, the ability to work with people, equanimity, which, as a rule, are replaced by certain special features inherent in a certain culture, which causes the discrepancy between leadership theories.

Let us emphasize that the possibility of being a formal or informal leader is determined precisely by personal traits and the ability to quickly adapt to the peculiarities of the business environment.

It is accepted to distinguish the following styles of decision-making: a synchronized leader who is able to perform certain actions well (the specified style is characteristic of Asian countries) and focuses on a detailed analysis of all threats, only after that makes an appropriate management decision. He or she is also more concerned about potential threats. Opportunistic leaders are quite flexible, the process of achieving the goal is broken down into certain sequential steps (typical for Western countries). Note that very often this type of leadership is used in countries that have chosen the British business model, including Hong Kong, Malaysia, Singapore and India. Opportunistic business leaders are risk-averse and ambitious enough.

Communication style is important. It is accepted to distinguish two styles of organization of communication and communication. If a leader is diplomatic, then his communication is clearly structured, uses clearly defined communication constructs and moves forward consistently. Leaders in the countries of Latin America, Canada, Sweden and New Zealand work according to this type, where the specified style is approved through team members. A diplomatic leader is characterized by politeness, can correct the discussion during the conversation and often follows the reaction of others to his language during the introduction of negotiations and work meetings.

A business leader who prefers action to communication, so his communication is limited. A leader believes that action is better than talk. This style is characteristic of

the Netherlands, where employees are more receptive to the manager's real actions than long conversations.

Let's emphasize that a business leader must have certain skills, which are often determined by the characteristics of the culture, there are leaders who quite well follow the instructions given, follow certain rules prescribed by the management, and provide guarantees that all employees will follow them. At the same time, it is possible to display extreme behavior in the case when they refuse to follow instructions and refuse to take actions that will allow finding a compromise solution. Countries with such leaders include South Korea, Greece, India, Turkey, etc.

The passive-aggressive type of leader is formed, as a rule, in certain circumstances, for example caused by a stressful state. Such a situation may arise due to the fact that the leader does not want to perform the actions that are imposed on him, especially since he considers them ineffective. At the same time, the leader still tries to avoid conflict situations, seeing them as a threat to his future career. This type of leadership is characteristic of such countries as Indonesia and Malaysia.

Italy is characterized by autocratic leadership, that is, management is based on one's own intuitions, and not on logical thinking. Leaders are sufficiently charismatic and feel their importance through the influence they have on other team members. Italian leaders can inspire and convince. As a rule, the decisions made are not canceled.

In Sweden, business leaders adhere to the principles of democracy and decentralization. In their opinion, sufficient awareness of employees, a high level of motivation ensures high labor productivity. Swedish managers are open to the team, always ready to listen and discuss important issues. In addition to mine, the law stipulates that the manager must discuss the issue with employees before making a final decision.

In Great Britain, the vast majority of leaders tend to make compromise decisions, which determines their diplomacy, ease, and fairness. At the same time, in various cases, they can be too strict. As a rule, it is believed that people are united in teams by common values and interests.

Business leaders in Austria are able to make quick decisions, and are very often focused on the presence of friendly relations in the team. That is, speed of thinking and decision-making without thinking are characteristic.

In South Korea, management is based on the presence of certain family ties in collectives. Positions are assigned according to family hierarchy, not organizational structure.

Managers of Chinese enterprises follow the instructions that come from the managers at the top of the hierarchical structure, passing certain instructions to other employees as necessary. Subordinates tend to carry out assigned tasks without any discussion, as the opposite may indicate contempt. For the Chinese, it is important to preserve the reputation and face of the entire team.

It is generally accepted that a true leader should be loyal and concerned about the welfare of his employees.

If we consider the Arab countries and the countries of Latin America, we note that a significant part of the authority is exercised by the manager, very often family relations are used for career growth, for example, in India and Argentina.

Based on the analysis of the features of the leadership model in different countries, it is possible to ascertain the significant influence of culture, which determines the level of adaptation in international business. Despite the desire to open one's own business or work in a certain company, it is necessary to study management styles to determine the readiness to accept the culture of another country and follow the management instructions [7].

We emphasize that management means the search for such methods, approaches to management with the purpose of purposeful influence on the object to achieve the desired result and realize the set goals.

Note that there is no unambiguous interpretation of leadership in modern scientific literature. According to the American scientist and economist B. Bass, there are as many definitions of the concept of leadership as there are people who tried to formulate it.

It is characteristic for a leader to have certain guidelines that guide his actions in a period of uncertainty and the impact of global challenges. Every leader has certain guidelines that he uses when making decisions and that guide his activities in periods of uncertainty.

It is important for a leader to be able to obtain the maximum result with minimum costs or to use resources with maximum efficiency under the condition of their limitation.

Leaders are carriers of unique knowledge, owners of intuition and instincts, who very often use and make the right decisions. It is also important to develop these abilities through the collection and accumulation of information, learning, emotionality, intelligence, and experience.

In addition to the isolated elements of "leadership capital" and "leadership conditions", it is important to have the so-called "leadership voice", which determines the ability to lead the team, while demonstrating certain ideals and values. This element determines the level of

influence on the leader's followers and provides control of the situation.

Leadership can be effective only under the condition of building effective coordinated interaction in the team and communication between its members. After all, a person-manager formulates tasks for the lower links of the hierarchical structure through interaction and communication links with lower levels of management. However, leaders are change agents for each specific company [8].

In the scientific literature, three leadership styles are distinguished (Fig. 1).

Let's emphasize that leadership has a direct connection with the management style, which is a sign of the manager's behavior towards other employees of the team due to the influence on their activities, incentives to actions that allow achieving common goals. democratic is based on a partnership between employees and the manager.

### Conclusions and proposals

Based on the conducted research, it can be concluded that the success and effectiveness of management is determined by the presence of a leader, who can be formal or informal. Leadership, in turn, is closely related to interaction with other people and effective communication. To ensure the success of the management process, it is necessary to take into account the possibility of adapting leadership styles to the specifics of national culture, customs and traditions. Taking into account the above is the key to the success of the leadership model.

Note that despite the fact that international business uses a number of different management and leadership styles, each business entity should have its own model that corresponds to modern trends and features of the organizational structure, formed value orientations.

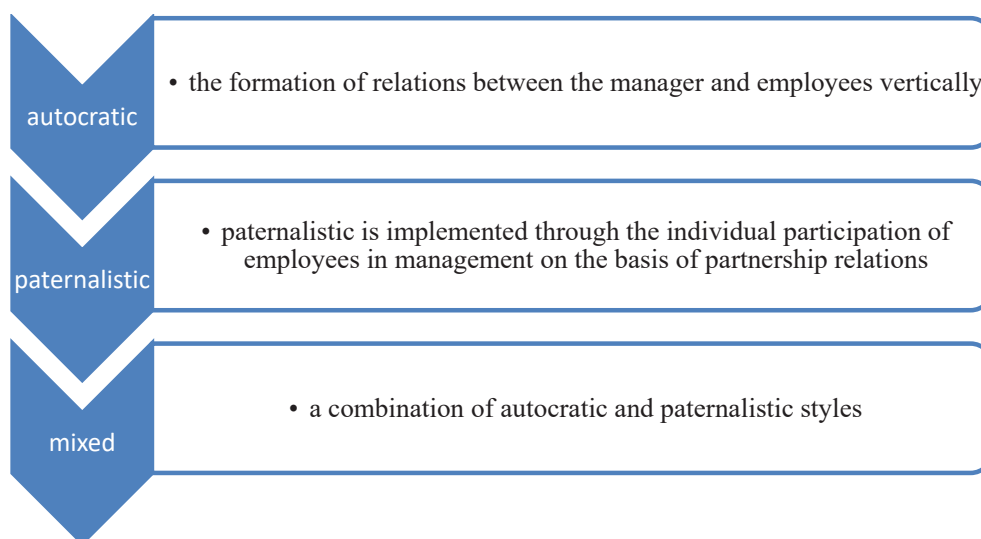


Fig. 1 – Leadership styles

Source: compiled by the authors based on [9]



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# FINANCE AND MONEY TURNOVER

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## COOPERATION BETWEEN THE BANKING SYSTEM AND THE REAL ECONOMY DURING THE WAR

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bank lending, discount rate, real economy, financial resources, international support.

The military actions launched by Russia in 2022 on the territory of Ukraine have had a significant negative impact on all sectors of the national economy, both the real and banking sectors. The occupation of part of the territory, destruction of critical infrastructure, mining, loss of logistics links and partners led to economic instability, and completely new, previously unknown military risks faced by the national economy. This state of uncertainty has led to a deterioration in the financial condition of most enterprises and significant risks of default on previously obtained loans, forcing banks to raise interest rates and tighten requirements for borrowers, which has limited access to, or even made it impossible for many enterprises to obtain bank loans. The article examines the main problems faced by real sector enterprises in obtaining loans during the period of military operations, such as increased collateral requirements, high interest rates and limited access to banking services in the war zone. The article examines the important role of the National Bank of Ukraine in maintaining financial stability, namely the regulation of the key policy rate during the war, which was used to curb inflation and regulate interest rates on loans. The article analyses the dynamics of the NBU discount rate and its impact on lending. It also examines the impact of state programmes proposed by the government to support the real sector of the economy and the financial support of international partners that allowed the Ukrainian economy to survive in difficult wartime.

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## СПІВПРАЦЯ БАНКІВСЬКОЇ СИСТЕМИ ТА РЕАЛЬНОГО СЕКТОРУ ЕКОНОМІКИ ПІД ЧАС ВІЙНИ

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банківське кредитування, облікова ставка, реальний сектор економіки, фінансові ресурси, міжнародна підтримка.

Військові дії, розпочаті росією у 2022 році на території України, значною мірою негативно вплинули на усі сектори національної економіки, як реального сектору так і банківського. Окупація частини територій, знищення об'єктів критичної інфраструктури, мінування територій, втрата логістичних зв'язків та партнерів призвели до економічної нестабільності, виникли зовсім нові, раніше невідомі військові ризики, з якими стикнулася національна економіка. Такий стан невизначеності призвів до погіршення фінансового стану більшості підприємств та до значних ризиків неповернення раніше отриманих кредитів, це змусило банки підвищувати відсоткові ставки і посилювати вимоги до позичальників, що обмежило доступ, або й зовсім призвело до неможливості отримання банківського кредитування багатьом підприємствам. У статті досліджені основні проблеми підприємств реального сектору економіки, з якими вони стикаються під час отримання кредитів в період проведення військових дій, такі як підвищені вимоги до заставного забезпечення, високі процентні ставки та обмежений доступ до банківських послуг у зоні бойових дій. Досліджена важлива роль у підтримці фінансової

стабільності Національного банку, а саме регулювання облікової ставки під час війни, яка використовувалася для стримування інфляції та регулювання відсоткових ставок за кредитами. У статті проаналізовано динаміку облікової ставки НБУ та її вплив на кредитування. Також досліджено вплив державних програм, запропонованих урядом для підтримки реального сектору економіки і фінансова підтримка міжнародних партнерів які дозволили вистояти економіці України в складний військовий час.

### **Problem statement**

Bank lending is one of the sources of financing for the real economy. Therefore, studying the impact of the war on bank lending is an important scientific task, as it allows identifying key challenges and developing effective strategies to overcome them. The full-scale invasion of the Russian Federation in 2022 led to increased risks of loan defaults, massive deposit outflows, and economic instability, which forced banks to increase their requirements for borrowers, significantly complicating access to financial resources for businesses and households, and negatively affecting the development of the real economy. Therefore, it is now important to study and identify mechanisms that will facilitate effective cooperation between the banking system and the real economy, which is important for the functioning of various industries during the war and the sustainable development of enterprises in the post-war period.

### **Analysis of research and publications**

Bank lending is an important instrument of financial support for economic development, especially in the real sector. Recent studies have focused on analysing the impact of bank lending on the development of various industries, such as engineering, construction, and agriculture. Researchers N.A. Dekhtyar and N.G. Pigula (2024) focus on the role of bank lending in supporting the real sector of the economy. The article by V. Margasova and O. Garafonova (2024) examines the impact of bank lending on the development of key sectors of the economy. In his study, V. Dziuba (2023) paid special attention to the impact of bank lending on the development of the corporate sector. The study by I.V. Kohan and T.V. Solodiak focuses on the analysis of the mortgage lending market in wartime. All these studies confirm the important role of bank lending for the development of the real economy. Further research should focus on improving lending mechanisms and ensuring the financial stability of the banking system.

### **Forming the goals of the article**

The purpose of this article is to study the impact of bank lending on the development of the real sector of the economy during the war and the post-war recovery period: to investigate and identify key factors that facilitate or impede effective financing of enterprises during the war and the recovery period, and to develop recommendations for improving credit support for business in difficult economic conditions. The article analyses the changes in the volume and terms of lending, identifies the main problems faced by both banks and enterprises during the war, and assesses the effectiveness of measures taken to revive the real economy and the impact of lending on this process.

The scientific novelty of the article lies in a detailed analysis of the impact of the war on bank lending, especially in the context of increased risks of loan default, rising interest rates and limited access to financial resources in the war zones. The paper examines the role of the National Bank of Ukraine in regulating the key policy rate and the impact of these measures on the real economy, as well as the effectiveness of government programmes such as «Affordable Loans 5-7-9» and «eRobota» in supporting businesses during the war. It is also important to assess the geographical distribution of lending, in particular in the frontline regions, which is a new approach to studying banking cooperation with the real sector during the war.

### **Outline of the main material of the research**

The full-scale military invasion of Ukraine by the Russian Federation in 2022 led to significant shocks in the banking system, making it difficult to lend to the real economy. Military operations, the occupation of part of the territory, and economic instability created a high risk of loan defaults, which led to a decrease in banks' confidence in borrowers and caused liquidity problems. This, in turn, led to an increase in interest rates, which reduced the availability of credit for businesses and individuals. Banks were forced to tighten lending requirements, review their loan portfolios and limit lending in particularly risky regions. In the initial stages of the conflict, lending volumes declined significantly due to the uncertainty and high risks associated with the hostilities. Banks faced a massive outflow of deposits, which affected their liquidity and ability to provide new loans. This led to the temporary suspension or reduction of lending programmes. In particular, businesses located in the areas of hostilities lost access to financial resources. At the same time, the government introduced a number of measures to support the banking sector and ensure stability. For example, the 5-7-9 programme is aimed at supporting small and medium-sized businesses through concessional lending. However, these measures only partially offset the negative effects [1].

Forced but necessary to ensure Ukraine's financial stability in extremely challenging conditions of growing external threats and internal instability, the step taken by the National Bank of Ukraine to raise the discount rate was aimed at strengthening financial stability. This step helped reduce the risks of capital outflow and contributed to preserving the NBU reserves. The war significantly increased state spending on defense and social support. A high discount rate makes borrowing more expensive for the government, which may incentivize the government to use budget funds more rationally and reduce the budget deficit.

On the one hand, the increase in the key policy rate was aimed at minimising economic losses during the war and ensuring the country's macroeconomic stability, but it made loans less affordable for businesses and individuals, further complicating the economic situation. For example, according to the National Bank of Ukraine, the average interest rate on business loans increased by 5% in the first half of 2022. This was also reflected in the structure of lending: banks began to favour less risky sectors of the economy. Interest rates have remained high throughout the conflict, although some support programmes and international assistance have contributed to a partial reduction. The analysis of the dynamics of interest rates on loans to different business entities presented in figure 1 shows how banks responded to the changing risk environment during the hostilities.

The risk of loan default became one of the biggest challenges for banks during the war. Many businesses and individuals lost the ability to service their debts due to the destruction of infrastructure and economic difficulties. In response, banks were forced to tighten their requirements for borrowers and review their loan portfolios. Support from the government and international financial institutions played an important role in stabilising the situation.

To support the banking sector, the Ukrainian government has developed and implemented a number of government programmes aimed at stimulating lending to the real economy. One of the key programmes is 'Affordable Loans 5-7-9', which allows entrepreneurs to obtain loans at preferential rates, which significantly eases the financial burden on businesses in difficult times. In 2024, UAH 18 billion was allocated for this programme, which significantly expanded the access of enterprises to credit resources [3]. The programme provides support to businesses in various industries, including the processing industry and energy efficiency projects, which are critical to the country's economic recovery.

Another important programme is eRobota, which includes six grant programmes, including microgrants for starting a business, grants for the development of a processing plant, and financing for greenhouse farming. This programme has helped to boost entrepreneurship and create new jobs, which has had a positive impact on the banking sector by increasing the number of potential borrowers.

The eRobota programme allocated UAH 4 billion in 2024 to support businesses [3].

International assistance has also played a key role in stabilising Ukraine's banking sector by facilitating the mobilisation of additional financial resources to support businesses. The EU-supported FinancEast programme, implemented under the EU4Business initiative, aims to finance investment projects of small and medium-sized enterprises (SMEs) in eastern Ukraine. Thanks to this programme, many businesses have been able to obtain the necessary funds to develop their projects even in the face of war, contributing to the overall stabilisation of the economic situation in the region [4].

Thus, thanks to comprehensive government support measures and international assistance, Ukraine's banking sector was able to ensure stability and support business development during the war. This underscores the importance of cooperation between government and international institutions in overcoming crises and ensuring economic resilience.

Thus, despite the challenging environment, banks continued to provide loans, which helped to support the economy in this difficult time. Below is the data on lending by depository corporations (other than the NBU) for the period from December 2022 to April 2024.

As of the end of 2022, the amount of loans granted by depository corporations (other than the NBU) was UAH 1,007,648 million, and exactly one year later it fell by 1.08% to UAH 997,877 million. In April 2024, the indicator increased by 3% compared to January of the same year, which may indicate an increase in demand for loan products from households or businesses.

The sectoral distribution of loans plays an important role in maintaining the economic stability of a country, especially during martial law. In 2023-2024, a significant portion of loans was provided to agriculture, which is the main source of food security in Ukraine. The manufacturing sector also received substantial support as businesses continued to operate and adapt to the new environment. The IT sector, which remains one of the fastest growing and most profitable in Ukraine, also received significant credit resources to develop and implement the latest technologies. According to the National Bank of Ukraine, in 2023, loans to agriculture accounted for about 30% of the total amount of loans issued, to manufacturing – 25%, and to the IT sector – 15% [6].

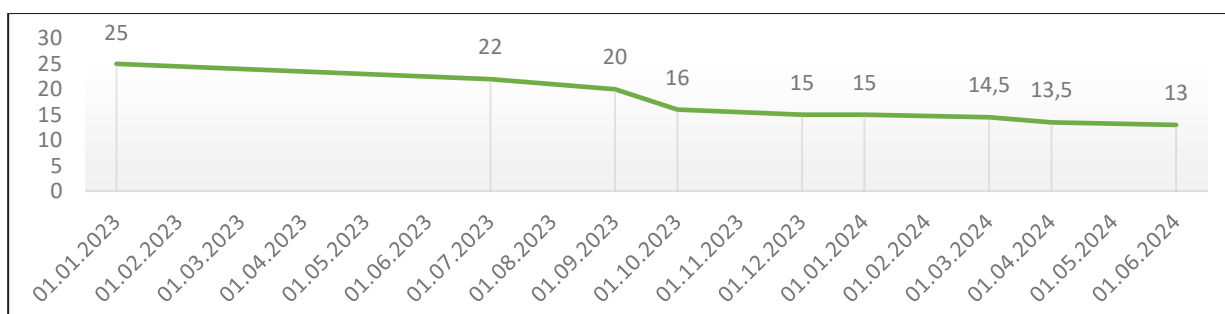


Fig. 1 – Dynamics of the NBU key policy rate (in %)

Source: created by the author based on [2]

Table 1 – Dynamics of interest rates on loans to various business entities by size, by type of currency, weighted average (annualised rates, %)

Period	The volume of lending (UAH million)	Average rate	Large business entities	Medium-sized enterprises	Small business entities	Micro business entities
2018	16 225	19,9%	15,4% 17,3 nat.cur. 4,5 for.cur.	18,1% 18,9 nat.cur. 11,5 for.cur.	17,0% 18,7 nat.cur. 8,0 for.cur.	19,9% 20,0 nat.cur. 8,2 for.cur.
2019	27 674	16,9%	14,5% 17,8 nat.cur. 4,8 for.cur.	19,3% 20,7 nat.cur. 11,6 for.cur.	17,3% 18,7 nat.cur. 8,4 for.cur.	21,0% 21,3 nat.cur. 6,4 for.cur.
2020	51 194	13,4%	10,3% 10,9 nat.cur. 4,0 for.cur.	13,3% 14,4 nat.cur. 5,5 for.cur.	9,8% 10,1 nat.cur. 7,0 for.cur.	58,8% 61,7 nat.cur. 6,5 for.cur.
2021	44 641	10,2%	8,6% 8,6 nat.cur. 7,1 for.cur.	10,8% 11,8 nat.cur. 3,9 for.cur.	9,4% 9,6 nat.cur. 6,3 for.cur.	13,8% 14,8 nat.cur. 8,2 for.cur.
2022	25 379	12,9%	12,6% 12,6 nat.cur. 7,2 for.cur.	14,8% 14,9 nat.cur. 3,7 for.cur.	15,6% 15,7 nat.cur. 5,35 for.cur.	18,6% 18,7 nat.cur. 8,5 for.cur.
2023	50 227	18,9%	20,8% 20,8 nat.c. ---- for.cur.	19,9% 20,3 nat.c. 6,0 for.cur.	17,8% 17,9 nat.c. 5,4 for.cur.	20,3% 20,4 nat.c. 8,2 for.cur.

Source: created by the author based on [2]

Table 2 – Loans granted by depository corporations (other than the NBU) in UAH million

Period	Total	Less than 1 year	From 1 to 5 years	More than 5 years
12.2022	1 007 648	526 712	332 196	148 740
12.2023	997 877	512 364	330 734	154 779
01.2024	993 169	511 780	330 004	151 385
02.2024	995 305	510 718	333 084	151 503
03.2024	1 012 845	519 653	340 687	152 505
04.2024	1 023 047	523 481	345 420	154 146

Source: created by the author based on [2]

Loans provided to the manufacturing industry ensured the continuity of production processes, which is critical for the economy in times of war. Support to the transport sector helped to ensure the logistics of both domestic and foreign supplies. The energy sector also received significant loans to modernise infrastructure and ensure stable energy supply. This distribution of loans helped to keep key sectors of the economy afloat, providing jobs and economic stability.

The geographical distribution of lending shows that the bulk of the loans were disbursed in the regions remaining under Ukrainian control. Kyiv and Kyiv region, being the economic centre of the country, received the largest number of loans. The western regions of Ukraine, such as Lviv, Ternopil and Ivano-Frankivsk, also received significant lending, due to their relative security and economic activity. In the east and south of the country, where the fighting continues, lending was limited due to high risks of non-repayment and infrastructure damage [7].

However, despite banks' restrictions on lending to businesses located in the frontline regions, these regions received funding from government and international support programmes, which helped to maintain their economic activity and rebuild the destroyed infrastructure. Below is a table of lending volumes by region in 2023-2024.

Table 3 – Lending volumes by region in 2023-2024

Regions	Amount of loans (UAH million)
Kyiv and Kyiv region	150 000
Lviv region	100 000
Ternopil region	50 000
Ivano-Frankivsk region	50 000
Zaporizhzhya region	75 000
Odesa region	100 000
Mykolaiv region	75 000

Source: created by the author based on [7]

So, despite the fact that during the war, banks were forced to revise their lending terms to reflect the increased risks and economic uncertainty. Interest rates increased and collateral requirements became more stringent. This made loans less affordable for many borrowers, especially in the frontline regions. Thanks to the Government's intervention and the NBU's effective actions, cooperation between the banking system and the real economy has gradually stabilised and is becoming mutually beneficial. Government and international support programmes have helped to reduce the cost of loans and increase the availability of financial resources for businesses. Thanks to these programmes, even in the difficult conditions of the war, banks continued to provide loans, which helped to

support economic activity and ensure the restoration of the destroyed infrastructure [8].

### Conclusions from the study

An analysis of lending to the real sector in Ukraine during the full-scale invasion shows that the banking system managed to withstand and adapt to the challenges of the war, continuing to provide the necessary financial support. This was made possible through effective cooperation with the government, the implementation of government programmes and assistance from international partners.

State programmes such as Affordable Loans 5-7-9 and eRobota played a key role in providing access to finance for businesses, reducing the financial burden on enterprises in difficult times. In particular, in 2024, UAH 18 billion was allocated to the Affordable Loans 5-7-9 programme, which significantly expanded access to credit for businesses. The eRobota programme includes six grant programmes that promote the creation of new businesses, the development

of the processing industry and greenhouse farming, which are critical to the country's economic recovery. The banks' cooperation with international partners to attract additional financial resources played an important role in stabilising the situation.

The distribution of loans by industry shows support for critical sectors of the economy, such as agriculture, manufacturing and IT. Geographical analysis shows that loans were directed to regions with a relatively stable situation, which helped to support economic activity even in the frontline areas. Despite rising interest rates and stricter lending conditions, banks continued to operate, ensuring financial stability.

Effective cooperation between government agencies, banks and international partners helped to overcome the crisis and support Ukraine's economy during the war. Thus, comprehensive measures allowed the banking sector not only to withstand, but also to actively support the real economy, contributing to its recovery and development.

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DOI <https://doi.org/10.26661/2414-0287-2024-4-64-12>**ANALYSIS OF FINANCIAL INSTRUMENTS OF THE CAPITAL MARKET OF UKRAINE****Bolduieva O.V., Gorbunova A.V., Kisilyova I.Yu.***Zaporizhzhia National University**Ukraine, 69011, Zaporizhzhia, Universytetska str., 66**vlada.ox@ukr.net, gor\_an\_v@ukr.net, inna\_kisileva@ukr.net**ORCID: 0000-0001-5267-1816, 0000-0001-6450-4740, 0000-0002-6486-6546***Key words:**

capital market, financial instruments, stocks, bonds, domestic government bonds, issuers, investors.

The financial instruments of the capital market of Ukraine are analyzed. It was found that such instruments as shares, shares of a foreign issuer, KIF shares, corporate bonds, bonds of internal state loans of Ukraine, bonds of external state loans of Ukraine, bonds of a foreign state, investment certificates, corporate bonds, bonds of a foreign issuer of Ukraine are present on the market. It was found that despite such a variety of financial instruments, the largest volume of trading in financial instruments on organized capital market operators was with domestic government bonds of Ukraine. Today, government bonds serve as a means of mobilizing the state's financial resources to cover the budget deficit. The factors that influence the popularity of this instrument are the limited market, easy availability, high profitability, and reliability.

It was found that the second most popular financial instrument on the capital market is corporate bonds. It was noted that corporate bonds are a rather risky financial instrument. Payments on them are guaranteed only by the issuer – that is, the company that issues them. Among other financial instruments present on the capital market of Ukraine, it is also necessary to highlight shares and investment certificates. The article states that the issuer of shares is exclusively a joint-stock company. The procedure for making a decision on the issue of shares by the relevant body of a joint-stock company is determined by the law regulating the issues of creation, activity and termination of joint-stock companies. Shares exist exclusively in electronic form. The National Securities and Stock Market Commission registers the issue of shares in accordance with the procedure established by it. Share trading is permitted after the National Securities and Stock Market Commission registers the report on the results of the share issue and issues a certificate of registration of the share issue. Although the stock market in Ukraine is small, over the past year there has been a tendency for its revival. It has been established that despite the presence of exchanges and regulators, the capital market of Ukraine does not provide its main function – attracting capital to the real sector of the economy, but serves to form the state's credit resources.

**АНАЛІЗ ФІНАНСОВИХ ІНСТРУМЕНТІВ РИНКУ КАПІТАЛІВ УКРАЇНИ****Болдуєва О.В., Горбунова А.В., Кисільова І.Ю.***Запорізький національний університет**Україна, 69600, м. Запоріжжя, вул. Університетська, 66***Ключові слова:**

ринку капіталу, фінансові інструменти, акції, облігації, облігації внутрішньої державної позики, емітенти, інвестори.

Проаналізовано фінансові інструменти ринку капіталу України. Виявлено, що на ринку присутні такі інструменти як акції, акції іноземного емітента, акція КІФ, корпоративні облігації, облігації внутрішніх державних позик України, облігації зовнішніх державних позик України, облігації іноземної держави, інвестиційні сертифікати, облігації підприємств, облігації іноземного емітента України. Встановлено, що не дивлячись на таке розмаїття фінансових інструментів, найбільший обсяг торгів фінансовими інструментами на операторах організованих ринків капіталу відбувався з облігаціями внутрішніх державних позик України. На сьогоднішній день, ОВДП слугують засобом мобілізації фінансових ресурсів держави для покриття бюджетного дефіциту. Факторами, які впливають на популярність зазначеного інструменту є обмеженість ринку, легка доступність, висока дохідність, надійність.

Виявлено, що другим по популярності фінансовим інструментом на ринку капіталів є корпоративні облигації. Відмічено, що корпоративні облигації – це досить ризикований фінансовий інструмент. Виплати за ними гарантуються лише емітентом – тобто компанією, яка їх випускає. Серед інших фінансових інструментів, які присутні на ринку капіталів України, також потрібно виділити акції, інвестиційні сертифікати. У статті зазначено, що емітентом акцій є виключно акціонерне товариство. Порядок прийняття відповідним органом акціонерного товариства рішення про емісію акцій визначається законом, що регулює питання створення, діяльності та припинення акціонерних товариств. Акції існують виключно в електронній формі. Реєстрацію випуску акцій здійснює Національна комісія з цінних паперів та фондового ринку у встановленому нею порядку. Обіг акцій дозволяється після реєстрації Національною комісією з цінних паперів та фондового ринку звіту про результати емісії акцій та видачі свідоцтва про реєстрацію випуску акцій. Хоча ринок акцій в Україні невеликий, проте за останній рік намітилися тенденція до його поживлення. Встановлено, що незважаючи на наявність бірж та регуляторів, ринок капіталів України не забезпечує головну свою функцію – залучення капіталу у реальний сектор економіки, а слугує для формування кредитних ресурсів держави.

### Statement of the problem

The capital market is an important component of the country's financial market. The capital market is a set of certain institutions and transactions that form the supply and demand for medium- and long-term capital. It includes the debt securities market, in particular government debt securities, corporate bonds and the stock market, as well as a number of other financial instruments. In highly developed countries, capital markets play a critically important role in financing economic growth. Therefore, it is important to investigate the purpose for which the domestic capital market works through the prism of the analysis of the financial instruments that circulate on it.

### Analysis of recent studies and publications

The issues of analyzing the features of the development of the government debt securities market in Ukraine under the influence of institutional changes and martial law in the country were studied by L. Bogrinovtseva, O. Klyuchka. In particular, they note in their study that the government uses the issue of debt securities to influence money circulation and regulate the money supply in the country.

The current state of the corporate securities market in Ukraine, as well as the opportunities and prospects for the development of this segment of the stock market in modern conditions, were studied by T. Pilyavoz, L. Glushchenko, N. Koval.

### Objectives of the article

The aim of the article is to analyze the financial instruments of the capital market of Ukraine. To study the structure of financial instruments and their role in financing the real sector of the economy.

### Statement of the main material

According to the information note on the capital markets of Ukraine during January – December 2023 [1], financial instruments on the operators of organized capital

markets were represented by the following types: shares; shares of a foreign issuer; shares of a corporate investment fund; corporate bonds; bonds of domestic government loans of Ukraine; bonds of external government loans of Ukraine; bonds of a foreign state; investment certificates; bonds of enterprises; bonds of a foreign issuer of Ukraine. Table 1 presents the distribution of the specified financial instruments by trading volumes on the operators of organized capital markets of Ukraine.

Let's analyze the structure of the presented financial instruments (Figure 1).

As we can see from Figure 1, the capital market of Ukraine is represented mainly by domestic government bonds, which indicates that the modern capital market serves to form the credit resources of the state.

Let us consider this financial instrument in more detail.

The issue of domestic government bonds is regulated by the Resolution of the Cabinet of Ministers of Ukraine dated 01.31.2003 No. 80 «On the placement (issue) of domestic government bonds», which provides that their issuer is the Ministry of Finance of Ukraine.

According to the information presented on the website of the Ministry of Finance: «Government bonds of Ukraine are divided into domestic government bonds of Ukraine, foreign government bonds of Ukraine, treasury bonds and special-purpose bonds of domestic government loans of Ukraine.

Domestic government bonds are government securities placed exclusively on the domestic stock market and confirm Ukraine's commitment to pay bond holders the nominal value with the coupon payments in accordance with the terms of bonds issue. The nominal value of the bond is UAH 1000. It may also be determined in foreign currency. Ukrainian domestic government bonds are classified into the three categories according to their maturity:

- long-term (more than five years);
- medium-term (from one to five years);
- short-term (up to one year).

The Ministry of Finance, in accordance with the Resolution of the Cabinet of Ministers of Ukraine No. 80 dated



31 January, 2001 «On Issue of Domestic Government Bonds», holds placement of domestic government bonds in the form of auctions through the National Bank of Ukraine (NBU). NBU performs public debt service operations related with the placement of domestic government bonds: their redemption and debt-service payments, as well as depositary activities.

According to its mandate, the Ministry of Finance of Ukraine performs the following activities:

- develops and publishes indicative calendars for the placement of domestic government bonds, defines the time and amount of bonds to be placed (approved calendar, as well as adjustments to it are periodically published on the official website of the Ministry of Finance);
- determines the forms and ways of placement of domestic government bonds, sets the maturity of domestic government bonds as well as redemption dates and coupon payment dates (for coupon bonds);

Table 1 – Trading volume of financial instruments on operators of organized capital markets with distribution by type of financial instrument during January-December 2023, UAH million

	Share	Foreign issuer share	CIF share	Corporate bond	Domestic government bond of Ukraine	External government bond of Ukraine	Foreign government bond	Investment certificate	Enterprise bond	Foreign issuer bond	Overall summary
January	1,6	1,3	0,1	4,2	27303,7	1,8	1674,5	0,0	0,0	0,0	28987,0
February	1,8	0,8	0,001	171,0	19830,3	2,2	1229,4	0,03	31,6	0,0	21267,2
March	3,0	1,2	0,0	867,3	31003,4	6,9	2313,9	0,03	0,0	0,0	34195,8
April	18,3	1,3	0,0	290,7	36021,2	14,5	2405,6	0,8	0,0	22,4	38774,9
May	9,8	0,2	0,0	452,3	41444,3	5,5	3871,0	0,7	40,2	8,6	45832,6
June	13,9	1,1	0,0	435,7	22295,7	24,3	2962,4	0,3	0,0	65,2	25798,5
July	7,1	0,0	0,0	489,1	27611,0	20,2	2368,6	0,1	0,1	14,6	30510,8
August	0,3	0,2	0,0	519,3	28963,6	14,2	326,5	0,6	1,6	10,3	29836,5
September	1,4	0,2	0,0	926,2	45368,6	17,2	1064,0	3,2	1,0	0,0	47381,8
October	21,9	0,1	0,0	2059,8	41798,9	11,7	1012,8	1,3	23,8	0,0	44930,4
November	14,7	0,1	0,0	1529,4	47355,5	29,3	713,6	0,6	3,4	0,0	49646,5
December	16,2	0,5	0,0	1054,1	37012,6	52,5	1129,5	3,4	1,4	0,0	39270,2
Total	109,9	7,1	0,1	8799,0	406008,7	200,3	21071,7	11,2	103,0	121,1	436432,1

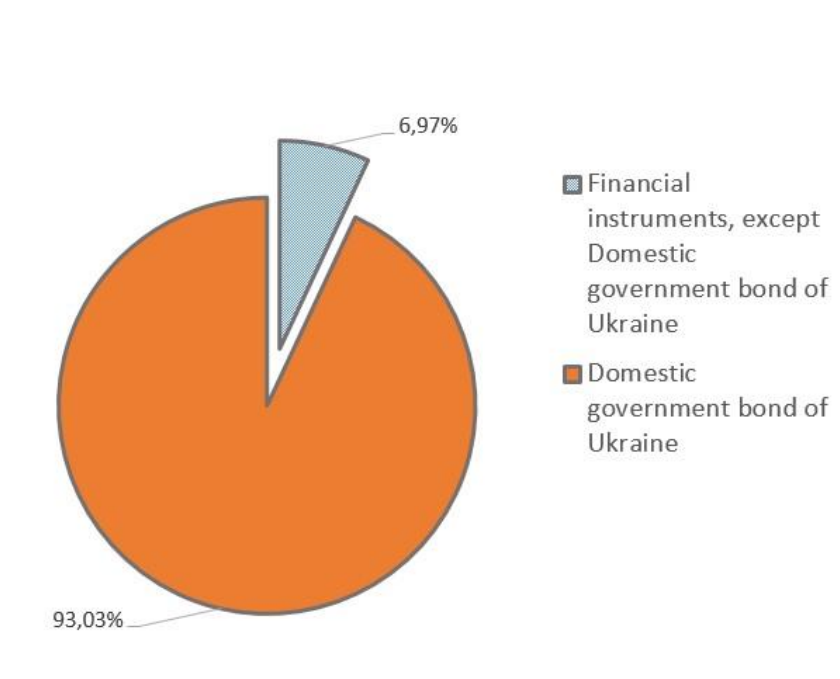


Fig. 1 – Financial instruments on the capital markets of Ukraine, %

- establishes the marginal level of the yield of domestic government bonds, according to which bidders' applications are satisfied;
- publishes information on the results of placement of domestic government bonds;
- finalizes issues of government bonds with global certificates;
- ensures timely domestic government bonds' redemptions and interest payments.

The placement of domestic government bonds is based on the current financing needs of the State Budget of Ukraine» [2].

An important characteristic of any financial instrument is its yield, and therefore its attractiveness to investors. Let's analyze the yield of government bonds over the last 5 years.

As the authors Lyudmila Bogrinovtseva and Olga Klyuchka note, analyzing the trends in the yield of domestic government bonds: «we can observe that in 2018 the weighted average yield on domestic government bonds was 17.79%. Over the next two years, this indicator decreased by 7.59%. But from 2020 to 2022, there was an increase in the yield on domestic government bonds by 7.63%. One of the main factors affecting the yield on the government bond market is the level of the state budget deficit. This is due to the fact that with the increase in the state budget deficit, the interest rate on the yield on bonds also increases. It should also be noted that the discount rate of the National Bank of Ukraine is another factor affecting the yield on government bonds. A decrease in the discount rate leads to a decrease in the yield on bonds. It is worth noting that today we can observe the opposite situation, since in recent years the weighted average yield on domestic government bonds has been growing and reaches 18.26% in 2022. As of July 31, 2023, this indicator has increased to 19.1%. The increase in the yield on domestic government bonds over the past year is primarily explained by the increase in the current needs of the state in attracting financial resources and the increase in the discount rate by the National Bank of Ukraine» [3].

When analyzing OVDPs, it should also be noted that the NBU is a depository for OVDPs, that is, an institution that maintains centralized accounting of OVDPs in a non-documentary form. Also, according to the information presented on the NBU website: «Domestic government

bonds are debt securities sold by the Government to primary dealers and their clients in the primary market to finance the needs of the state budget. Transactions for the purchase/sale of OVDPs in the secondary market take place between professional participants in the stock market and their clients (individuals and legal entities, non-residents. In order to facilitate the attraction of foreign investments in OVDPs, the NBU establishes correspondent relations with foreign depositories.)» [4].

Let us conclude the consideration of the OVDP financial instrument by explaining its advantages and reasons for its popularity. On financial analytics sites, one can find the thesis that OVDPs are a bestseller among investors.

The first reason for this phenomenon is that the financial market after the invasion is limited, and Ukrainians cannot buy shares of global companies, because the NBU has imposed restrictions on capital transactions abroad. But, as financial analysts say: «although before the war in Ukraine there were no other options: there were no derivatives through the stock exchange, the corporate bond market was almost non-existent... Therefore, OVDPs have become an excellent alternative» [5].

The second reason for the popularity of OVDPs is their maximum accessibility for investors of various categories. The threshold for purchasing OVDPs has been lowered to UAH 1,000 and they can be purchased not only in authorized banks, but also in «Diya». Banks do not check the origin of money for amounts up to UAH 400,000. (in accordance with the financial monitoring rules adopted in 2020).

The third reason is rates higher than deposits. «With inflation at 12.8% in July 2023, the rates for government bonds were 18-19.75%, according to the data of the then auction of the Ministry of Finance. Now the rates are lower, but they still cover inflation» notes O. Grazhdan. The fourth reason is reliability. Every country has government bonds and the state undertakes to pay everything under any circumstances.

Ukraine currently has a record budget deficit and is learning to finance its budget payments without international financial assistance. However, for Ukraine to continue growing, it needs to develop its financial market more [5].

Let us analyze the structure of financial instruments on the Ukrainian capital market, excluding government bonds, Ukrainian external government bonds, and foreign

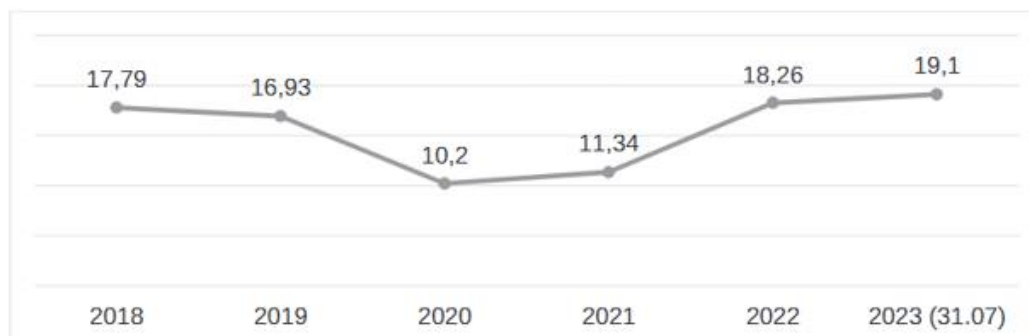


Fig. 2 – Dynamics of the weighted average yield on government bonds in Ukraine, %

Source: [3]

government bonds – that is, excluding government debt securities.

As can be seen from the figure, the leader among financial instruments in this segment of the financial market is corporate bonds, their share reaches 96.1%.

According to the Law of Ukraine “On Capital Markets and Organized Commodity Markets”: “Corporate bonds are registered bonds, the issuer of which is a legal entity (except for an international financial organization) that carries out entrepreneurial activities for the purpose of making a profit, as well as other legal entities in cases established by law.

The issue of corporate bonds is carried out by legal entities only after full payment of contributions to their authorized capital. Corporate bonds confirm the obligations of the issuer under them and do not give the right to participate in the management of the issuer. A legal entity has the right to issue interest-bearing and/or discount bonds in an amount not exceeding three times the amount of equity or the amount of security provided to it for this purpose by third parties. The procedure for the issue, circulation and redemption of target corporate bonds is established by the National Securities and Stock Market Commission. The decision on the issue of corporate bonds is made by the relevant management body of the issuer in accordance with the laws regulating the procedure for the creation, operation and termination of legal entities of the relevant organizational and legal form. The funds raised from the issue of target corporate bonds are used for the purposes specified in the prospectus or the decision on the issue of such bonds.

The registration of corporate bond issuance is carried out by the National Securities and Stock Market Commission in accordance with the procedure established by it. After the start of the placement of corporate bonds, amendments to the prospectus or the decision on the issuance of securities in the part of the securities document or the replacement of the issuer are made by the issuer with the consent of all bondholders of the relevant issue or a meeting of bondholders” [5].

It should also be noted that corporate bonds are a rather risky financial instrument. Payments under them are guaranteed only by the issuer – that is, the company issuing them. If a company goes bankrupt, then according to the Law of Ukraine “Code of Ukrainian Bankruptcy Procedures”, it will be liable for its debt obligations in the fourth place (in accordance with the priority of satisfying creditors’ claims) and there is a high probability that the investor will actually be left without the amount of the value of the bonds and the amount of expected income. A structure like the Deposit Guarantee Fund for Individuals, which returns deposits from bankrupt banks, simply does not exist here.

It should be noted that according to the information note on the capital markets of Ukraine, during January-December 2023, the Commission registered 24 bond issues, including corporate bonds worth UAH 13.05 billion and corporate bonds in foreign currency worth USD 8.0 million. Among the significant bond issues that significantly affected the overall structure of registered bond issues in December 2023, 3 bond issues of the issuer NovaPay Credit LLC worth UAH 300 million were registered. [1]. These bonds can be purchased in their own application.

The yield in hryvnia ranges from 14% to 17%, depending on the investment term.

Currently, investing in corporate bonds is primarily a matter of risk appetite. Under conditions of high profitability, they can become a tool for diversification, but investing the lion's share of one's savings in them under the current circumstances would be too reckless [6].

Regarding other financial instruments present on the Ukrainian capital market. According to Figure 3, in addition to bonds, the market also includes shares (1.2%), investment certificates (0.112%) and others, the share of which is very insignificant.

According to the Law of Ukraine “On Capital Markets and Organized Commodity Markets”: “A share is a registered security certifying the property rights of its owner (shareholder) relating to a joint-stock company, including the right to receive part of the profit of the joint-stock company in the form of dividends and the right to receive part of the property of the joint-stock company in the event of its liquidation, the right to manage the joint-stock company, as well as non-property rights provided for by the Civil Code of Ukraine, this Law and the law regulating the establishment, activity and termination of joint-stock companies.

The issuer of shares is exclusively a joint-stock company. The procedure for the relevant body of the joint-stock company to make a decision on the issue of shares is determined by the law regulating the establishment, activity and termination of joint-stock companies. Shares exist exclusively in electronic form.

A joint-stock company places only registered shares.

A joint-stock company places shares of two types – ordinary and preferred.

Common shares give their owners the right to receive part of the joint-stock company's profit in the form of dividends, to participate in the management of the joint-stock company, to receive part of the joint-stock company's property in the event of its liquidation, and other rights provided for by the law regulating the establishment, operation, and termination of joint-stock companies. Common shares give their owners the same rights.

Common shares are not convertible into preferred shares or other securities of the joint-stock company.

Providing any guarantees regarding the receipt of income (dividends) on common shares is prohibited.

Preferred shares give their owners preferential rights, compared to owners of common shares, to receive part of the profit of the joint-stock company in the form of dividends and to receive part of the property of the joint-stock company in the event of its liquidation, and also give the right to participate in the management of the joint-stock company in cases provided for by the charter of such a joint-stock company and the law regulating the establishment, operation and termination of joint-stock companies.

The registration of the issue of shares is carried out by the National Securities and Stock Market Commission in accordance with the procedure established by it. The circulation of shares is permitted after the National Securities and Stock Market Commission registers the report on the

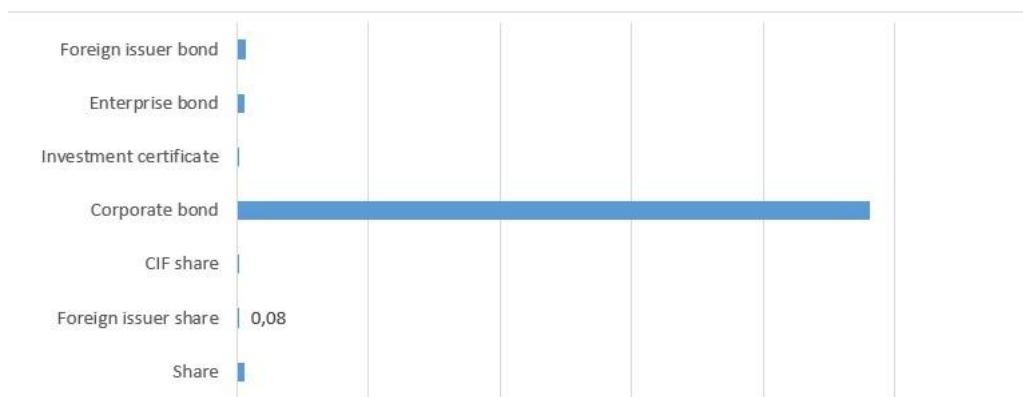


Fig. 3 – Structure of financial instruments of the capital market of Ukraine, except for government debt securities, %

results of the share issue and issues a certificate of registration of the share issue” [5].

According to [1], during January – December 2023, the Commission registered 30 share issues worth UAH 9.15 billion. Compared to the same period in 2022, the volume of registered share issues decreased by UAH 25.90 billion.

However, in 2024, there is a significant revival in this sector. During January – October 2024, the Commission registered 46 share issues worth UAH 338.07 billion. Compared to the same period in 2023, the volume of registered share issues during January – October 2024 increased by UAH 331.04 billion.

Among the significant share issues that significantly affected the overall structure of registered share issues in October 2024, the following issuers were registered: JSC "KRISTALBANK" for the amount of UAH 421.10 million, PrJSC "ATRATO SOLAR" for the amount of UAH 25.55 million and PrJSC "INSURANCE COMPANY ASKO-DONBAS NORTH" for the amount of UAH 18.66 million.

These facts make it necessary for the stock market to find new tasks aimed at solving the problem of providing the economy with investment resources. In the early stages of the formation of the Ukrainian stock market, the

organized stock market performed a narrow and specific function – it was one of the technical means in the process of privatization of state-owned enterprises. Thus, a primary market appeared in Ukraine, but only for the privatization process, and the initial placement of shares did not actually take place. Such a primary stock market does not provide enterprises with real investment resources. Further liberalization of Ukrainian economic policy and deepening global integration necessitate a developed stock market [7].

### Conclusions

Today, Ukraine has a capital market, regulated by the National Securities and Stock Market Commission. Various types of financial instruments are traded on the market. According to the volume of trading in financial instruments on operators of organized capital markets, more than 93% of these instruments are held by government bonds. Analyzing corporate securities, we can conclude that the turnover of corporate bonds significantly exceeds the turnover of shares.

Thus, despite the presence of exchanges and regulators, the capital market of Ukraine does not provide its main function – attracting capital to the real sector of the economy, but serves to form the credit resources of the state.

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DOI <https://doi.org/10.26661/2414-0287-2024-4-64-13>**CURRENT TRENDS IN THE DEVELOPMENT OF GLOBAL STOCK EXCHANGES****Bolduieva O.V., Kusakova Yu.O.***Zaporizhzhia National University**Ukraine, 69011, Zaporizhzhia, Universytetska str., 66**vlada.ox@ukr.net, kusakovay@gmail.com**ORCID: 0000-0001-5267-1816, 0000-0002-3827-6972***Key words:**

stock exchanges, financial infrastructure, capital mobilization, digitalization, blockchain, integration, globalization, competition, digital currencies.

The article is devoted to the analysis of the current state and transformation of stock exchanges as important institutions of the financial system, which play a key role in mobilizing capital, maintaining liquidity and ensuring transparency of financial markets. Stock exchanges are considered not only as platforms for trading financial instruments, but also as strategic instruments of economic development, ensuring fair pricing of assets and contributing to the formation of an investment climate. The paper details the main functions of stock exchanges, such as capital mobilization, resource allocation, liquidity support and protection of investor rights.

Particular attention is paid to the impact of digitalization on the activities of stock exchanges and the introduction of new technologies, such as blockchain, algorithmic trading, artificial intelligence and digital platforms. These technologies contribute to increasing the efficiency of stock exchange operations, create new opportunities for investors and companies, but at the same time require adaptation to new challenges, in particular those related to cybersecurity and regulatory restrictions. The paper also examines current trends in the development of stock exchanges in the context of sustainable finance, in particular the introduction of “green” bonds and ESG instruments.

Considerable attention is paid to the challenges facing stock exchanges in a globalized world. The issues of competition between international financial centers, increasing regulatory pressure, the impact of the Financial Transaction Tax (FTT) on market liquidity, as well as the challenges associated with the integration of national financial markets into the global ecosystem are considered. The role of integration processes that contribute to the creation of alliances between exchanges and the development of common platforms for trading, as well as their impact on increasing market transparency and liquidity, is described.

The results of the study have practical significance for regulators, financial institutions and investors seeking to adapt to the new conditions of the financial environment. The recommendations developed concern strategies for increasing the competitiveness of stock exchanges, expanding the toolkit for investors, improving regulatory policy and introducing sustainable financial instruments.

**СУЧАСНІ ТЕНДЕНЦІЇ РОЗВИТКУ ГЛОБАЛЬНИХ ФОНДОВИХ БІРЖ****Болдуєва О.В., Кусакова Ю.О.***Запорізький національний університет**Україна, 69011, м. Запоріжжя, вул. Університетська, 66***Ключові слова:**

фондові біржі, фінансова інфраструктура, мобілізація капіталу, цифровізація, блокчейн, інтеграція, глобалізація, конкуренція, цифрові валюти.

Стаття присвячена дослідженню сучасного стану фондових бірж як ключових інституцій фінансової системи, що виконують функції мобілізації капіталу, підтримки ліквідності та забезпечення прозорості ринків. У роботі розглянуто основні функції фондових бірж, їхній вплив на економічний розвиток, а також значення у формуванні ринкової ціни активів. Автори аналізують впровадження новітніх технологій, таких як блокчейн, штучний інтелект та алгоритмічна торгівля, які змінюють структуру й принципи роботи бірж, створюючи нові можливості для інвесторів і бізнесу. Особливу увагу приділено викликам, що постають перед фондовими біржами, зокрема зростаючій конкуренції, регуляторним обмеженням та впливу

податку на фінансові транзакції (ФТТ). Розглянуто інтеграційні процеси на регіональних і глобальних ринках капіталу, розвиток сталого фінансування та перспективи інтеграції цифрових валют. Отримані результати мають практичне значення для оцінки трансформаційних процесів у діяльності бірж і формування стратегій їхнього подальшого розвитку.

### **General statement of the problem and its connection with important scientific or practical tasks**

Stock exchanges are an integral part of the modern financial system, performing the functions of capital mobilization, maintaining liquidity and ensuring market transparency. In the context of globalization, increasing digitalization and increased competition between international financial centers, they are undergoing significant transformations, introducing innovative technologies and adapting to new challenges. Such changes not only create new opportunities for economic development, but also require the development of effective approaches to regulation, risk management and integration of national markets into the global financial ecosystem.

The importance of this issue is due to the need to adapt stock exchanges to modern economic conditions, which are characterized by rapid dynamics of change, the emergence of new financial products and platforms, the growing role of sustainable financing and tightening regulatory requirements. Research into the functioning of stock exchanges and their transformation is relevant both from a scientific point of view, as it contributes to understanding the patterns of development of financial markets, and from a practical point of view, as the results can be used to form strategies for effective management of financial infrastructure.

### **Analysis of recent research and publications**

The topic of stock exchange development is studied by both Ukrainian and foreign scholars. Among Ukrainian authors, the following stand out: Rekunenko I.I. [7], who analyzes the impact of globalization on the functioning of stock exchanges, Styrsky M.V. [8], who studies the competitive strategies of Ukrainian stock exchanges, and Burmaka M. in co-authorship with Zinchenko F. [1], who highlight transformational processes in their activities. Also worthy of attention are the works of Kopylova O.V. [4] and Yursa M.Ya. [9], who study trends in the development of global stock exchanges and issues of corporate financing.

Among foreign researchers, the works of A. Demsetz on the efficiency of market structures, J. Coase on the analysis of transaction costs, G. Minsky on the study of financial stability, and R. Shiller, who studies the behavioral aspects of stock markets, are notable. The World Federation of Exchanges report focuses on the impact of financial transaction taxes (FTTs) and their implications for global markets.

These publications provide a basis for further analysis, but the issues of market integration and regulatory challenges remain relevant for modern research.

### **Statement of the objectives of the article (task statement)**

The aim of the article is to analyze the current state and functions of stock exchanges, study their role in mobilizing capital, ensuring market transparency and supporting economic development, as well as identify key challenges and prospects for their transformation in the context of globalization, digitalization and increasing regulatory influence.

### **Presentation of the main material of the study**

Stock exchanges are important institutions of the financial system, ensuring the efficient organization of securities trading, contributing to the mobilization of capital and the formation of asset prices. In a globalized world, they are becoming not only a platform for buying and selling securities, but also a strategic tool for economic development. Due to the growth of digitalization and integration of financial markets, stock exchanges are undergoing a significant transformation, introducing the latest technologies, such as blockchain, algorithmic trading and artificial intelligence. This creates new opportunities for investors and companies, but at the same time poses a number of challenges related to market volatility, cybersecurity and regulatory restrictions. In the context of globalization, stock exchanges also face growing competition, especially between international financial centers. This stimulates them to improve infrastructure, increase transparency and introduce innovative products. Of particular note is the impact of integration processes on regional and global capital markets, which creates new formats of cooperation between exchanges, in particular in the form of alliances and joint platforms.

Stock exchanges ensure the efficient organization of trading in financial instruments, contribute to the mobilization of capital and support the stability of financial markets. The main functions of stock exchanges can be divided into several main areas (table 1).

The functions considered demonstrate the importance of stock exchanges in ensuring the stability and efficiency of national financial markets. However, in the context of globalization, the role of stock exchanges goes beyond local markets, forming an interdependent global financial ecosystem.

In addition to general functions, an important aspect is the influence of the largest stock exchanges on the global economy, their market capitalization and development dynamics.

The largest stock exchanges in the world provide an effective mechanism for capital mobilization, promote economic development, form the investment climate and serve as an indicator of the general state of the economy (table 2).

The New York Stock Exchange is the largest in the world by market capitalization. It brings together companies from many industries, including technology, healthcare, and the financial sector. Giants such as Apple, Microsoft, and Amazon trade on the NYSE, which provides significant trading volume and global investor attention. The exchange serves as a hub for business investment and serves as a benchmark for other financial centers.

NASDAQ specializes in technology companies and is known for its high dynamism. Corporations such as Google, Meta, and Tesla are located here. A feature of NASDAQ is its electronic trading format, which allows for speed and accessibility of transactions for global investors. The exchange acts as a catalyst for the development of innovative industries.

As of March 2024, the New York Stock Exchange (NYSE) and Nasdaq remain the two largest stock exchanges in the United States with a total market capitalization of domestic listed companies of almost \$54 trillion. US. In particular, the capitalization of the NYSE was about \$ 28 trillion, while Nasdaq reached the mark of \$ 25 trillion.

Despite the fact that the NYSE retains a larger capitalization, Nasdaq shows a much faster growth rate. Since 2018, when the capitalization of Nasdaq was only \$ 11 trillion compared to 23 trillion for the NYSE, the technology

market, which is traditionally associated with Nasdaq, has become a key driver of this growth. The impact of the COVID-19 pandemic was particularly significant, stimulating demand for shares of information technology companies actively traded on Nasdaq [10].

Euronext is the largest stock exchange in Europe, uniting the markets of Amsterdam, Paris, Brussels, Lisbon, Oslo, Dublin and Milan. Founded in 2000, it has become an important element of the European financial infrastructure, offering a wide range of financial products and services. As of December 28, 2023, almost 1,900 issuers were listed on Euronext with a total market capitalization of €6.6 trillion.

Euronext provides an efficient mechanism for mobilizing capital for companies in various industries, offering platforms for initial public offerings (IPOs) and trading in other financial instruments such as bonds, derivatives, ETFs and indices. The merger of several national exchanges within Euronext has contributed to the creation of an integrated capital market, which increases liquidity and transparency.

The exchange is actively implementing the latest technologies to optimize trading, in particular automated trading systems and digital platforms. Euronext also plays a

Table 1 – Functions of stock exchanges [3]

Function	Characteristics
Capital mobilization	Providing conditions for companies to attract financing through IPOs, bond issuance and other instruments that contribute to business growth, reduce the cost of capital and expand economic opportunities for companies.
Liquidity support	Providing investors with the opportunity to quickly buy or sell financial instruments with minimal costs and risks, ensuring market continuity, price stability and predictability of financial transactions.
Market price formation	Ensuring fair determination of asset values through supply and demand mechanisms, taking into account real market conditions, which creates a basis for investment decisions and effective redistribution of resources.
Information transparency	The obligation of companies to disclose financial results, strategic plans, risks, environmental and social responsibility to increase investor confidence and ensure the stability of financial markets.
Capital allocation	Directing investments to the most promising and effective projects to support economic growth, develop innovative technologies, and promote structural changes in the economy.
Protecting investor rights	Regulating the activities of market participants, minimizing fraud, monitoring compliance with trading rules, introducing mechanisms for reviewing complaints and resolving conflicts between market participants to maintain trust in the exchange system.
Supporting economic growth	Attracting foreign investment, developing financial market infrastructure, supporting innovative development of economic sectors, and promoting integration into the global economic system through international cooperation of stock exchanges.

Table 2 – The largest stock exchanges in the world as of October 2023 [6]

Stock Exchange	Country	Market Capitalization (trillions of US dollars)
New York Stock Exchange (NYSE)	United States	25.0
Nasdaq	United States	21.7
Euronext	Netherlands	7.2
Shanghai Stock Exchange (SSE)	China	6.7
Japan Exchange Group (JPX)	Japan	5.9
Shenzhen Stock Exchange (SZSE)	China	4.5
Hong Kong Stock Exchange (HKEX)	Hong Kong	4.2
National Stock Exchange of India (NSE)	India	3.5
London Stock Exchange (LSE)	United Kingdom	3.4
Saudi Exchange	Saudi Arabia	3.1

leading role in sustainable finance, promoting the development of green bonds and supporting environmental initiatives.

Euronext is an example of the successful integration of European financial markets. In 2019, the exchange acquired Oslo Børs, expanding its presence in the Scandinavian market. In April 2021, Euronext completed the acquisition of Borsa Italiana, adding the Italian market to its network and strengthening its position as a leading player in Europe [12].

Through these integration steps, Euronext has strengthened its position as a leading player in the European capital market.

The Shanghai Stock Exchange is one of the largest stock exchanges in the world and an important element of China's financial system. The exchange is located in the country's economic center of Shanghai, which is known for its influence on global financial flows. As of 2023, the market capitalization of companies traded on the SSE exceeds \$6.7 trillion. United States, making it the third largest stock exchange in the world after the NYSE and Nasdaq.

The SSE operates as a trading platform for stocks, bonds, funds, and other financial instruments. It serves both state-owned enterprises and private companies, including China's largest corporations such as PetroChina, Industrial and Commercial Bank of China (ICBC), and Alibaba.[14]

The Japan Exchange Group is one of the world's leading stock exchanges and the second largest in Asia after the Shanghai Stock Exchange. As of 2023, the market capitalization of companies listed on the JPX was approximately US\$5.9 trillion. The JPX combines the Tokyo Stock Exchange (TSE), the Osaka Exchange (OSE), and the Tokyo Commodity Exchange (TOCOM), providing a wide range of financial products and services. JPX is one of the leaders in the implementation of environmentally sustainable financial instruments, including green bonds and ESG (environmental, social and corporate governance) indices [15].

JPX also promotes the use of financial technologies such as blockchain to increase trading transparency. Its platforms trade stocks of leading Japanese corporations such as Toyota, Sony, and Mitsubishi UFJ Financial Group, making JPX a key indicator of Japan's economic health and an important player in shaping the global investment climate [13].

Stock exchanges, while performing key functions of mobilizing capital, maintaining liquidity, and ensuring market transparency, face increasing challenges in the face of globalization and increasing regulatory pressure.

Innovative platforms such as Robinhood have made trading in financial instruments more accessible to a wide range of investors. They have opened up the possibility of trading without commissions and offered an easy-to-use interface. This has led to an increase in the number of retail investors, significant market volatility, and new challenges for traditional stock exchanges, which are forced to adapt their business models to the changed market structure.

Robinhood focuses on developing applications that allow customers to invest in a wide range of financial instruments, including stocks, exchange-traded funds

(ETFs), options, and cryptocurrencies. On the Robinhood platform, users can trade stocks listed on American stock exchanges, ETFs, options, American depositary receipts (ADRs), and cryptocurrencies through its subsidiary Robinhood Crypto, LLC (RHC) [5].

Stock exchanges face not only competition from innovative platforms such as Robinhood, but also challenges arising from regulatory changes. One such challenge is the financial transaction tax (FTT), which is seen in various countries as a mechanism to stabilize financial markets and increase government revenues.

However, this tax has a significant impact on the functioning of stock exchanges. In particular, it reduces trading volumes, liquidity, and the overall attractiveness of financial markets for investors. The FTT changes the economic conditions of exchanges, increasing transaction costs and thereby reducing the activity of market participants. This is especially noticeable in regions with a high tax burden, where exchanges risk losing their competitive positions.

At the international level, the introduction of the FTT stimulates the movement of capital to jurisdictions with more favorable trading conditions. This situation increases the need for global coordination of regulatory policies to maintain a balance between the stabilizing functions of taxes and maintaining market liquidity.

According to the 2024 World Federation of Exchanges report, the consequences of the FTT are significant: exchanges in regions with a high tax burden record a decrease in trading volumes and an increase in costs for market participants [11].

In today's conditions, the FTT is a challenge that requires a comprehensive approach to its solution, in particular, the development of policies that ensure both financial stability and the competitiveness of stock exchanges.

The introduction of modern technologies, the development of sustainable finance and the integration of financial markets are becoming priorities for exchanges, contributing to their transformation in response to increasing competition. However, these processes are accompanied by regulatory challenges, among which the Financial Transaction Tax (FTT) occupies a special place. While the FTT aims to stabilize markets and increase government revenues, its impact on trading volumes and liquidity creates additional risks for the competitiveness of exchanges.

A promising direction for stock exchanges is the integration of digital currencies, such as CBDCs (central bank digital currencies). The introduction of such instruments will speed up settlements and reduce transaction costs, making exchanges more attractive to investors.

In addition, the development of new markets, such as carbon trading, offers stock exchanges the opportunity to diversify their products and attract new market participants.

In today's world, stock exchanges remain important instruments of economic development, but their continued success depends on the ability to balance the needs of investors, regulatory requirements and the need to introduce innovations. Global policy coordination and the implementation of effective solutions in response to challenges will allow exchanges to maintain their relevance in the new economic environment.



### Conclusions

Stock exchanges remain key elements of the global financial infrastructure, contributing to the mobilization of capital, maintaining liquidity and ensuring transparency of financial markets. In the context of globalization and digitalization, they act as a platform for the integration of financial markets and the introduction of new technologies, such as blockchain, artificial intelligence and algorithmic trading. Thanks to these transformations, exchanges not only ensure the efficient organization of trade, but also create favorable conditions for the development of innovative

industries and attracting investments, which makes them strategically important for economic growth. Along with new opportunities, stock exchanges face challenges, such as increasing competition, regulatory restrictions and the need to adapt to the changed market structure. The integration of digital currencies, the development of new financial products, such as “green” bonds, and the coordination of regulatory policies are promising directions for ensuring their competitiveness. The ability of stock exchanges to balance investor needs, regulatory requirements, and innovation will determine their role in shaping a sustainable financial ecosystem of the future.

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## ASSESSMENT AND PROSPECTS OF THE DEVELOPMENT OF COLLECTIVE INVESTMENT INSTITUTIONS IN CONDITIONS OF UNCERTAINTY

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### **Key words:**

collective investment institutions (CIIs), investment fund, venture fund, asset management company (AMC), stock market, securities, uncertainty, risk.

The features of the functioning of the financial market of Ukraine and its individual institutions in the conditions of risks caused by the war are considered. It is noted that one of the most effective components of investment activity in countries with highly developed economies are collective investment institutions (CIIs). Given that CII accumulates a significant amount of various investment resources, in the future they can become one of the main sources of financing and implementation of innovations, development of priority sectors of the economy, etc. Investment funds play the role of an intermediary between the investor and the investment object when making indirect investments. In addition, the development of investment funds creates favorable conditions for the development of the Ukrainian stock market.

The emergence of new forms of CII opens up new opportunities for investors, but also transforms the risks inherent in the financial system, significantly complicating the assessment of the latter, which requires constant monitoring and understanding. The functions of the entities that form and manage CII are disclosed, in particular the AMC and the supervisory board. When disclosing the functions of the CII itself, the following are highlighted: general social, informational, the function of protecting the economic interests of investors and regulatory. The main trends in the development of domestic investment funds and financial instruments in 2020-2024 are outlined. Attention is paid to the issues of forming the appropriate regulatory field.

The analysis of the activities of collective investment institutions and asset management companies (AMC) in Ukraine under conditions of uncertainty has been carried out.

It is noted that collective investment plays the role of an intermediary between the investor and the investment object. Given the fact that the process of accumulation and investment of assets by collective investment institutions is characterized by a significant number of participants who take part in the creation and management of the fund, therefore, in these conditions, it is relevant to conduct a detailed analysis of the environment, relationships and functional purpose of the fund entities.

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## ОЦІНКА ТА ПЕРСПЕКТИВИ РОЗВИТКУ ІНСТИТУТІВ СПІЛЬНОГО ІНВЕСТУВАННЯ В УМОВАХ НЕВИЗНАЧЕНОСТІ

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### **Ключові слова:**

інститути спільного інвестування (ІСІ), інвестиційний фонд, венчурний фонд, компанія з управління активами (КУА), фондовий ринок, цінні папери, невизначеність, ризик.

Розглянуто особливості функціонування фінансового ринку України та його окремих інститутів в умовах спричинених війною ризиків. Зазначено, що одним із найбільш ефективних складових здійснення інвестиційної діяльності у країнах з високорозвиненою економікою є інститути спільного (колективного) інвестування (ІСІ). Зважаючи на те, що ІСІ акумулюють значний обсяг різноманітних інвестиційних ресурсів, у подальшому вони можуть стати одним з основних джерел фінансування та впровадження інновацій, розвитку пріоритетних галузей економіки тощо. Інвестиційні фонди відіграють роль посередника між вкладником і об'єктом вкладення при

здійсненні непрямих інвестицій. Крім того, розвиток інвестиційних фондів створює сприятливі передумови для розвитку українського фондового ринку. Поява нових форм ІСІ відкриває нові можливості для інвесторів, але також трансформує ризики властиві фінансовій системі, істотно ускладнюючи оцінку останніх, що вимагає постійного моніторингу й осмислення. Розкрито функції суб'єктів, які формують та управляють ІСІ, зокрема КУА та наглядової ради. При розкритті функцій самого ІСІ виділено такі, як: загально-соціальна, інформаційна, функція захисту економічних інтересів інвесторів та регулююча. Окреслено основні тенденції розвитку вітчизняних інвестиційних фондів та фінансових інструментів в 2020-2024 рр. Приділено увагу питанням формування відповідного нормативно-правового поля. Проведено аналіз діяльності інститутів спільного інвестування та компаній з управління активів (КУА) в Україні в умовах невизначеності. Зазначено, що спільне інвестування відіграє роль посередника між вкладником та об'єктом інвестування. Враховуючи той факт, що процес накопичення та вкладання активів інститутами спільного інвестування характеризується значною кількістю учасників, що приймають участь у створенні та управлінні фондом, тому в цих умовах актуальним є проведення детального аналізу середовища існування, взаємозв'язків та функціонального призначення суб'єктів фонду.

### Statement of problem

International experience shows that the efficiency of the financial market is determined primarily by the level of its capitalization, the volume of trading on stock exchanges, the number of institutions and the variety of financial instruments in circulation. The activation of the activities of institutional investors is a necessary condition for the effective development and expansion of the domestic market of financial resources. The growth potential of the joint investment market in Ukraine will primarily be determined by the possibilities of attracting a wide range of individual investors, primarily the population, to joint investment mechanisms on the basis of increasing profitability, ensuring investment liquidity, and diversifying risk.

The full-scale war launched by Russia on the territory of Ukraine, made significant adjustments to the functioning of the stock market, significantly reducing its capabilities. Meanwhile, the NSSMC, together with the NBU, created measures to facilitate the activities of professional participants: simplified the conditions for their identification procedure when purchasing government bonds and the procedure for their acquisition for non-residents, unified approaches to accounting for securities of residents and non-residents on aggregated accounts of depository institutions, extended the validity periods of certificates of professional market participants, postponed the deadlines for fulfilling regulatory requirements, granted permission to hold general meetings remotely and use electronic document management, and others.

Therefore, it is relevant to study and search for new methods and approaches for effective formation and management of investment resources. The study of these problems will allow to identify the main challenges and obstacles facing Ukrainian enterprises and to determine effective strategies and solutions to improve their competitiveness in the international market.

### Analysis of recent studies and publications

A significant number of works are devoted to the study of the organization, functioning and regulation of investment funds, their condition and development prospects. The sphere of investment, as stated by domestic and foreign scientists, in particular Kryshchak I.V. [1], Bilovus T. V. [2], Rudenko O. [8], Zmienko M. O. [3], Gorodnichenko Yu. [4], Pfeiferová D., Kuchařová I. [5] is the basis of stable functioning and development of the economic system and occupies one of the most important places in the process of formation of the domestic economy. From the point of view of Maslyuk V. L. [6], Klymenko K. V. [7] investment is also a prerequisite for the development of reproductive processes of the industry and ensures constant growth of GDP, which, in turn, ensures a high level of development of regions and an increase in the well-being of the population.

A review of the scientific literature shows that the concept of collective investment institutions, as well as certain aspects of their activities, is poorly researched, as a result of which there is a variety of interpretations of this category.

As noted by Rym T. Ya. [8], Tataryn N., Pilat M. [9], Boswell A. [10], Sinnig J., Zetzsche D.A. [11], Mart C.-P., Ballester A. [12], Shnitser N. [13] and other researchers, CII is one of the most effective and powerful mechanisms for attracting and accumulating investments in countries with highly developed economies.

### Objectives of the article

The purpose of the work is to analyze, research and generalize the development of the conceptual principles of the functioning of collective investment institutions. Achieving the set goal involves solving the following tasks: systematizing the classification of investment funds; considering the features of the activities of collective investment institutions; analyzing the state and

trends in the development of investment funds and asset management companies in Ukraine and assessing the effectiveness of their activities; identifying problems and risks that arise in the process of operating investment funds in Ukraine during a full-scale war and recommending specific measures to solve them and improve development prospects.

### The main material of the research

The level of development of any economic system can be determined by the effective functioning of the financial market. The main function of the financial market is the redistribution of resources between different sectors of that economic system. The activation of the activities of institutional investors in the country's financial market is a necessary condition for the effective development and expansion of the domestic market of financial resources.

Effective attraction of investment capital in the development of enterprises of various forms of ownership and types of activity (innovative, industrial, machine-building, energy, etc.) in modern conditions becomes possible through the creation and use of joint investment institutions (CIIs).

According to the Law of Ukraine “On Collective Investment Institutions (Unit and Corporate Investment Funds)” [14], a collective investment institution (hereinafter referred to as a CII) is defined as “a corporate investment fund or a unit investment fund that carries out activities related to the pooling (attraction) of investors’ financial resources in order to receive profit from investing them in securities of other issuers, corporate rights and real estate.”

In Ukraine, despite the fact that such investment funds are just beginning to gain popularity, as well as the difficult domestic economic situation, they already play a significant role in the investment sector. The systematization of the advantages and disadvantages of investment funds is presented in Table 1 [9].

The founders of a CII are interested persons (legal entities and individuals), whose main goal is to receive profit from investment. When establishing, the participants make a contribution to the assets of the CII, and thereby form and replenish the authorized capital of the fund [3]. An unlimited number of legal entities and individuals can be participants in the fund. As a result of the mutual work of the CII,

the enterprise managing it (asset management company – AMC), and the participants forming the CII (legal entities and individuals), a system of relationships is formed that form and manage the CII.

Contributions to the assets of the CII are made by legal entities and individuals, whose goal is to further receive profit from investment. When creating a closed-end CII, the founders remain the only participants of the fund who act in their own interests. When creating an open-end investment fund, securities are issued that can be placed by sale on the stock exchange or over-the-counter markets and can be openly redeemed by investors. Therefore, all persons who have purchased securities issued by the fund become participants of the CII, and the number of participants is not limited.

It should be noted that AMC is the main participant in the stock market, which interacts with investment funds and performs asset management, and this type of activity is an exclusive type of activity for enterprises of this type. Having studied the essence of CII, and their main characteristics, in particular the conceptual and terminological apparatus, essence and functional purpose, based on the analysis of legislation and literary sources, it is possible to structure collective investment institutions according to classification features and their types and clearly characterize the differences between them, identify the main shortcomings in the functioning of investment funds. The classification of collective investment institutions is presented in more detail in Table. 2 [15-17].

A study of the activities of collective investment institutions and asset management companies in Ukraine showed that over the period 2019-2023. the number of CIIs that reached the minimum volume of assets increased by almost 1.34 times, and the volume of formed CII assets increased over this period from UAH 339,129.8 million to UAH 601,284.6 million. (Fig. 1).

The dynamics of changes in the number of collective investment institutions in Ukraine for the period from 2019 to 2023 by type of CII is presented in Table 3.

It can be seen that the increase affected the following types of investment funds: open-end specialized mutual funds, interval specialized mutual funds, closed-end specialized mutual funds, closed-end qualifying mutual funds, closed-end qualifying CIFs, closed-end non-diversified venture CIFs.

Table 1 – Advantages and disadvantages of investment funds

Advantages of investment funds	Disadvantages of investment funds
Providing the client with all necessary recommendations and professional advice, as well as legal assistance.	There is a high probability of falling prey to scammers.
There is no need to study financial instruments and the peculiarities of the investment market.	If managers act ineptly, investors can suffer serious losses.
Professional management of the depositor's funds by professional managers who have the tools, skills and knowledge necessary for investment work.	It is difficult to predict the level of profitability in an investment fund.
Obtaining greater profits through large joint investments.	It must take a fairly long period of time before the investment begins to pay off.
Constant diversification of investment portfolios.	Investors cannot influence the decision-making of fund managers in any way.
State control over the activities of investment funds.	As a rule, the service fees of many investment funds are too high.

It should be noted that the growth in the value of assets formed by CII in 2022 was mainly provided by venture funds, which increased their assets by 4.5%, which amounts to UAH 517,991 million, and during the studied period, the share of venture CII in the total assets of the industry increased from 95.2% to 96.8%. [18, 19].

If we analyze the number of diversified and specialized CII with public issuance as of June 30, 2024 (according to UAIB [19] (Fig. 2), we can see that the vast majority of such funds are mixed investment funds.

The advantage of mixed investment funds, that is, funds that include stocks and bonds, can be explained by the fact that their formation makes it possible to flexibly respond to changes in the economic situation, since during periods of economic growth, funds have the opportunity to invest money in stocks, and when the stage of the economic cycle changes and adverse circumstances arise, money is transferred to debt securities.

It should be noted that such a strategy is beneficial for investors, since in this way they prevent the loss of money in the investment portfolio, preserving funds even in difficult economic times. Therefore, timely response to changes in the market situation and adjustment to it is a condition for the successful application of this strategy.

Assessing the effectiveness of the process of forming investment portfolios of CII involves analyzing the profitability of these funds. Table 4 analyzes the dynamics of profitability of open-end CII compared to other investment areas and the level of inflation.

Estimating the average return of CII for the period 2019-2023, it can be noted that the highest return was achieved by bond funds, which showed positive returns throughout the period, except for 2022 (possibly due to the regulator's resumption of work only in the 4th quarter of 2022).

The bond fund's strategy is to obtain stable growth in net asset value by investing the fund's funds in fixed-income instruments: government, municipal and corporate bonds of Ukrainian issuers [20].

The conducted analysis of the functioning of collective investment institutions in Ukraine in the current conditions of military uncertainty showed that at the moment the following trends are characteristic:

- the predominance of the number of venture CII in comparison with other types of AMC funds;
- an increase in the number of CII under the management of AMCs;
- a decrease in the share of expenses in the structure of the value of net assets of CII.
- an increase in assets under the management of AMCs;
- increased competition in the collective investment market.

However, it should be noted that some changes in domestic legislation have significantly expanded the list of potential financial instruments, which allows CII to reconsider their investment directions. Thus, the adoption in 2021 by the National Securities and Stock Market Commission of the “Regulations on the Admission of Securities of Foreign Issuers to Circulation in the Territory of Ukraine” can be regarded as a liberalization of the Ukrainian stock market. This simplifies the admission of securities of foreign issuers to circulation in the territory of Ukraine and, accordingly, securities of any issuers whose trading is registered on one of the leading global stock markets (the network of stock exchanges that are part of NASDAQ, the New York Stock Exchange (NYSE), stock exchanges of the European Union countries, etc.) can be admitted.

The list of foreign stock exchanges specified in the regulation covers over 90% of the world's securities trading volume, which expands the potential opportunities for CII investments, as there is an opportunity for a capital market participant to apply for admission without requiring the participation of a foreign issuer. Thus, the fund can invest in shares of any foreign issuers without restrictions on the share of the fund's asset value.

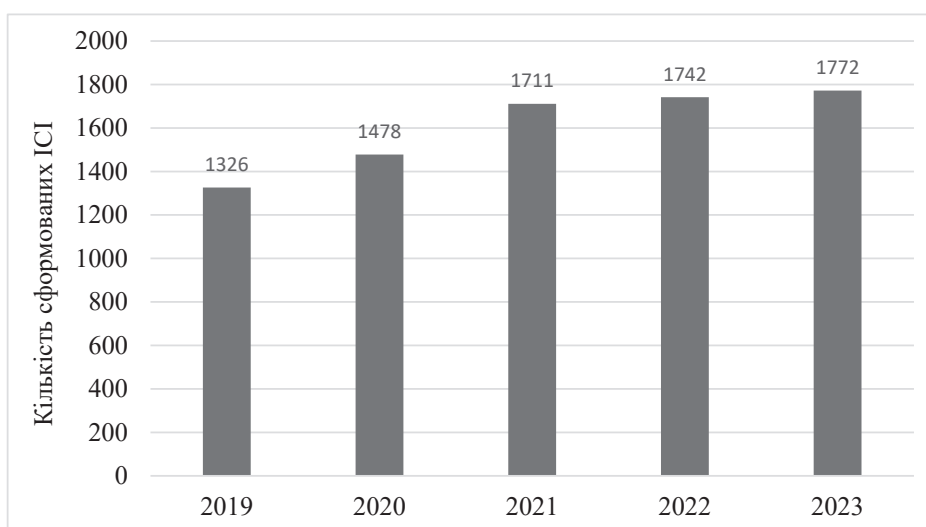


Fig. 1 – Dynamics of the number of collective investment institutions

Source: constructed by the author based on data from [18, 19]

Table 2 – Classification of collective investment institutions

Sign	Types	
By organizational form	Corporate investment fund (CIF)	A fund of this type is created in the form of an open joint-stock company and attracts investors' funds through the issuance and sale of shares. It is a legal entity, its founders can be both individuals and legal entities.
	Mutual investment fund (MIF)	This is a fund that represents the sum of depositors' funds raised through the issuance and sale of investment certificates; it is not a legal entity. It is created and managed by the AMC. The certificate of participation in the fund is the possession of its investment certificates, which entitle investors to receive income and control the activities of the fund
By frequency of redemption of securities from investors	Open-ended fund	An investment fund, the Asset Management Company of which undertakes to redeem the fund's securities (share or investment certificate) from the investor at any time at his request at a price corresponding to the value of the fund's net assets on the day of the investor's request.
	Closed-end fund	This is an investment fund that is created for a certain period of time. The AMC of such a fund redeems the fund's securities only at the end of this period at a price corresponding to the value of the fund's net assets at the time of the decision to close the fund.
	Interval type fund	This is an investment fund, the Asset Management Company of which undertakes to redeem the fund's securities only at set intervals (at least once a year) at a price corresponding to the value of the fund's net assets on the day of the investor's application.
By degree of state regulation	Diversified species	This is a fund (ICI) that invests in various types of financial instruments in proportions established by law. It is the most reliable, although the high requirements imposed on it narrow the fund's maneuverability, limit its investment opportunities and, accordingly, make it less profitable.
	Undiversified species	A non-diversified fund (UCI) is not restricted by law in terms of its investments. Such funds can be more profitable and riskier for investors than diversified ones, as they have no restrictions on the financial instruments in which they can invest their funds.
By method of securities placement	Publicly offered fund	Places securities through a public offering – an announcement of the open sale of securities made in the media, as well as in any other way and addressed to an unspecified number of persons.
	Private (closed) placement fund	Places securities without public sale by directly offering securities to a predetermined group of persons.

Table 3 – Dynamics of changes in the number of collective investment institutions

Type of collective investment institution	Number of CII, pcs.				
	2019	2020	2021	2022	2023
1 Open-end diversified mutual investment funds	12	10	7	7	7
2 Open specialized mutual investment funds	7	7	10	10	12
3 Interval diversified mutual funds	16	16	14	15	14
4 Interval specialized mutual funds	4	4	4	4	6
5 Closed-end diversified mutual funds	3	3	3	2	2
6 Closed-end, non-diversified, non-venture mutual funds	27	24	20	19	14
7 Closed-end specialized mutual funds	1	1	1	1	1
8 Closed-end qualifying mutual funds	2	2	4	6	8
9 Closed-end, non-diversified venture capital mutual funds	745	726	692	683	659
10 Closed-end, non-diversified, non-venture corporate investment funds	45	44	48	45	48
11 Closed qualifiers corporate investment	2	5	5	6	6
12 Closed-end, non-diversified venture corporate investment	462	636	903	944	995
Total	1326	1478	1711	1742	1772

Source: constructed by the author based on data from [18, 19]

### Conclusions

Due to the fact that CII accumulate significant amounts of investment resources, they can become in the future the main source of financing innovative changes, priority sectors in the state economy, etc. It should be noted that joint investment plays the role of an intermediary between the investor and the investment object. Given the fact that the

process of accumulation and investment of assets by joint investment institutions is characterized by a significant number of participants who take part in the creation and management of the fund, therefore, in these conditions, it is relevant to conduct a detailed analysis of the relationships and functional purpose of the fund entities.

Thus, the analysis of general approaches and features of state management of CII activities showed that

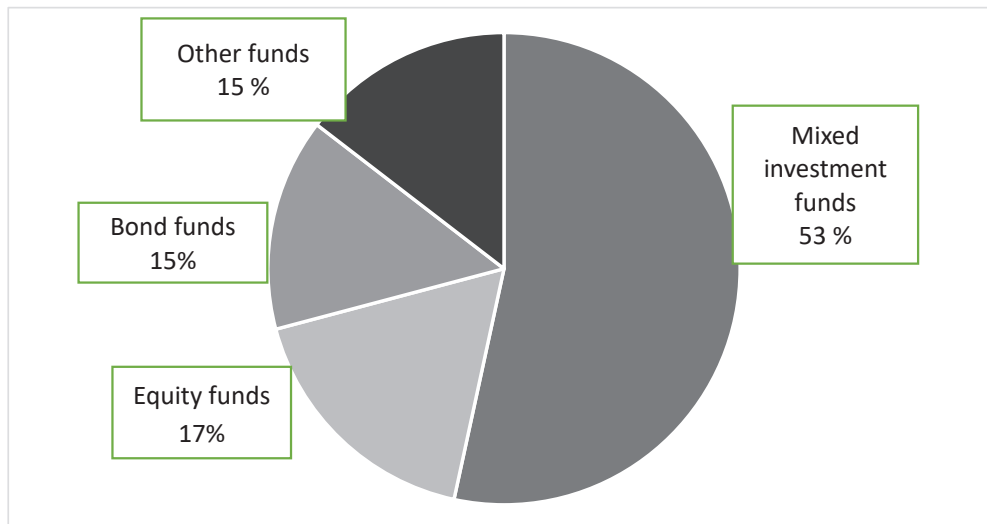


Fig. 2 – Structure of diversified and specialized CII with public issue as of 06/30/2024

Table 4 – Profitability of collective investment institutions

Investment areas	Years				
	2019	2020	2021	2022	2023
Open-ended CII	-0,90%	8,80%	4,70%	-11,00%	3,10%
Mixed investment funds	-1,8%	-1,50%	0,50%	-7,30%	4,40%
Bond funds	6,1%	17,3%	7,8%	-11,5%	23,5%
Inflation (consumer price index)	4,10%	5,00%	10,0%	26,6%	7,10%
Deposits (UAH)	17,10%	13,20%	9,30%	9,5%	15,5%
Closed-end (non-venture) CII with private issuance	6,7%	-0,1%	7,0%	2,0%	4,7%
Other (diversified and specialized) funds with public issue	-2,6%	10,7%	1,1%	-8,6%	7,1%
Equity funds	-11,9%	3,2%	6,2%	-65,7%	-28,9%
Closed-end (non-venture) CII with public issue	-4,2%	8,5%	17,9%	-12,3%	-1,5%
Interval CII	-4,3%	-5,7%	-1,5%	-11,4%	-1,9%
UB Index	-10,90%	6,5%	7,5%	-9,9%	40,9%
Government bonds (1-year, UAH)	11,7%	11,3%	14%	12,3%	
Deposits in euros	-15,30%	35,4%	-10,8%	26,6%	8,4%

the collective investment market requires optimization of activities through the application of state organizational measures, research and monitoring of the strengths and weaknesses of the collective investment market through state regulation and adoption of appropriate optimal and effective management decisions.

The determination of the economic prerequisites for effective management of collective investment institutions, their investment attractiveness and economic security allowed us to determine the main principles and directions of a comprehensive approach to assessing the

effectiveness of management of collective investment institutions.

The formation of an effective macro- and micro-environment for participants in CII activities depends both on the functioning and interaction with specialized professional participants in the stock market, which are regulated by the National Securities and Stock Market Commission, and with other participants regulated by various state bodies: investors, securities traders, AMC's, depository institutions, custodians, stock exchanges, issuers, property appraisers, banking institutions.

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DOI <https://doi.org/10.26661/2414-0287-2024-4-64-15>**BANK MANAGEMENT: DEVELOPMENT OPPORTUNITIES IN A CRISIS PERIOD****Tkachenko S.M.**

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**Key words:**

financial infrastructure, financial risks, overcoming crisis in the banking sector, digitalization, crisis management, digitization, adaptation in wartime conditions, online banking, mobile applications, demand for digital services, stimulus for economic development.

The article examines the development possibilities of banking management in the crisis period, analyzes the development possibilities and investigates the critical importance of digitization and the introduction of innovative technologies in the banking sector of Ukraine in conditions of economic instability. It was determined that the digitalization of the banking sector is one of the key strategies for maintaining competitiveness and ensuring uninterrupted access to financial services in crisis conditions. It has been established that the implementation of digital technologies in the banking sector is not without difficulties and risks. Among the main problems that can be highlighted are cyber threats, fraud, insufficient level of government regulation, lack of uniform standards for digital services, uneven access to the Internet, as well as physical limitations of infrastructure in crisis conditions. These issues require further research and the development of new strategies to ensure the appropriate level of security and efficiency of digital solutions. It was determined that the digitalization of banking services also requires proper adaptation of bank management to new conditions. The application of digital solutions, such as mobile applications and online banking, requires a change in approaches to the management of financial institutions, an increase in the level of protection of personal data of customers, the development of infrastructure to ensure uninterrupted access to the Internet, as well as the integration of the latest technologies into the daily practice of banking management.

**БАНКІВСЬКИЙ МЕНЕДЖМЕНТ: МОЖЛИВОСТІ РОЗВИТКУ В КРИЗОВИЙ ПЕРІОД****Ткаченко С.М.**

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**Ключові слова:**

фінансова інфраструктура, фінансові ризики, подолання кризи в банківській сфері, цифровізація, менеджмент в кризових умовах, діджиталізація, адаптація в умовах воєнного стану, он-лайн банкінг, мобільні додатки, попит на цифрові послуги, стимул для економічного розвитку.

У статті розглянуті можливості розвитку банківського менеджменту в кризовий період, проаналізовані можливості розвитку та досліджена критична важливість діджиталізації та впровадження інноваційних технологій у банківському секторі України в умовах економічної нестабільності. Визначено, що діджиталізація банківського сектору є однією з ключових стратегій для збереження конкурентоспроможності та забезпечення безперервного доступу до фінансових послуг у кризових умовах. Встановлено, що впровадження цифрових технологій в банківському секторі, не позбавлене труднощів і ризиків. Серед основних проблем, які можна виділити, є кіберзагрози, шахрайство, недостатній рівень державного регулювання, брак єдиних стандартів для цифрових послуг, нерівномірний доступ до Інтернету, а також фізичні обмеження інфраструктури в кризових умовах. Ці проблеми потребують подальших досліджень та розробки нових стратегій для забезпечення належного рівня безпеки та ефективності цифрових рішень. Визначено, що діджиталізація банківських послуг також вимагає належної адаптації банківського менеджменту до нових умов. Застосування цифрових рішень, таких як мобільні додатки та онлайн-банкінг, потребує зміни підходів до управління фінансовими установами, підвищення рівня захисту персональних даних клієнтів, розвитку інфраструктури для забезпечення безперебійного доступу до Інтернету, а також інтеграції новітніх технологій у щоденну практику банківського управління.

### Statement of the problem

The crisis moments studied by the economy significantly affect the financial infrastructure of the country, which is a great threat to the banking sector and the economy in general. The banking system, which had previously undergone a series of trials and established robust operational algorithms under various conditions, now faces new challenges that surpass any previous trials. Many financial institutions have experienced serious issues, approaching liquidation, reorganization, or even physical destruction. At the same time, the ability of most banks to maintain stability is evidence of their resilience and high level of financial security. However, the trials are not over; military actions continue, and many challenges in the economic and banking sectors are still ahead, making this topic extremely relevant and important today. An especially crucial tool for developing banking management under these conditions is the widespread implementation of digitalization and digitization of banking services, considering that many Ukrainian citizens have been forced to leave the country, and many are in areas where it is dangerous to access banking institutions due to frequent air alerts during which bank offices cease operations.

### Analysis of recent studies and publications

Research and Publications Given the aforementioned relevance of the crisis situation, an analysis of recent scientific research in the field of digitalization of banking services and mobile banking [1] under crisis conditions highlights the importance of this topic [2]. Publications, books, and articles dedicated to digitalization demonstrate that the implementation of cutting-edge technologies creates opportunities not only for providing the general population and bank clients with essential and modern services but also for ensuring the sustainable development of the entire banking sector [3].

Kopylova O.V., Pichugina Y.V., and Honchar K.O. in their work "Digitalization of the ukrainian banking sector: challenges and prospects" emphasize that digitalization of Ukraine's banking sector, while considering all potential risks, holds the potential for: improving the efficiency of all banking business processes, automating them, reducing operational costs and risks, enhancing resilience, and increasing profitability [4-6]. Bezruk D.I. in his work [7] identifies that, at present, there are still many gaps in the digitalization of the economic sector in Ukraine. The collective monograph edited by Haltsieva O.L. examines many digital technologies and their beneficial impact on the stability of the banking sector and services, and banking management [8]. Miroshnyk R.O. and Kukhta I.V. in their work highlight a range of problems and tasks whose resolution is crucial for further digitalization of banking sector services and adaptation to new economic conditions [9-10].

The topic of digitalization of Ukraine's banking sector has also been studied by researchers such as T. Oleshko, N. Kasyanova, L. Klyoba, N. Dobosh, Soroka, and others. Although there is a large number of scientific articles and other publications on this subject, its relevance is far from

exhausted; current times continue to present new challenges that require thorough investigation [11-12].

### Objectives of the Article

The main objective of this research is to analyze current trends in the digitalization of banking management, with a focus on risks associated with both wartime conditions and contemporary economic development trends. This includes examining the impact of cutting-edge digital technologies on the efficiency of management processes within banks and assessing their ability to rapidly adapt to ongoing risks and uncertainties. Ultimately, this will enable the development of effective strategies to strengthen the financial and economic security of Ukraine's banking system during the war and in consideration of the needs for economic recovery after its conclusion.

### The main material of the research

The modern banking system in Ukraine is undergoing profound changes due to the rapid development of information technologies (IT) and digitalization globally, and specifically in Ukraine. Economic instability, digital solutions have become critically important for ensuring the stability and accessibility of financial services. One of the most significant achievements of Ukrainian banks is the implementation of innovative technologies that allow users to manage their finances without physically visiting bank branches. Modern banking management is closely linked to the active adoption of cutting-edge developments, enabling individuals to independently open accounts, access banking services, pay utility bills, adjust financial transaction limits, and much more. This significantly simplifies the organization of such processes, increases trust in the banking system, and overall improves the economic climate in the country.

Mobile applications have become an integral part of financial services, providing convenient access to accounts, transfer capabilities, payment processing, card ordering, deposit placement, loan applications, and more. These technologies, which emerged before the onset of the full-scale conflict, received an additional boost for development precisely because of the crisis conditions. Not all Ukrainian citizens currently have the opportunity to visit bank branches or interact with managers in official institutions. It can be said that the crisis resulting from the war has more fully revealed to banks the possibilities offered by digital technologies. Therefore, Ukraine has the potential and the necessity to become a global leader in banking digitalization and IT services.

Recent events have acted as a catalyst for the accelerated adoption of digital technologies. However, an integral aspect of this process is the necessity to ensure a high level of security for financial transactions and to mitigate the risks of cyber threats and fraud. Innovative solutions such as the use of artificial intelligence for data analysis and enhanced cybersecurity, two-factor authentication (2FA) for strengthened account access security, regular updates and patches, and data encryption have become standard for modern banking services.

Online banking, which provides the ability to manage finances in real-time, is a key element of digitalization. Platforms such as Sense Bank, Monobank, PrivatBank, and others enable clients to perform a wide range of financial operations, including transferring funds, paying bills, investing, and obtaining loans, all without the need for physical presence at a bank branch. There are even projects beginning to work with cryptocurrency, such as Weld Money from Unix Bank. All of this requires active development, the implementation of security protocols for users, and a degree of flexibility in accessing various services, which will enhance trust in the banking sector as a whole and help shift financial transactions out of the shadow economy.

It is also clear that not everyone has complete trust in digital solutions and online banking, and not everyone has access to information about the full range of digital financial services due to the lack or insufficient development of unified standards and regulations for these issues. Additionally, there is a need to accelerate the development of infrastructure and ensure high-quality Internet access in the context of ongoing military actions and frequent power outages. An important issue is also the insufficient level of government regulation and the lack of adequate measures to counteract the risks faced by consumers. Despite these challenges, the indicators below show a growing popularity of online banking among the population.

According to the National Bank of Ukraine, over the more than two years of war, the number of transactions using payment cards issued by Ukrainian banks and financial institutions in 2023 was 7,912.5 million, with a total amount of 6,140.8 billion UAH. Of these, 91.9% of transactions by number and 90.4% of the total amount were conducted within Ukraine. Outside Ukraine, the share of transactions with payment cards issued by Ukrainian issuers was 8.1% by number and 9.6% by amount. For the pre-war year of 2021, the share of transactions abroad was 3.8% by number and 3.7% by amount. The increase in such payments indicates both that a significant number of Ukrainians are abroad and that there is a growing demand for these services.

Overall, the share of cashless transactions using payment cards by amount reached 65% of the total volume of payment card transactions in 2023. In the pre-war year of 2021, this figure was 61%. The share of cashless transactions by number reached 93.5% (compared to 90.1% in 2021).

Tokenized payment cards (NFC technology) also remain popular and are developing further. In December 2023, compared to December 2022, their number increased by 57% to 12.4 million. This means that approximately one in four active payment cards is tokenized (compared to one in six at the end of the pre-war year 2021). The trend is expected to continue into 2024. Thus, we see that banking management has even more active opportunities to leverage the latest digital innovations, which are in high demand among Ukrainians and visitors to our country. These innovations contribute to enhancing the competitiveness of Ukrainian banks in the international market and create new opportunities for the development of financial services and the economy.

The National Bank of Ukraine reports the following data: in the first quarter of 2024, the total number of successful electronic identifications using the BankID System of the NBU was 16.1 million, marking a 16% increase compared to the fourth quarter of 2023. This is currently the highest number of successful identifications for a quarterly period since the system began operations. During the first quarter of 2024, eight new service providers it is non-bank financial institutions operating in the online lending sector it is were connected to the system.

In the diagram below, we can visually observe the growth in both the total amount of transactions and the number of transactions for the first half of 2024 compared to the same period in 2023.

The National Bank of Ukraine also notes that the total number of accounts opened by users of payment services increased by 15.5% compared to the previous year, reaching 185.1 million units (as of January 1, 2023, there were 160.2 million units). Additionally, the number of users served remotely continues to rise. «Currently, more than two-thirds of all users with accounts at payment service providers manage these accounts remotely: 89.2% of businesses and 79.5% of individuals (2.9 million and 62.3 million clients, respectively)».

In Ukraine, there has also been a rapid development in the adoption of new technologies, such as QR codes for cashless payments or applications, cryptocurrency services, the popularity of online exchanges, electronic wallets, and more.

Thus, we can note that all the data indicates a growing demand for digital services, remote servicing, and services directly or indirectly related to the banking system (for example, authorization using BankID). Therefore, it is essential to approach the creation of new types of services, opportunities, and offers in a comprehensive and innovative manner to saturate the market and meet the demand from existing and new users. The task of banking management is to quickly adapt and respond to new changes and demands, as it involves the development and use of reliable and effective systems for managing all processes and relationships in the banking sector.

Overall, the digitalization of the banking system in Ukraine is a critically important task for banking management, both at the national level and for individual financial institutions. It is a key factor for banks to adapt to crisis conditions and ensure the stability of financial services and the economy. Digitalization allows banks to maintain competitiveness, enhance operational efficiency, and provide continuous access to financial resources even in the current crisis conditions, as evidenced by the statistics presented above.

## Conclusions

The opportunities for the development of banking management in the crisis period were analyzed, and the critical importance of digitization and the introduction of innovative technologies in the banking sector of Ukraine in conditions of economic instability was investigated. Modern conditions push Ukraine to adapt to new realities, which becomes a serious challenge for banks, while

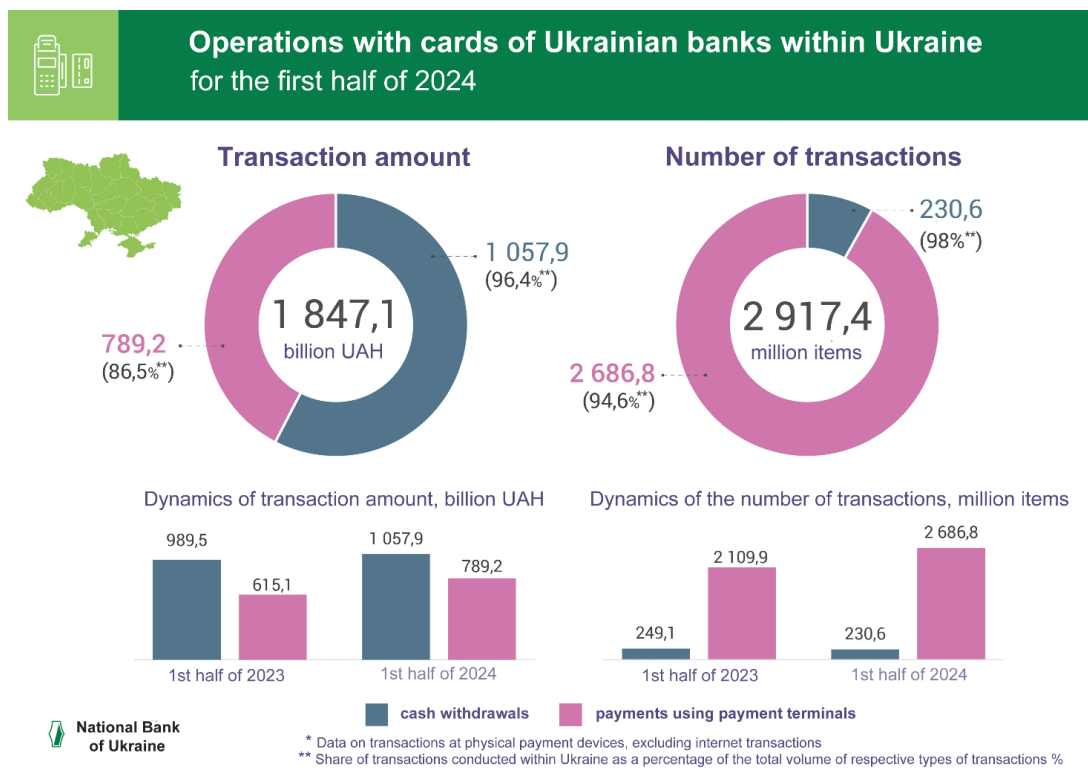


Fig. 1 – Transactions with cards of Ukrainian banks within Ukraine [3]

simultaneously revealing opportunities for development and increased efficiency through the active implementation of digital solutions. An analysis of the literature and recent studies indicates that the digitalization of the banking sector is one of the key strategies for maintaining competitiveness and ensuring uninterrupted access to financial services in crisis conditions. In particular, the latest technologies, such as mobile applications, online banking, artificial intelligence to analyze data and improve cyber security, as well as tokenized payment cards (NFC technology) significantly facilitate customer access to banking services, increase the efficiency of banking operations and reduce operational costs.

However, the implementation of digital technologies in the banking sector is not without difficulties and risks. Among the main problems that can be highlighted are cyber threats, fraud, insufficient level of government regulation, lack of uniform standards for digital services, uneven access to the Internet, as well as physical limitations of infrastructure in crisis conditions. These issues require further research and the development of new strategies to ensure the appropriate level of security and efficiency of digital solutions.

Looking at the data of the National Bank of Ukraine, one can see a significant increase in demand for non-cash transactions and remote financial services. This is the lever that can ensure the stable growth of the banking sector, since the increase in the share of non-cash payments helps to reduce the operational costs of banks, increase the transparency of financial flows and expand the client base. In addition, the introduction of digital technologies allows

banks to quickly respond to market changes, improve the quality of customer service, introduce new products and services, and ensure a high level of security of financial transactions. Thus, the development of non-cash payments and digital financial services becomes an important tool for increasing the competitiveness of banks and their resistance to external challenges, which is especially important in the conditions of modern economic and geopolitical risks.

Digitalization of banking services also requires proper adaptation of bank management to new conditions. The application of digital solutions, such as mobile applications and online banking, requires a change in approaches to the management of financial institutions, an increase in the level of protection of personal data of customers, the development of infrastructure to ensure uninterrupted access to the Internet, as well as the integration of the latest technologies into the daily practice of banking management.

Based on the analysis of scientific publications and data, it can be concluded that digitalization is not only a key factor in stabilizing the banking system of Ukraine in crisis conditions, but also a powerful stimulus for its further development. Innovative solutions can help strengthen the country's financial stability and increase its competitiveness at the international level.

However, to achieve such goals, further work in several directions is necessary. First, it is necessary to develop and implement effective government strategies and regulatory mechanisms to support safe and sustainable digitalization of the banking sector. Secondly, it is necessary to ensure the appropriate level of education and awareness of

the population regarding the possibilities and advantages of digital banking services, as well as the safety of using them. Third, banks need to continue to invest in new technologies and develop partnerships with IT companies to create innovative products and services.

Thus, the digitalization of the banking system in Ukraine can not only mitigate the impact of the crisis on the economy, but also become a driving force for its further development. The successful implementation of the latest technologies will ensure the availability and

security of financial services for a wide range of consumers, increase the efficiency of bank management, reduce operating costs, strengthen banks' resistance to external challenges and risks, and strengthen their position both on the domestic and international markets. At the same time, it is important to take into account possible risks and challenges, in particular in the areas of cyber security and regulation, and continue to adapt development strategies in accordance with new conditions and market needs in crisis conditions.

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DOI <https://doi.org/10.26661/2414-0287-2024-4-64-16>**FEATURES OF MANAGEMENT OF RECEIVABLES AND PAYABLES OF THE ENTERPRISE****Cherep A.V., Sheheblykina I.O., Kushchik A.P., Golovin O.V.***Zaporizhzhia National University**Ukraine, 69011, Zaporizhzhia, Universytetska str., 66  
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20favorit10@i.ua, golovin.work02@gmail.com**ORCID: 0000-0001-5253-7481, 0000-0002-3214-8478, 0000-0003-0627-2296***Key words:**

accounts receivable, accounts payable, risks, benefits, costs, balancing, financial condition, business entity.

The article examines the conditions for the emergence of receivables and payables of enterprise, indicates the positive and negative impact of the volumes of receivables and payables on the efficiency of the enterprise. On the example of PJSC «Interpipe Nizhnedneprovsky Pipe-Rolling Plant», a comprehensive assessment of receivables and payables was carried out, a comparative analysis of receivables and payables of the enterprise was carried out by compiling a balance sheet, determining the debit (credit) balance, which made it possible to determine the main components of the formation of a system of effective management of receivables and payables at the enterprise. It is noted that accounts payable is a product of cash settlements of an economic entity with its counterparties, and its management is based on specific principles and methodological principles, which allows to allocate another functional organizational block of management of cash flows of an economic entity – management of accounts payable of enterprise, and accounts receivable are a consequence of the implementation of the model of cash settlements in the cash flow management system. It has been researched that the unjustified amount of accounts receivable is the immobilization of equity, and exceeding its certain level can lead to a loss of liquidity and even a halt in production. A high share of accounts receivable in assets and accounts payable in liabilities affects the financial condition, level of solvency and financial stability of the enterprise, which determines the need and importance of their management. It is found that the management of accounts receivable and payable is the process of development and implementation of managerial decisions regarding the consistency of their size and speed of movement in time, which provide the necessary profit and the optimal amount of free funds.

**ОСОБЛИВОСТІ УПРАВЛІННЯ ДЕБІТОРСЬКОЮ І КРЕДИТОРСЬКОЮ ЗАБОРГОВАНІСТЮ ПІДПРИЄМСТВА****Череп А.В., Щєбликіна І.О., Кущик А.П., Головін О.В.***Запорізький національний університет**Україна, 69011, м. Запоріжжя, вул. Університетська, 66***Ключові слова:**

дебіторська заборгованість, кредиторська заборгованість, ризики, вигоди, витрати, збалансування, фінансовий стан, суб'єкт господарювання.

У статті досліджено умови виникнення дебіторської та кредиторської заборгованості підприємства, зазначено позитивний та негативний вплив обсягів дебіторської та кредиторської заборгованості на ефективність діяльності підприємства. На прикладі ПАТ «Інтерпайп Нижньодніпровський трубопрокатний завод» проведено комплексне оцінювання дебіторської та кредиторської заборгованості, проведено порівняльний аналіз дебіторської та кредиторської заборгованості підприємства шляхом складання розрахункового балансу, визначення дебетового (кредитового) сальдо, що дозволило визначити основні складові формування системи ефективного управління дебіторською і кредиторською заборгованістю на підприємстві. Зазначено, що кредиторська заборгованість являється продуктом грошових розрахунків суб'єкта господарювання із його контрагентами, і управління нею базується на специфічних принципах та методологічних засадах, що дозволяє виокремити ще функціональний організаційний блок управління грошовими потоками суб'єкта господарювання – управління кредиторською

заборгованістю підприємства, а дебіторська заборгованість є наслідком реалізації моделі грошових розрахунків в системі управління грошовими потоками. Досліджено, що невиправданий розмір дебіторської заборгованості є іммобілізацією власного капіталу, а перевищення його певного рівня може призвести до втрати ліквідності і навіть зупинки виробництва. Висока частка дебіторської заборгованості в активах і кредиторської – в пасивах впливає на фінансовий стан, рівень платоспроможності та фінансової стійкості підприємства, що визначає необхідність і значущість управління ними. З'ясовано, що управління дебіторською та кредиторською заборгованостями являє собою процес розроблення і реалізації управлінських рішень із приводу погодженості їхнього розміру і швидкості руху в часі, що забезпечують необхідний прибуток та оптимальний розмір вільних коштів.

### Statement of the problem

In today's highly competitive environment, enterprises must ensure a steady increase in market share, a stable expansion of the scale of activities – all this is largely ensured by a stable financial condition. Achievement such a financial condition makes it possible for the company to grow effectively by investing in the expansion of activities, by improving the sales policy on the basis of increasing benefits (accumulation of receivables by deferred payment). At the same time, the company can use the funds of other enterprises for a certain period of time, i.e. accounts payable, which are essentially free short-term credit resources in the market. There are a number of problems in the accumulation and management of receivables and payables that require their solution. Different ways of solving these problems can be combined into a single mechanism for managing these types of debts.

### Analysis of recent research and publications

The study of peculiarities of receivables and payables of the enterprise management was carried out by prominent domestic scientists: N.I. Berenda, S.A. Burlan, A.D. Glushko, S.V. Ivanov, I.V. Kostyuniuk, N.L. Kusik, O.S. Yefimenko, V.I. Rudyk, N.V. Sablina, T.M. Stupnytska, O.E. Fedorchenko, M.P. Khokhlov, A.V. Cherep, O.V. Yarmak and other scientists. The issues of development and substantiation of directions for balanced management of accounts receivable and payable of enterprise are insufficiently studied and therefore need to be improved and clarified despite the significant contribution of scientists.

### Objectives of the article

The aim of the article is to study the features of enterprise receivables and payables management, substantiation of the need for their balanced management.

### The main material of the research

The financial condition of enterprises largely depends on an effectively organized system of accounts receivable. After all, its occurrence cannot be avoided, and it is accompanied by the risk of default, generates a loss of funds in the form of inflation, to attract a bank loan to ensure continuous activity, to repay debts, etc. Enterprises, as a rule, do not receive payment immediately when shipping manufactured products (goods, works, services). During the

period from the moment of sale of products to the moment of receipt of payment, the company's funds are in the form of receivables [1].

The system of management of accounts receivable can be defined as an integral part of the general management of current assets and marketing policy of the enterprise, which is aimed at expanding the volume of sales of products and consists in optimizing the total amount of this debt and ensuring its timely payment.

Based on the systematization of the domestic scientists views, the following main components of the receivables management system formation can be identified [2]:

- 1) creation of a commission for the management of accounts receivable;
- 2) constant monitoring of receivables and payables;
- 3) analysis of the company's accounts receivable in the previous period;
- 4) development of a receivables management plan;
- 5) determination of the permissible value of the receivables portfolio on the basis of the projected volume of sales;
- 6) formation of the principles of credit policy and lending conditions on the basis of differentiation of products buyers by the level of creditworthiness;
- 7) choice of commodity credit payment forms;
- 8) ensuring the use of modern forms of receivables refinancing at the enterprise;
- 9) building effective systems for monitoring the movement and timely payment of receivables.

Characterizing the concept of receivables of the enterprise, it is necessary to outline its impact on the enterprise financial activity (Table 1).

The process of indebtedness occurrence depends on risks presence in the implementation of mutual settlements between business entities based on the certain transactions results. Such risks include: production, financial, operational, market, unforeseen competition, business risks, selection of an unreliable counterparty, sales, credit, customs, raiding, deliberate bankruptcy, etc. Taking into account risks as a special component of the maneuvering mechanism in activity is a way to protect the enterprise interests from non-payment and a condition for making optimal decisions [3].

An important stage in the enterprise accounts receivable analysis is the quality and liquidity study of accounts receivable according to the relative indicators system. For

a visual analysis of receivables and payables, we chose the company PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant» (Table 2).

The indicators of the comprehensive assessment of accounts receivable of PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant» (Table 2) have a predominantly negative dynamics. Thus, the receivables turnover ratio decreased from 0.67 in 2021 to 0.61 in 2023, and the duration of one receivables turnover increased from 537 days to 590 days, respectively. Such dynamics is explained by the outstripping growth of the average annual value of accounts receivable compared to the growth of net income from the sale of products.

The share of receivables in property increased from 67.77% in 2021 to 79.32% in 2023, and the share of receivables in current assets increased from 86.28% to 93.32%, respectively. The indicator that characterizes the ratio of receivables to net income from the sale of products is unacceptably high and amounts to 164.52% in 2023, which is a sign of a catastrophic state of settlements with debtors.

As a result of the outstripping growth in accounts payable compared to the growth in accounts receivable, the ratio of accounts receivable to payable decreased from 2.36 in 2022 to 2.34 in 2023 (with an optimal level of about 1). If in 2021 for 1 UAH. accounts payable amounted to UAH 2.02. accounts receivable, in 2021 – UAH 2.36, in 2023 – UAH 2.34. Consequently, the issues of improving the state of payment and settlement relations remain relevant for the enterprise.

Accounts payable arise in the process of carrying out the financial and economic activities of any enterprise. Modern conditions for conducting financial and economic activities encourage an objective assessment of trust in their partners, financial stability and solvency. The stability of the economic sphere is impossible without the financial stability

of economic entities, since it is stability that is the basis of their strong position in the market and competitiveness [4].

Creditor protection is an important part of financial management, and its control and management can significantly affect the financial stability of the enterprise.

It is well known that the accumulation of accounts payable undermines the financial stability of the enterprise, negatively affects the image of the debtor enterprise, reduces its creditworthiness and investment attractiveness. The negative consequences of the deepening of problems with accounts payable, first of all, are associated with the risk of growth of overdue accounts payable, which leads to the possibility of imposing fines on the company, creating the image of an unreliable partner, and terminating partnerships. The occurrence of accounts payable of an enterprise can have various consequences, both positive and negative. Here are some of them [5,6]:

1. Negative consequences:

– deterioration of the financial condition. The accumulation of accounts payable may indicate the financial problems of the company, which may affect its ability to attract new investments and loans;

– downgrade of the credit rating. A high level of debt can lead to a downgrade of the company's credit rating, which will complicate access to financing in the future;

– deterioration of relations with suppliers. Delays in payments can lead to a deterioration in relations with suppliers, which can affect the terms of supply or even lead to the termination of cooperation;

– debt service costs. High levels of debt can result in significant debt service costs, including interest and late payment penalties;

– loss of liquidity. The company may face liquidity problems, which will make it difficult to pay other obligations and operating expenses on time;

Table 1 – Impact of accounts receivable on the company's activities

Positive Impact	Negative impact
stimulation of sales growth	withdrawal of funds from circulation
establishing stable and long-lasting relationships with customers	accounts receivable management costs occurrence
competitive assortment of goods formation	occurrence of default risk, losses from inflation and reduced profits, etc.
stocks sale acceleration and a corresponding reduction in the cost of their maintenance, etc.	

Note: Compiled on the basis of [2]

Table 2 – Comprehensive assessment of accounts receivable of PJSC «Interpipe Nizhnedneprovsky Pipe-Rolling Plant» according to the system of relative indicators for 2021-2023

Indicators	2021	2022	2023	Changes (+,-)	
				2022 to 2021	2023 to 2022
Accounts receivable turnover ratio	0,67	0,58	0,61	-0,09	+0,03
Duration of one turnover (average repayment period) of receivables, days	537	620	590	+83	-30
Share of accounts receivable in property, %	67,77	74,70	79,32	+6,93	+4,62
Share of accounts receivable in current assets,%	86,28	91,75	93,32	+5,47	+1,57
Accounts receivable to payable ratio	2,02	2,36	2,34	+0,34	-0,02
Ratio of accounts receivable to net income from sales of products, %	149,52	171,88	164,52	+22,36	-7,36

Note: calculated on the basis of the company's financial statements



- legal consequences. Failure to meet financial obligations may lead to litigation and other legal consequences;
- bankruptcy risk. In case of significant accounts payable, the company may face the risk of bankruptcy.

2. Positive effects:

- financial flexibility. Under certain conditions, accounts payable can be part of a cash flow management strategy, allowing the company to maintain liquidity to invest in business development;

- use of trade credit/ deferred payments to suppliers can be beneficial if the company can use these funds to make additional profits;

- reduction in the cost of financing. Accounts payable can be a cheaper source of financing compared to bank loans or the issue of shares;

- improved supplier relationships. In some cases, deferred payments can be an arrangement between a business and a supplier, which can strengthen their business relationship.

The main issues that the company's management faces: to whom the company owes; how much he owes; whether the debt is overdue; whether the amount of debt changes in time (increases or decreases); whether the amount of debt will affect the fulfillment of contractual obligations for critical supplies, etc. [7].

A comprehensive assessment of accounts payable of PJSC «Interpipe Nizhnedneprovsky Pipe-Rolling Plant» is carried out according to the system of relative indicators (Table 3).

The indicators of the comprehensive assessment of accounts payable of PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant» (Table 3) have a predominantly negative dynamics. In particular, the accounts payable turnover ratio decreased from 1.23 in 2021 to 1.05 in 2023, and the duration of one accounts payable turnover increased from 293 to 343 days, respectively. This dynamics is explained by the fact that with an increase in the cost of goods sold by 25.09%, the average annual value of accounts payable increased by 23.22% in 2023 compared to 2022.

The share of accounts payable in the company's capital increased slightly from 33.61% in 2021 to 33.97% in 2023, in liabilities it decreased from 46.37% to 43.47%, in current liabilities – 61.84% to 55.20%.

The ratio of accounts payable to current assets slightly decreased from 42.78% in 2021 to 39.96% in 2023, but its high level indicates the company's inability to fulfill its obligations to creditors in a timely manner. The same applies to the accounts payable to net income ratio from product sales, which demonstrates an unacceptably high level – 74.14% in 2021, 72.68% in 2022, 70.45% in 2023.

As a result of the outstripping growth of the average annual value of accounts receivable compared to the growth of the average annual value of accounts payable, the indicator that characterizes the amount of accounts payable per 1 UAH of receivables decreased from 0.50 to 0.43 UAH. The ratio of receivables to payables maturity decreased slightly from 1.83 in 2021 to 1.78 in 2022 to 1.72 in 2023.

Accounts receivable are recognised as an asset if it is probable that the entity will receive future economic benefits and its amount can be reliably determined. Accounts payable is the involvement of assets in the economic activity of an enterprise at the expense of temporary receipt of property of other business entities.

Figures 1 and 2 show the ratio and turnover of receivables and payables.

A comparative analysis of receivables and payables of the enterprise by compiling a balance sheet, determining the debit (credit) balance is mandatory (Table 4).

According to Table. Figure 4 shows a surplus based on the results of the economic activities of PJSC Interpipe Nizhnedneprovsky Pipe-Rolling Plant for the period 2021-2023. As of the end of 2023, there is a surplus of 10894334 thousand tons. UAH, moreover, for goods, works, services – 14019342 thousand UAH. UAH, with the budget – 219674 thous. UAH, other debt – 10894334 thous. UAH. In general, accounts receivable exceed accounts payable by 2.35 times, which indicates the withdrawal of working capital from the economic activities of the enterprise in favor of debtors.

In real life, it is impossible to reduce receivables to zero, and you do not need to do this. After all, providing customers with deferred payments allows you to increase sales, gain a foothold in the market, and solve other problems of the enterprise. The above necessitates the enterprise's active receivables policy by effectively solving the following tasks [8-9]:

Table 3 – Comprehensive assessment of accounts payable of PJSC «Interpipe Nizhnedneprovsky Pipe-Rolling Plant» according to the system of relative indicators for 2021-2023

Indicators	2021	2022	2023	Changes (+,-)	
				2022 to 2021	2023 to 2022
Accounts payable turnover ratio	1,23	1,03	1,05	-0,20	+0,02
Duration of one turnover of accounts payable, days	293	349	343	+56	-6
Share of accounts payable in equity,%	33,61	31,59	33,97	-2,02	+2,38
Share of accounts payable in liabilities,%	46,37	42,49	43,47	-3,88	+0,98
Share of accounts payable in current liabilities,%	61,84	56,02	55,20	-5,82	-0,82
Ratio of accounts payable to current assets,%	42,78	38,80	39,96	-3,98	+1,16
Accounts payable per 1 UAH of accounts receivable, UAH.	0,50	0,42	0,43	-0,08	+0,01
Ratio of accounts payable to net income from product sales, %	74,14	72,68	70,45	-1,46	-2,23
Ratio of receivables and payables repayment periods	1,83	1,78	1,72	-0,05	-0,06

Note: calculated on the basis of the company's financial statements

- analysis of accounts receivable and determination on its basis of the general principles of granting a deferred payment (a kind of commodity loan);
- development of rules for establishing the terms of commodity credit and a system of discounts;
- determination of guarantees under which a commodity loan is granted;
- development of methods for assessing the reliability of the buyer;
- establishment of rules for determining the amount of commodity credit granted to one buyer;
- development of ways to recover receivables.

With coordinated management of credit resources, accounts payable can become an additional and relatively cheap source of attracting resources. It is because of how relations with counterparties are built, the terms of contracts are agreed, the terms of delivery and payment are controlled, the efficiency of the use of the resources received depends to the greatest extent [10].

The benefits, costs and losses that any enterprise may suffer in a given economic situation should undoubtedly be taken into account in the process of making management decisions. In this regard, in the course of the study, the benefits, costs and losses associated with the process

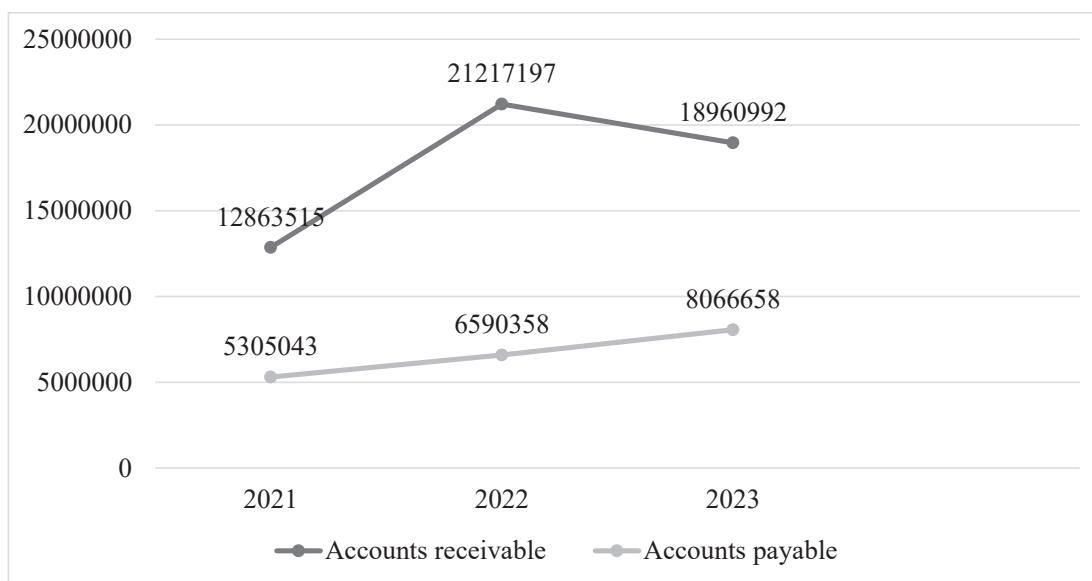


Fig. 1 – Indicators of the ratio of receivables and payables of PJSC «Interpipe Nizhnedneprovsky Pipe-Rolling Plant», th. UAH

Note: built on the basis of the company’s financial statements

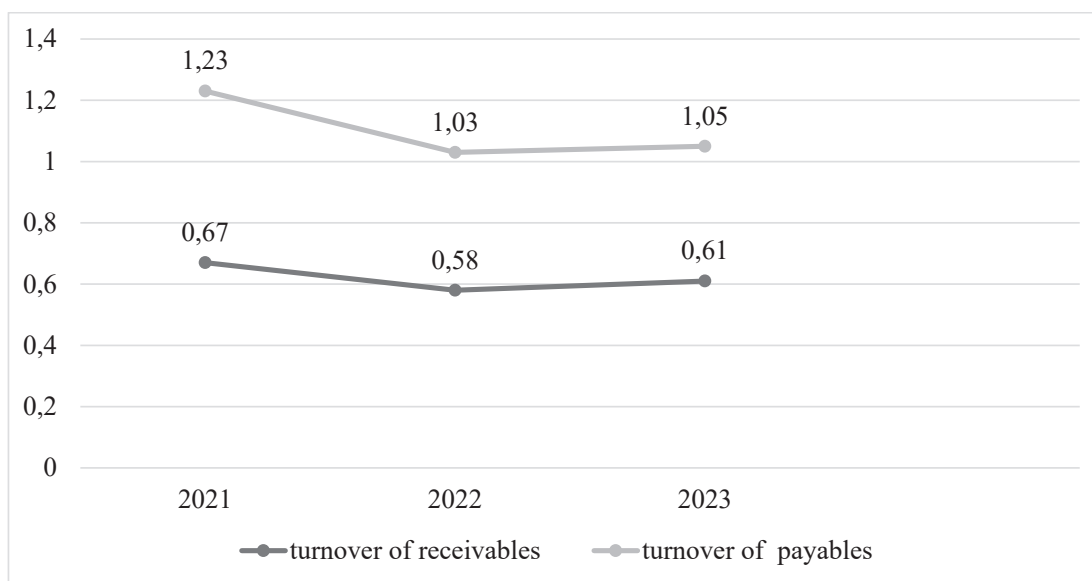


Fig. 2 – Indicators of turnover of receivables and payables of PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant»  
Note: built on the basis of the company’s financial statements

of managing receivables and payables at enterprises were systematized ( Table. 5).

Thus, the coordinated management of accounts payable and receivable involves [12]:

- substantiation of the possibility of occurrence of receivables and payables i;
- determination of the policy of granting credit and collection for different groups of buyers (suppliers) and types of products;
- analysis and ranking of buyers (suppliers) depending on the volume of purchases, the history of credit relations and the proposed payment terms;
- control of settlements with debtors (creditors) for deferred or overdue debts and study of the reasons for non-compliance with contractual discipline;
- timely identification of techniques for accelerating debts and reducing bad debts;
- ensuring the terms of sale that guarantee the receipt of funds;
- Forecast of cash receipts from debtors based on collection ratios.

Management efficiency of accounts receivable and payable at the enterprise requires the formation of a certain model of business process management, while attention should be paid to the factors that are associated with the peculiarities of the enterprise's management, its financial capabilities and the general development strategy (Fig. 3).

The key factor that largely determines the valuation of debts is the time factor. In conditions of absolute reliability of the debtor, this is the main factor for forming

an opinion about the value of the debt. The next key factor determining the valuation of receivables and payables is the degree of liquidity [14]. Competition plays a significant role among market factors, the level of which affects the terms of contracts and the value of receivables and payables. An important point in the assessment of receivables and payables is the proportionality between their size and the size of the company's income.

### Conclusions

Management of receivables and payables is an important component in the company's cash flow management system. Within the framework of this process, a system of indicators for assessing the effectiveness of receivables and payables in the system of cash flows is formed and their dynamics during the analyzed calendar periods is evaluated.

Management of receivables and payables is part of the general management policy of the enterprise. Cash flows need to be balanced in terms of volume and timing, with the ending balance being positive (cash gain). In the event of a shortage of funds and a negative ending balance, it is necessary to review settlements with debtors and build relationships with counterparties in such a way as to eliminate this deficit.

Accounts receivable are reflected in the accounts receivable budget, which is formed on the basis of the planned receipt of funds from debtors, taking into account the debt at the beginning of the planning period. The budget of receivables and payables can have a multi-level structure, depending on the size of the enterprise and the detailing of

Table 4 – Comparative analysis of receivables and payables of PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant» (at the end of the year), th. UAH

Type of debt	Accounts receivable	Accounts payable	Over-indebtedness	
			accounts receivable (surplus)	accounts payable (passive balance)
2021				
For long-term liabilities	–	2290836	–	2290836
For goods, works, services	9971443	834872	9136571	-
On a budget	96842	20782	76060	-
For advances	271443	2126459	-	1855016
Other debts	2523787	32094	2491693	-
Total	12863515	5305043	7558472	-
2022				
For long-term liabilities	–	3071688	–	3071688
For goods, works, services	11612040	1362518	10249522	-
On a budget	460804	4591	456213	-
For advances	6611104	2136847	4474257	-
Other debts	2533249	14714	2518535	-
Total	21217197	6590358	14626839	-
2023				
For long-term liabilities	–	3189779	–	3189779
For goods, works, services	15214082	1194740	14019342	-
On a budget	258787	39113	219674	-
For advances	1043646	3615129	-	2571483
Other debts	2444477	27897	2416580	-
Total	18960992	8066658	10894334	-

Note: Based on the company's financial statements

Table 5 – Systematization of benefits, costs, losses that should be taken into account when making decisions on the management of receivables and payables of PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant»

Types of Benefits, Costs and Losses	Accounts receivable	Accounts payable
1. Direct Benefits	Increase in turnover and, accordingly, income and profit from sales; relative reduction of fixed costs; receiving discounts on the condition of advance payments to suppliers; saving the cost of storing goods; tax cuts on bad debts.	Income from use; decrease in the weighted average cost of capital; income from inflation.
2. Direct costs	Debt service transaction costs; fee for attracting additional sources of funding.	Transaction costs involving funds; providing discounts on the condition of advance payments of buyers.
3. Direct losses	Losses from inflation; write-off of bad debts.	Fines, penalties, non-compliance in case of violation of the terms of return and other terms of contracts.
4. Opportunity Cost	Receiving income on a deposit or other activities.	Loss of discounts in case of payment for goods with deferred payment.
5. Missed Opportunities	Reputation as a profitable partner.	Reputation as a stable lender.

Note: Based on [11]

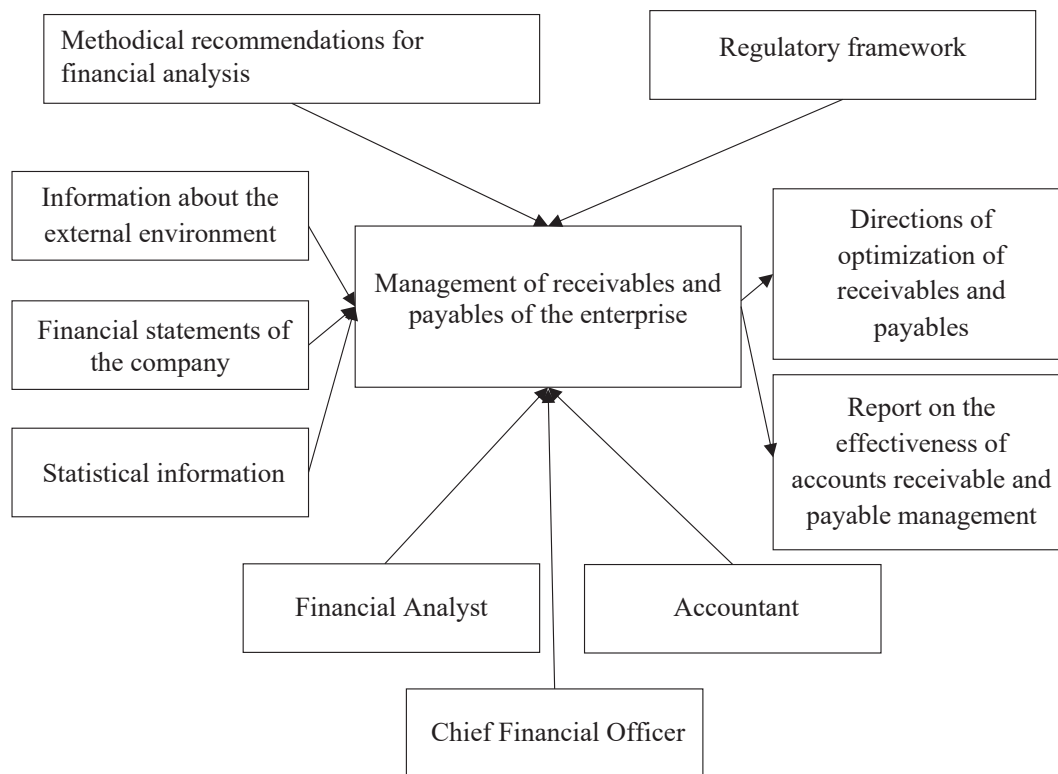


Fig. 3 – Management of receivables and payables of PJSC «Interpipe Nizhnedneprovsky Pipe Rolling Plant»

Note: compiled on the basis of [13]

the main functions. When managing accounts receivable, special attention should be paid to changing such parameters as the total amount of debt, the debt of individual debtors, and turnover.

When analyzing accounts payable, it is necessary to separately study the presence, composition and structure,

frequency and reasons for the creation of overdue accounts payable. Particular attention should be paid to the date of occurrence of accounts payable, the timing of its repayment. Constant monitoring of these parameters will allow you to quickly take the necessary measures in case of their unfavorable dynamic changes.

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## BUDGET REGULATION AS ONE OF THE MOST IMPORTANT FINANCIAL METHODS OF THE BUDGET MECHANISM AT THE MACRO LEVEL

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### **Key words:**

budget, budget regulation, budget policy, leverage, state regulation, budget mechanism, market economy, state budget.

The article studies the theoretical foundations of budget regulation of socio-economic processes, taking into account the role of the state in economic management. Particular attention is paid to its functions in the distribution and redistribution of the gross domestic product to achieve the strategic goals of social development. It is noted that budget regulation is aimed at satisfying public interests and stimulating the progressive development of socio-economic relations, which ensures a high standard of living of the population. The state budget is defined as a key instrument of budget regulation, which allows solving current socio-economic problems.

The economic essence of the budget is manifested in the interaction of the state with other participants in the economy through the expansion of GDP, the formation and use of financial resources to support the expanded creation and improvement of the volunteer population. It is brought to light that the effectiveness of the forms of the sovereign tension in the economy lies in the form of the scientific basis and the analysis of the peculiarities of creative processes. Budget regulation can be effective, affordable budget resources on the priority directions of economic development. Such a support for the stable economic environment, as a result of the needs of the fulfillment.

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## БЮДЖЕТНЕ РЕГУЛЮВАННЯ ЯК ОДИН ІЗ НАЙВАЖЛИВІШИХ ФІНАНСОВИХ МЕТОДІВ БЮДЖЕТНОГО МЕХАНІЗМУ НА МАКРОРІВНІ

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### **Ключові слова:**

бюджет, бюджетне регулювання, бюджетна політика, важелі, державне регулювання, бюджетний механізм, ринкова економіка, державний бюджет.

У статті досліджено теоретичні засади бюджетного регулювання соціально-економічних процесів з урахуванням ролі держави в управлінні економікою. Особливу увагу приділено її функціям у розподілі й перерозподілі валового внутрішнього продукту для досягнення стратегічних цілей суспільного розвитку. Зазначено, що бюджетне регулювання спрямоване на задоволення суспільних інтересів та стимулювання поступального розвитку соціально-економічних відносин, що забезпечує високий рівень життя населення. Державний бюджет визначено ключовим інструментом бюджетного регулювання, який дозволяє вирішувати актуальні соціально-економічні проблеми. Економічна сутність бюджету проявляється у взаємодії держави з іншими учасниками економіки через розподіл ВВП, формування і використання фінансових ресурсів для підтримки розширеного відтворення та покращення добробуту громадян. Доведено, що ефективність форм державного втручання в економіку залежить від їхньої науково обґрунтованої основи та аналізу особливостей відтворювальних процесів. Бюджетне регулювання має бути результативним, зосереджуючи бюджетні ресурси на пріоритетних напрямках економічного розвитку. Такий підхід сприяє стабільному економічному зростанню, яке відповідає потребам суспільства.

### Statement of the problem

The socio-economic transformation of the remaining rocks, focused on the change of market mechanisms, caused the accumulation of low problems. Among them are the reduction of economic problems, changes in the structure of the secondary production, the reduction of the level of life of the population and the weakening of the position of the country in the foreign economic activity. In order to meet these challenges, the state is obliged to actively use a wide arsenal of economic tools and management mechanisms.

The state budget is one of the key tools of the state's influence on the socio-economic development of the country. The role of the guarantor of economic sovereignty, providing a financial basis for the implementation of state functions and serving with an important mechanism for influencing the economic, social and national interests of the world. The efficacy of such an impact with a significant world to lie in the field of real planning and scientific management decisions. This area has the importance of budget regulation, as it is focused on the strategic directions of budget policy. In order to ensure the rational and effective use of budget resources that are aimed at supporting the priority sectors of the economy, stimulating regional development and the development of other key issues of state governance.

### Analysis of recent research and publications

Questions about the limits of state interference in distribution processes and the use of the state budget as an economic instrument of budget support of the economy were dealt with by many economists, in particular, this is T.A. Dalevska, V.G. Demyanyshyn, T.V. Kaneva, Z.M. Lobodina, A.V. Pavelko, O.V. Prokopenko, Y.D. Radionov, I.P. Sydor, I.Y. Chugunov, V.I. Shkola and others. However, despite the significance of the results obtained, the conceptual apparatus of this problem has not been sufficiently studied, which prompts the clarification of the conceptual provisions of budget regulation of economic processes in the state.

### Objectives of the article

The article is aimed at studying the theoretical foundations of budget regulation, substantiating the growth of the role of the budget at the present stage of transformation of the domestic economy, determining practical measures to improve the mechanism of budget regulation of economic development.

### Statement of the main material

The economy of any country needs regulation by the state to ensure stable development. One of the key instruments of such regulation is the state budget, with the help of which the created wealth is redistributed in order to meet public needs. The gross domestic product, as the main indicator of national accounts, reflects the level of economic development and the results of economic activity of the country. The processes of distribution and redistribution of GDP form the basis of state regulation of the economy. Within the framework of the implementation of its functions, the state uses the budget as an important mechanism for influencing socio-economic processes [1].

The functions of the state are defined as key tasks aimed at ensuring the well-being of society. They are not static and change depending on the socio-economic structure of the country, as well as on the role of the state in solving urgent problems that arise at different stages of historical development. Such dynamism allows the state to adapt to new challenges and more effectively perform its functions in accordance with the needs of society. By choosing the path of European integration, Ukraine has committed itself to adhering to international standards in the field of financial stability, stimulating economic activity and ensuring high social standards. It is also an important task to achieve balanced development that meets generally recognized civilized rules and principles. These efforts are aimed at integrating into the global community and increasing the country's competitiveness in the international arena [2].

In the process of evolutionary development, the state constantly adapts and adjusts its functions, determining their scale and nature in accordance with the goals of social development and its role in socio-economic processes. However, the effectiveness of these functions does not always meet the expectations of society. Despite this, budget regulation remains one of the key mechanisms of the state's influence on reproductive processes, providing support for economic growth and social stability. In the process of performing its functions, the state determines the strategy for the development of society, forming tactical approaches and priorities for the near future. This process is based on the unity of functional tasks that form the basis of modern budget regulation. In accordance with the functions of the state, the principles of economic, in particular financial and budgetary policy are laid.

Thus, budget policy becomes an integral part of the system of state regulation, playing a key role in ensuring economic development. It is aligned with the financial objectives of the state and focuses on achieving the socio-economic progress of the country, taking into account both the current and strategic needs of society. State economic policy, including fiscal policy, serves as an important tool for macroeconomic regulation. It is aimed at achieving strategic goals, such as economic stability, sustainable development, ensuring social well-being and solving urgent economic and social problems. Budget policy plays a key role in the implementation of this direction, influencing the distribution of financial resources, stimulating priority sectors of the economy and ensuring a balance between social needs and economic opportunities [2].

State regulation of the market economy is a system of measures that have an institutional, legal, executive and control character. Its goal is to stabilize the economy and adapt it to changes that occur under the influence of both domestic and global factors. The state influences the reproductive processes in the economy through direct investment, the use of legal and economic levers aimed at orienting economic entities and individuals to achieve the goals and priorities of the state socio-economic policy. These measures help to ensure the stable development of economic processes, maintaining a balance between various economic interests and social needs.

The state exerts its influence on the economy in two ways – directly (through financing the development of the

public sector, science, culture, education, social protection of the population) or indirectly (through the system of legal and economic regulators, providing them with the opportunity to direct the activities of economic entities and individuals to achieve the goals and priorities of the state socio-economic policy. Each historical period has its own unique model of state regulation of the economy, which changes depending on the socio-economic conditions and needs of society. In this context, state regulation of the economy through the state budget takes the form of budget regulation. This allows for the effective use of financial resources to support economic stability, the development of priority sectors and the achievement of the strategic goals of the state, in particular in the context of a changing global environment and internal economic challenges.

The content of budget regulation of the state is the development of the main directions of formation and use of budget funds, based on the need to solve the tasks that society faces at a certain stage of its development. The budget in Ukraine has a leading place in the system of regulation of the state's economy, the creation of a favorable financial environment for the intensive development of market relations, and the provision of macroeconomic equilibrium [3].

Budget regulation is aimed at ensuring the balance of budgets that are part of the budget system, as well as achieving social justice and economic efficiency. This is carried out through the redistribution of budget resources, which allows you to purposefully influence the pace and proportions of the development of social production. The main regulatory role of the budget is to meet socially necessary needs by redistributing the cost between different areas of activity and regions. This approach allows the state to effectively manage resources to achieve optimal economic development and ensure social stability.

Budget regulation is an important component of financial regulation. However, unlike general financial regulation, which is implemented through various financial levers, budget regulation is of particular importance through the mediation of the state budget. It plays a key role in providing state aid to certain sectors of the economy, the social sphere and budgets of various levels. Thus, the state, using budget regulation, performs a «paternalistic» role, redistributing financial resources to stimulate socio-economic growth, which corresponds to the basic principles of the country's financial policy. This allows you to balance the interests of different sectors of the economy and ensure the stable development of society.

The content of the concept of «budget regulation» can be defined in a narrow and broad sense. In a narrow sense, the concept of «budget regulation» implies a set of measures for financial equalization through balancing revenues and expenditures of budgets of different levels. In a broad sense, the concept of «budget regulation» reflects economic relations that arise in terms of distribution and redistribution of budget resources in order to provide the necessary funds for the needs of the country's socio-economic development using specific techniques, methods and forms of state support [4].

At the same time, it should be noted that when determining budget regulation, it is advisable to indicate both the

objects and the entities authorized to carry out budget regulation, and the purpose of state regulation aimed at obtaining the expected result. Therefore, in our opinion, the most complete definition of the concept of «budget regulation» is the following: these are economic relations that arise in the process of distribution and redistribution of budget resources in order to provide the necessary funds for the needs of the country's socio-economic development. This is achieved through the use of specific techniques, methods and forms of state support. The main emphasis is that with the help of budget regulation, the state influences the socio-economic processes in the country and the distribution processes of objects external to the budget system, in accordance with the goals of the socio-economic development of the state.

Budget regulation is carried out through the interrelations between the sphere of public finances, in particular its budgetary link, and other elements of the financial system of the state. An example of such relationships is the processes of withdrawing part of income from business entities and the population in the form of taxes and other mandatory payments, as well as providing subsidies to enterprises, subsidies to the population. In addition, an important element is the issuance of internal and external government bonds, which is another budgetary regulation mechanism that allows mobilizing financial resources to achieve socio-economic objectives.

Having clarified the essence of budget regulation, it should be noted that the definition of this concept in a narrow sense, through the two-way movement of financial resources between budgets of different levels for the purpose of their financial equalization, is appropriate to define as inter-budgetary regulation, and the concept of budget regulation should be considered in a broader sense of the word. That is, inter-budgetary regulation is a component of budget regulation [4]. Along with inter-budgetary regulation, budget regulation includes regulation of the revenue and expenditure parts of the budget, regulation of the budget deficit and public debt (Fig. 1).

Payments to the budget should be fair and optimal in order to ensure the increase in the budget revenue base and allow for the effective allocation of expenditures to the implementation of priority tasks. In the case of limited budget expenditures, it becomes impossible to properly regulate socio-economic processes in the country, in particular, to maintain financial stability. In addition, this significantly reduces the role of the budget in the state regulation of economic development, since without sufficient financial resources, the state cannot make the necessary investments in key industries and solve socio-economic problems [5].

The volume of budget expenditures depends on numerous factors, in particular, on the state of development of the national economy. When the economy grows, budget revenues are increasing, which allows for a corresponding increase in expenditures. Through expenditures, the state influences the economic potential of the country, expanding production capacities. This, in turn, creates the opposite effect, contributing to the acceleration of scientific and technological progress, increasing productivity and increasing budget revenues.



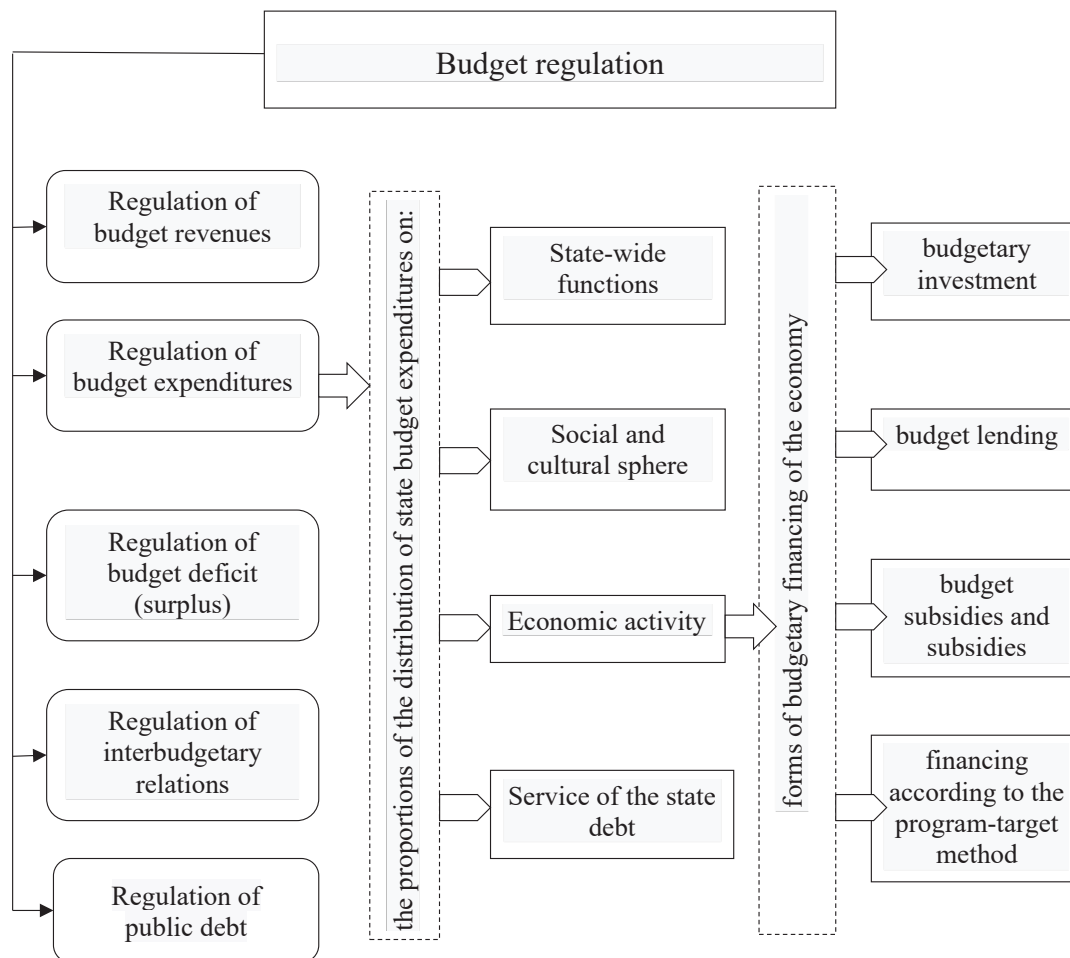


Fig. 1 – Budget regulation of the economy

Note: built on the basis of [4]

Thus, budget expenditures not only meet current needs, but also become a tool for stimulating economic development. The qualitative characteristic of budget expenditures makes it possible to establish the economic nature and social purpose of each type of budget expenditures, and the quantitative one – their value. With the help of key elements of budget regulation, in particular, optimality and balance of the budget, economic growth is ensured.

Budget regulation of the economy provides for the emergence of a set of budgetary relations between the state and business entities. These relations relate to the redistribution of budget funds in favor of their recipients, in order to financially ensure the development of the economy and meet public needs. As a result of such redistribution, the state has the opportunity to contribute to the stable development of the economy, support priority industries, as well as meet the social needs of citizens, thus contributing to overall socio-economic progress.

Considering budget relations in the context of the distribution and use of the centralized fund of funds of the state, it can be argued that these processes are accompanied by the movement of distributed value from the state to the subjects of receipt. Without such relations, distribution

processes cannot be completed, which contradicts the very concept of «state budget». This completion is an objective condition for the functioning of the state budget as an economic category and is ensured through budget financing. Thus, budget regulation of the economy is implemented in practice through budget financing of economic activity, which allows directing state resources to the development of priority areas of the economy and social needs.

With the help of budget financing, as a form of financial support, the necessary financial opportunities are created for the functioning and development of various business entities. Forms of budget financing can be defined as ways of providing budget funds for activities provided for in the budget, in accordance with scientifically based principles. With changes in specific economic conditions, the forms of budget financing are also evolving, and the boundaries of their application are gradually changing. This allows for a more flexible and effective response to economic challenges, providing an appropriate level of funding for the implementation of state goals and priority tasks.

In democratic countries, budget regulation is formed under the influence of complex processes and compromises between the interaction of public interests, business and the state. It depends on the economic, social, political

and environmental nature of the priority tasks of social development. In the context of the performance of state functions, budget regulation becomes the basis for stimulating, terminating or forming new directions of economic development. This includes, in particular, the creation of a socially oriented state, where budget regulation contributes to solving social problems, raising the standard of living and developing infrastructure that meets the needs of society and the economy [6].

The population receives a share of social wealth (GDP) through various public services and investments, such as the development of modern infrastructure, the provision of quality medical care, the provision of educational services, the improvement of settlements, the preservation of the environment, the development of science and culture, as well as the formation of the foundations of national security. Public goods resulting from budget regulation significantly increase the level and quality of life of the population, creating conditions for sustainable development and improving the well-being of citizens.

The experience of developed countries shows that with the help of budget instruments, the state ensures a balance between budget revenues and the benefits received, i.e. benefits for society. If this equilibrium is disturbed and the goods do not meet social needs, for example, due to burdensome taxes or when the country's economic system does not satisfy the interests of citizens, this can lead to the fact that the population does not support certain political forces in elections, which as a result causes a change of power. That is why European scholars assign to the budget and its regulatory functions the role of the general component of the political and economic system, which directly affects the stability and legitimacy of political power and the economic development of the country.

The economic essence of the budget lies in the interrelations of the state with other participants in social production in the distribution of the gross domestic product, the formation and use of funds of financial resources. The budget is an instrument for ensuring expanded reproduction, which allows to promote economic development and the growth of the well-being of the population. Through the budget, the state redistributes resources between different spheres of economic activity, supports social programs, investments in infrastructure and science, and ensures economic stability and social justice in the country [7].

Effective distribution and redistribution of GDP make it possible to resolve imbalances of economic development in the regional aspect, as well as to smooth out social disparities for different categories of citizens, regardless of their place of residence. However, the practice of using funds of interbudgetary transfers in Ukraine shows that the allocations allocated from the state budget do not always achieve their goal and do not always solve the tasks in full.

Achieving an efficient distribution of GDP is a difficult task, but when it succeeds, it leads to an increase in average productivity, which in turn stimulates economic growth. It is important that when citizens have confidence in the fairness of the economic game and the fairness of the distribution of resources, it contributes to the growth of their

productivity. Thus, an economy with an efficient and equitable distribution and redistribution of GDP can be more efficient, ensuring sustainable development and growth of welfare [8]. According to some scholars, budget regulation provides for a system of transferring part of funds from higher-level budgets to balance lower-level budgets or redirect the planned excess of revenues over expenditures from lower-level budgets to higher-level budgets. This allows for a more even distribution of financial resources throughout the country.

In fact, budget regulation reflects economic relations related to the territorial distribution and redistribution of national income. The purpose of this process is to provide the necessary financial resources for the needs of socio-economic development and social protection of the population within the administrative-territorial units. Budget regulation thus helps to smooth out regional disparities and provides more equal access to public services and benefits for the population of different regions [9].

Due to the need for effective distribution and redistribution of GDP, solving urgent social problems and ensuring the coordinated functioning of all elements of the budget system, the budget process should be considered as an object of state, namely budgetary, regulation. The budget is the main tool for creating the conditions necessary for the implementation of programs in such important areas as the country's defense capability, social protection of the population, stimulation of scientific and technological progress and other priority areas.

Significant changes in the economy, social and environmental spheres can be achieved only if an effective budget process is established. Since the role of budget regulation in the context of globalization and changing economic realities is only growing, financial resources should be concentrated on the most important areas that correspond to the strategy for the development of the economy and social sphere of the country. To increase the efficiency of state intervention in the economy and budget regulation, it is necessary to take into account a deep analysis of reproductive processes and base management measures on scientifically grounded decisions. This will allow you to more accurately navigate development priorities and effectively allocate budget resources.

The mechanism of budget regulation in the market conditions of the functioning of the economy of Ukraine should take into account the following aspects [10]:

- the use of market mechanisms in the process of distribution and redistribution of financial resources should be carried out in the economy as a whole;
- understanding that most enterprises do not belong to the public sector and that enterprises should be given the opportunity to independently carry out the process of production management, in which the state has an indirect role;
- recognition of the need to strengthen the role of the state in the implementation of macroeconomic policy and macroeconomic regulation and the role of the budget as the most important tool for achieving macroeconomic and financial stabilization through a balanced movement of centralized financial resources.

## Conclusions

State support in Ukraine is really necessary for many sectors of the economy, especially in the context of the transition to an innovation-oriented economy. For industries such as the chemical industry, light, food and processing, as well as for the creation of new technological industries, budget regulation and financial support are essential. Not only competitiveness, but also the strategic development of the country in such key sectors depends on it. Budget expenditures for the development of infrastructure, for example, highways, as well as for the creation of high-tech industries in mechanical engineering and the development of alternative energy sources are an investment in sustainable economic development. They contribute to both the improvement of infrastructure and the growth of domestic production, which, in turn, increases national competitiveness and the ability to adapt to changes in world markets.

Budget regulation can become the basis for supporting such initiatives and stimulating the production of products with high added value, which will help Ukraine not only maintain but also expand markets, ensuring economic growth and modernization of production. In the context of limited budgetary resources, it is indeed an important tool to attract private business through the mechanism of public-private partnership. This makes it possible to effectively combine public resources and private capital to solve large-scale infrastructure, social and environmental

problems, which are especially relevant for Ukraine at the current stage of development.

Public-private partnerships are actively used in many countries where private companies cooperate with government agencies, universities and research institutes to develop and implement innovative solutions. This approach reduces the financial burden on the state, promotes the development of new technologies and provides additional investments in key sectors of the economy.

Public-private partnership programs in developed countries are usually focused on energy efficiency, anti-corruption, development of environmentally friendly technologies and conservation of natural resources. Ukraine can also use this experience to implement its economic, social and environmental objectives. In particular, it is important to implement energy efficiency programs that can significantly reduce energy costs, as well as promote the development of environmentally friendly and technologically advanced industries.

As for the optimization of the structure of expenditures, this is also an important element of budget regulation. Priority financing of projects that reduce energy costs and have a long-term positive impact on the economy will ensure sustainable development while conserving resources. The introduction of effective depreciation policies and tax incentives for investments in innovative technologies will also contribute to productivity growth and increase the competitiveness of the economy.

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DOI <https://doi.org/10.26661/2414-0287-2024-4-64-18>**DIGITAL FINANCIAL SERVICES AND THE ACCOMPANIED RISKS****Shcheblykina I.O., Kushchik A.P.***Zaporizhzhia National University**Ukraine, 69011, Zaporizhzhia, Universytetska str., 66**innasheblykina@gmail.com, 20favorit10@i.ua**ORCID: 0000-0002-3214-8478, 0000-0003-0627-2296***Key words:**

digital technologies, digitalization, digital financial services, risks, financial services market, financial institutions.

The article analyzes the features of digitalization of the financial services market. In particular, the main consequences of the active use of information and communication technologies by financial institutions for their development, the sphere of financial services and the national economy are singled out and systematized. It also focuses on the basic advantages and disadvantages of using such technologies by various business entities. The main threats to users from the digitalization of financial services are studied. Accordingly, the substantiation of the impact of digital technologies on the state of information security in modern conditions of total use of such technologies in the financial services market has been carried out.

It is noted that digital technologies are a key element of digital transformation, which are used to improve the processes of financial, investment and risk management, interaction with customers and establish customer feedback and increase efficiency. It has been determined that digital technologies have already been used in the financial sector of the national economy, which can ensure the speed, efficiency and accessibility of financial transactions.

**ЦИФРОВІ ФІНАНСОВІ ПОСЛУГИ ТА РИЗИКИ, ЩО ЇХ СУПРОВОДЖУЮТЬ****Щебликіна І.О., Кущик А.П.***Запорізький національний університет**Україна, 69011, м. Запоріжжя, вул. Університетська, 66***Ключові слова:**

цифрові технології, цифровізація, цифрові фінансові послуги, ризики, ринок фінансових послуг, фінансові установи.

У статті проаналізовано особливості цифровізації ринку фінансових послуг. Зокрема, виокремлено та систематизовано основні наслідки активного використання інформаційно-комунікаційних технологій фінансовими установами для їхнього розвитку, сфери фінансових послуг і національної економіки. Також акцентовано на базових перевагах і недоліках використання таких технологій різними суб'єктами господарювання. Досліджені основні загрози для користувачів від цифровізації фінансових послуг. Відповідно проведено обґрунтування впливу цифрових технологій на стан інформаційної безпеки у сучасних умовах тотального використання таких технологій на ринку фінансових послуг. Зазначено, що цифрові технології є ключовим елементом цифрової трансформації, які використовуються для покращення процесів фінансового, інвестиційного і ризик-менеджменту, взаємодії з клієнтами та налагодження зворотного зв'язку із споживачами та підвищення ефективності діяльності. Визначено, що у фінансовому секторі національної економіки вже знайшли застосування цифрові технології, котрі здатні забезпечити швидкість, ефективність та доступність фінансових операцій.

**Statement of the problem**

Today, digital technologies have become one of the main factors in the development of the national economy and financial sector of any modern country. Their impact is particularly noticeable in the financial services sector, where credit

and investment institutions are actively innovating to make the most of the potential of digitalization. This allows not only to optimize processes, but also to significantly increase the quality and availability of the services they provide.

The financial sector has already undergone significant changes under the influence of information and

communication technologies, which have forced financial intermediaries to reconsider approaches to customer service, change development strategies, and sometimes completely transform their business models. These technologies create significant benefits for all participants in the financial services market, contributing to increasing their efficiency and competitiveness. At the same time, the process of digitalization is not without challenges – the introduction of innovations is often accompanied by certain difficulties and negative consequences that may arise due to the rapid transition to digital solutions in the financial sector [1, 2].

The introduction of modern technologies in the activities of financial institutions is largely dictated by the desire to improve the quality of services and increase their competitiveness. This provides them with favorable conditions for strategic and long-term development. However, the digitalization of the financial sector carries certain risks for consumers as well. In particular, threats arise that can negatively affect their financial condition and the security of confidential information, including financial data.

#### **Analysis of recent studies and publications**

A significant contribution to the study of the impact of digital technologies on the development of the modern financial market was made by such scientists as V.G. Babenko-Levada, L.M. Bogrinovtseva, M. Dubyna, A. Dunska, T.V. Zabashtanska, V. Lagodienko, O.V. Popelo, A.Y. Semenog, O.A. Skorba, T.F. Sunduk, A. Tarasenko, A. Tkachenko, N. Kholyavko, A.O. Chornovol, I.I. Chunya, O.V. Shishkina, R.V. Yankova and others. However, despite significant developments in this area, it is worth noting that as a result of the rapid introduction of innovative financial technologies, the theoretical justification for the development of the financial market lags far behind the practical reality, therefore it requires additional research.

#### **Objectives of the article**

The article is aimed at studying the current trends in the introduction of digital financial services in the financial market, highlighting the main risks that accompany them, determining the impact and prospects for the use of digital financial services in the activities of financial institutions.

#### **Statement of the main material**

The financial services market is a complex macroeconomic system that functions in the context of the development of both banking and non-banking institutions. It can be considered as a set of economic relations that arise in the process of providing intangible services with a certain consumer value. These relations are formed between market subjects during the satisfaction of the financial needs of some participants (consumers) by others (producers) on the basis of mutually beneficial cooperation.

This cooperation is carried out at the expense of own resources, customer funds or attracted financial resources of other entities, in accordance with the requirements of the current legislation. The main purpose of such interaction is to make a profit, preserve the value of assets or achieve

a social effect [3]. Today, digital technologies penetrate almost all spheres of public life, including economic. Their use allows business entities to increase the efficiency of their activities and strengthen their competitive positions. In the financial sphere, the application of these technologies is of particular importance, because the high level of competition forces financial institutions to actively innovate.

It was their proactive participation in the development, adaptation and improvement of digital solutions that contributed to the rapid digitalization of the entire financial services sector, making it more dynamic, efficient and consumer-oriented [4]. The main participants in the financial services market are financial institutions, which widely use modern digital technologies in their activities to increase competitiveness, increase the number of customers, and expand the geography of the financial services market. The most common among them are Internet banking, mobile banking, Internet trading, artificial intelligence, cloud technologies, blockchain, electronic wallets, sharing, crowd-funding, digital currency mining, etc. [5]. In Table. 1 provides a list of digital technologies that during 2023-2027. will be introduced into the financial services sector at the global level.

The general consequences of the active use of information and communication technologies by banking and non-banking institutions today include the following [3]:

- 1) the ability to store and effectively use large amounts of financial information, which are constantly increasing as a result of the work of financial institutions;
- 2) the ability to rationally build business processes based on an in-depth analysis of financial information available and already accumulated from customers;
- 3) improving the quality of risk management processes of financial institutions, which has a positive effect on their financial condition and efficiency of functioning;
- 4) better interaction between financial institutions and other participants in the financial services market, which provide additional services to the following institutions: credit bureaus, rating agencies;
- 5) the ability to collect more information about potential customers, which allows you to make more rational and balanced decisions;
- 6) convenience of interaction between financial institutions and their customers, digitalization of financial services delivery processes;
- 7) digitalization of the payment sphere, which allows to ensure the instantaneity of settlements between customers, payment of their obligations to financial institutions;
- 8) the ability to use significant amounts of macroeconomic information by public authorities to identify systemic potential crisis phenomena in the financial services market and their timely prevention.

Despite the obvious advantages of digital technologies for the financial sector, their use also creates new threats for both producers and consumers of financial services. Experience shows that security issues become key problems, because the level of fraud and financial losses can be significant. Solving such problems often takes a lot of time, especially given the large number of clients with which financial institutions work.

Table 1 – Digital technologies that are most likely to be introduced into the financial services sector in the period 2023-2027,%

Technology	Probability
Digital platforms and applications	93
Education and Workforce, Development Technologies	82
Big Data Analytics	91
Internet of Things and connected devices	74
Cloud computing	90
Encryption and cybersecurity	91
E-commerce and digital commerce	81
Artificial intelligence	83
Text, voice, image processing technologies	71
Cryptocurrencies	40

Note: Built on the basis of [5]

The reliability of financial transactions and the protection of consumer information are important components of a financial company's reputation. A high level of protection not only ensures the quality of services, but also helps to strengthen customer confidence, which is key to creating favorable conditions for the company's long-term development in the future [6].

The digitalization of the financial services sector has indeed led to the formation of a significant number of risks for all economic entities, in particular for banking and non-bank financial institutions. With a more detailed analysis of the threats and risks of the digital transformation of the financial market for households, two main types of risks can be distinguished: individual and systemic.

Individual risks relate directly to individual users of financial services and include threats such as fraud, identity theft, losses due to hacker attacks or hacks, and risks of fraudulent financial transactions. These threats can directly affect the financial health of households, reducing their ability to economic stability. Among them, it is worth highlighting the following [3]:

- 1) insufficient level of digital literacy;
- 2) the presence of digital inequality in society and different access to information and communication technologies, which is determined by the territory of consumption of financial services;
- 3) the level of income for the purchase of the necessary mobile devices that allow you to use the digital capabilities of financial institutions, etc.

Systemic risks, in turn, are related to digital infrastructure and its impact on the overall financial services market. These can be global disruptions in the operation of financial platforms, major cyber threats, or even problems with the regulation of digital financial instruments that threaten the entire economic system. They can have significant consequences for all market participants and consumer confidence in digital financial services, these include the following [3]:

- 1) hacking actions, loss of individual and financial information;
- 2) dissemination of fake information about the functioning of financial institutions, the use of the names of banks, non-banking institutions to send fraudulent messages;

3) manipulation of human consciousness, which can be carried out on the basis of the use of the latest digital technologies of influence on human behavior (contextual advertising, manipulation of facts, statistical information);

4) cyberattacks on the work of financial institutions, which lead to the loss of individual customer information, which may be disseminated in the public domain in the future;

5) psychological influence in order to persuade consumers to irrational behavior in the field of financial decision-making due to the use of modern digital technologies (chatbots, calls, etc.).

Systemic risks are common to the entire financial services industry and can have an impact on all market participants, but their implementation also depends on individual factors, such as the level of protection, security policies in specific financial institutions and the ability to respond to threats. Digital technologies allow you to quickly process large amounts of customer data, which opens up new opportunities for the targeted use of information about different groups of consumers of financial services. This can be useful for personalizing services and improving customer experiences, however, there is also the potential for abuse, which creates new risks for consumers [7].

When it comes to fraud, digital technology makes it difficult to identify and identify fraudsters. This requires significant financial resources and time from financial institutions to investigate and investigate fraud cases. Therefore, customers may face delays in the process of returning lost funds, which, in turn, can reduce the level of trust in digital financial services and create additional financial risks for consumers.

In addition to the above-mentioned risks, the introduction and application of innovative digital technologies by financial institutions may be accompanied by the following risks (Table 2).

Undoubtedly, one of the main threats associated with the digitalization of the financial sector is the loss of personal information security. This can happen due to unauthorized access to financial information about customers, which poses significant risks to their privacy and financial health. Information security is a multifaceted and complex concept that encompasses data protection, integrity and availability of information systems in conditions of constant unpredictability. It includes both internal factors

Table 2 – Risks accompanying the process of providing digital financial services

Type of risk	Characteristic
Risk of inequality of access to financial services for certain groups of the population	Can lead to inequality in access to financial services for the elderly, people with disabilities and other categories of users
Technical and technological risks	Caused by hardware or software failure, which can suspend the operation of the financial institution's system and negatively affect customer service and reputation
Legal risks	Arise as a result of a violation of the confidentiality of data and intellectual property rights and may cause significant financial, reputational and other losses to the financial institution; Changes in regulatory framework can lead to changes in the activities of a financial institution and create a high level of uncertainty about its prospects
Financial risks	Due to insufficient qualification of specialists – developers of digital technologies, corresponding failure to take into account risk-forming factors in the construction of algorithms and other factors, can negatively affect financial indicators
Criminogenic risks	Arise as a result of the risk of leakage of financial information (customer data, money and transaction information, etc.), personal data of customers and their use for illegal purposes
Risk of job loss	The introduction of digital technologies can lead to the automation of more processes and lead to a decrease in the need for employees, and, therefore, to a reduction in staff, which can lead to a lack of perception of innovations by personnel and an inadequate response to new technologies
The risk of addiction to technology	associated with the use of digital technologies and can become an object of addiction for certain groups of users and negatively affect their psychological state and physical health

Note: Built on the basis of [8]

related to the technical, organizational, and human aspects of information management, as well as external threats, such as cyberattacks, hacker attacks, or natural disasters that can compromise data protection.

The protection of personal information is an important part of the overall information security system. Successful provision of this security is critical for creating a secure information space where all financial services market participants and other participants in economic activity can effectively develop. Only with proper information protection can consumer trust and the resilience of financial institutions in the digital environment be ensured [3,9].

Ensuring information security in the financial services market in the context of digital technologies is critical for the formation of a stable and efficient economic environment. Information security is becoming an important component of consumer protection, since financial relations occupy a central place in the life of each person and organization. The security of customers in banking and non-banking institutions is especially important, because it directly affects their trust in the financial system and, accordingly, the functioning of the entire financial services market.

The financial services market is built on a trusting relationship between financial institutions and their customers. Information security is the foundation of this relationship, because without proper data protection, consumers cannot be sure that their financial resources and personal information will remain safe. Therefore, ensuring information security is not only protection against threats, but also a necessary condition for maintaining the stability and development of the financial services market [10].

The practical implementation of the introduction of digital technologies by participants in the financial services market is associated with the solution of a number of problems of today, namely:

- ensuring a stable Internet during blackouts, which affects the quality of digital financial services provided to consumers;

- minimization of costs for digital innovations in the context of devaluation of the national currency and inflationary fluctuations,

- low degree of consumer confidence in digital technologies implemented by financial institutions;

- lack of developed financial and information infrastructure, which makes it impossible to scale digital financial services;

- digitalization affects the architectonics of the labor market, increasing the unemployment rate, as well as reducing the profitability of business structures that do not innovate, which can negatively affect the customer base of financial companies;

- low level of financial and digital literacy of consumers of digital financial services and insufficient digital competence of the staff of financial institutions can lead to a decrease in their use and negatively affect the financial results of the companies that implemented them;

- an increase in the number of cyberattacks requires the implementation of reliable security systems and protection of confidential customer information.

The digital transformation of the financial services market involves the transition from traditional forms of providing these services to the use of digital technologies and platforms. As a result of the digitalization of the financial services market, network effects are directly received by all its participants, in particular:

- financial intermediaries, which are financial institutions

- growth of profitability, competitiveness, innovation potential, trust and the number of consumers;

- the state (management, regulation, control and supervision bodies)

- increasing transparency and openness of transactions in the financial services market, accelerating the processes of digitalization of the economy, development of digital infrastructure, attracting a larger range of investors to the processes of financing defense capabilities and restoring the national economy;

– consumers of financial services  
– quick access to banking, insurance, investment services, cost reduction, personalization of communications, etc. [5,11].

Therefore, the introduction of digital innovative technologies in the activities of financial institutions can indeed become an important factor in increasing their efficiency and competitiveness. These technologies can provide greater accessibility of financial services to a wider range of consumers, reduce their cost, and also allow the development of new financial products and services that meet the needs of the modern market.

### Conclusions

The introduction of digital technologies in the financial services market really requires market participants to quickly respond to changes in the situation, both in the international and domestic financial services markets. As competition from fintech companies and neobanks is constantly increasing, financial institutions must adapt their strategies and services to new customer requirements and current trends.

When making appropriate decisions, financial institutions must carefully weigh the advantages and disadvantages of digital transformation. Among the advantages are increased efficiency of operations, reduced costs, better personalization of services for customers, as well as the ability to quickly respond to market changes. However, along with this, it is necessary to take into account risks, such as possible threats to information security, high competition, and the need for constant investment in technology and infrastructure.

Thus, financial institutions must strike a balance between rapid innovation and effective risk management to ensure sustainable operation and long-term success in today's competitive environment. The process of introduction and use of digital technologies by participants in the financial services market of Ukraine requires appropriate regulatory support, in particular in the field of security and protection of personal data, elimination of digital divides in the provision of financial services, development of cyber insurance, improvement of institutional support for the processes of digitalization of this market.

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# PROJECT MANAGEMENT AND FINANCIAL AND ECONOMIC SECURITY IN THE CONDITIONS OF GLOBALIZATION

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## STRATEGIC DEVELOPMENT PERSPECTIVES OF THE ZAPORIZHIA REGION DURING THE WAR AND POST-WAR RECOVERY

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**Key words:**

strategy, prospects, Zaporizhzhia region, social programs, reforms, economic development, recovery, planning, budget.

The article examines the important strategic vectors of the prospective development of the Zaporizhzhia region during the war and post-war reconstruction, in particular through the prism of the analysis of aspects that occur and are resolved in the region and in Ukraine as a whole. The key directions of socio-economic development of the region are defined. It was determined that in the region, which is actively engaged in the reconstruction of destroyed housing in the city, energy independence, social support of the population, builds defense lines, ensures a safe educational process and actively communicates with business to maintain the economic balance. A successful socio-economic policy of the Zaporizhzhia region requires a clear strategy, plan and coordination between the authorities, business and the public. Also, special attention is paid in the article to international support, attraction of investments for the reconstruction of the destroyed, support of energy industry, defense line and charity. The article emphasizes the importance of social support to the population, internally displaced people, veterans, children and families of fallen soldiers, active communication with business and solving urgent issues for business support during the war and post-war period. Finally, the strategic plans and programs of the Zaporizhzhia region for the next year, which are approved in the region's budget for 2025, are highlighted. Therefore, the article highlights the key directions of the strategic development of the Zaporizhzhia region during the war and post-war period and points to the importance of analyzing problematic issues for a comprehensive approach in the evaluation to solve their implementation, sustainable, socio-economic development of the Zaporizhzhia region, as one of the most important industrial centers of Ukraine.

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## СТРАТЕГІЧНІ ПЕРСПЕКТИВИ РОЗВИТКУ ЗАПОРІЗЬКОГО РЕГІОНУ В ПЕРІОД ВІЙНИ ТА ПОВОЄННОМУ ВІДНОВЛЕННЮ

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**Ключові слова:**

стратегія, перспективи, Запорізький регіон, соціальні програми, реформи, економічний розвиток, відновлення, планування, бюджет.

Стаття розглядає важливі стратегічні вектори перспективного розвитку Запорізького регіону в період війни та повоєнному відновленню, зокрема через призму аналізу аспектів, які відбуваються та вирішуються в регіоні так і в цілому в Україні. Визначені ключові напрями соціально-економічного розвитку регіону. Визначено, що в регіоні, який активно займається відбудовою зруйнованого житла в місті, енергонезалежністю, соціальною підтримкою населення, будує лінії оборони, забезпечує безпечний освітній процес та активно спілкується з бізнесом задля підтримки економічного балансу. Успішна соціально-економічна політика Запорізького регіону вимагає наявності чіткої стратегії, плану та координації між владою, бізнесом

та громадськістю. Також особливу увагу в статті приділяється міжнародній підтримці, залученню інвестицій для відбудови зруйнованого, підтримки енергетики, оборонної лінії та благодійності. В статті підкреслюється важливість в час війни та повоєнному часі, соціальна підтримка населенню, внутрішньо переміщеному населенню, ветеранам, дітям та родинам загиблих воїнів, активне спілкування з бізнесом та вирішення актуальних питань для підтримки бізнесу. Нарешті висвітлюються стратегічні плани та програми Запорізького регіону на наступний рік, які затверджені в бюджеті регіону на 2025 рік. Отже стаття, висвітлює ключові напрями стратегічного розвитку Запорізького регіону в період війни та в повоєнному періоді та вказує на важливість аналізу проблемних питань для комплексного підходу в оцінці задля вирішення їх реалізації, сталого, соціально-економічного розвитку Запорізького регіону, як одного з важливіших промислових центрів України.

### Statement of the problem

The relevance of the strategic development of the Zaporizhzhya region is not only during the war, but also in the subsequent post-war reconstruction. This relevance lies in solving key issues of development at the local level, in particular the task of restoring infrastructure, energy, restoring the damage caused to the environment and preserving it, ensuring safe living conditions for the population of the region and promoting its return. Effective planning and development of strategies for the development of the region can contribute to the restoration of the region and increase its vitality, prospective prosperity, improvement.

### Analysis of recent studies and publications

Recently, issues of strategic development of regions during the war and reconstruction in the post-war period are increasingly being discussed and analyzed. Cherep A.V., Leshchenko A.A. analyzed this issue in their article on the innovative development of the recovery of the economy of Ukraine in the post-war period [1]. Zabłodska I. V., Rogozyan Y. considered as an economic and legal aspect of evaluating the effectiveness and efficiency of the development of functional types of territories of Ukraine [2]. Danylyshyn B. M. evaluated economic transformations during the period of martial law: tactics of evolutionism and modernization [3]. All scientists work and research current and painful issues of today.

### Objectives of the article

Ukraine achieved significant progress in the implementation of regional policy reforms in 2015-2022 with the support of the EU and other partners. And already in 2018, for the sake of effective public investment at all levels of government, Ukraine joined the Recommendation of the Organization for Economic Cooperation and Development (OECD). Key aspects of the strategic development of Ukraine's regions before the war were the programs of reforming medicine, education and science, and social support of the population.

### The main material of the research

The medical reform began in 2018, and it is based on changes in the principles of financing healthcare institutions, which allows every citizen of Ukraine to receive quality treatment in any hospital. Its goal is to provide

citizens of Ukraine with equal access to quality medical services, as a result of changes to orient the system so that the patient is at its center [4]. The positive points are that the money follows the patient, the medical institution can additionally earn money for its needs and spend it as it decides, including for the motivation of its employees.

The reform of education and science in Ukraine is carried out in the following priority areas: affordable and high-quality preschool education, a new Ukrainian school, modern professional education, high-quality higher education and development of adult education, development of science and innovation [5]. The education reform in Ukraine envisages the transition to a 12-year school education system, which should take place in 2027. In particular, from 2027, a three-year specialized secondary education (grades 10–12) with academic and professional orientations will be introduced. The main goal of the reform is to provide every student with equal access to quality education in a comfortable and inclusive educational environment [6].

The reform of social support of the population is aimed at promoting higher quality and improved processes of assistance, administrative payments and services, introduction of an effective and urgent, targeted social package of services adapted to the needs of the population. "Modernization of the system of social support of the population of Ukraine" is a project implemented by the Ministry of Social Policy of Ukraine with the support of the World Bank. The goal of the project is to promote the successful implementation of social reforms aimed at reducing poverty and increasing social protection of the most vulnerable population groups. Within the framework of the project, the processes of providing social assistance are improved, the administration of social payments and services is improved, the development of family forms of education and social support for orphans and families with children in difficult life circumstances is stimulated [7].

Local executive bodies of regional development of Ukraine use different approaches when preparing regional development strategies. This is due to the processing and collection of qualitative and quantitative information about the socio-economic state of the region. One of the negative aspects of excessive statistical information is the rapid loss of relevance and the absence of a real picture of the dynamics of the region's development. An important task in the

development of a strategic plan for the development of the region is to take into account all interested parties of the government, business, communities and the public.

During the war, the economic development of the region, in particular the support of industrial enterprises and business, should be attributed to the key perspective directions of the strategic development of the Zaporizhzhia region; social protection of citizens; provision of defense and logistics; international cooperation.

Effective reforms are being carried out in social protection and medical institutions of the Zaporizhzhia region, in particular: 15 social protection institutions exist on paper, but only 4 of them actually provide services, others are financed from the budget, but do not work in the region; some medical institutions are morally outdated and cannot function within the framework of reforms introduced by the Ministry of Health back in 2019. Starting from 2024, the Mother and Child Center was created in the Zaporizhzhia region from three regional institutions: Communal non-profit enterprise (KNP) "Zaporizh Regional Clinical Children's Hospital" of the Zaporizhzhia Regional Council (ZOR), KNP "Regional Perinatal Center" ZOR, KNP "Regional Medical Center" human reproduction" ZOR; and the regional clinical hospital was merged with oncology and cardiology centers.

As part of the reform of education and science in the region, the "Safe School Offline" program is already being implemented, where more than 10,000 students have the opportunity to learn offline. The reform of the "Profile" high school in the Zaporizhzhia region is part of the comprehensive renewal of general secondary education based on the "New Ukrainian School" concept. Starting in 2027, the introduction of three-year specialized secondary education (grades 10–12) is planned in two directions:

- academic: in-depth study of subjects (courses) and preparation for obtaining higher education;
- professional: orientation to the labor market, emphasis on relatively quick acquisition of a profession.

Taking into account the challenges of war and the demographic forecast and depending on the security situation, there is a need to implement a road map; modeling of a prospective network of institutions that will provide specialized secondary education in the region (currently and after the de-occupation of the territory); models of financing and management of such a network.

One of the strategic prospects for the development of the region, in the conditions of wartime and the energy crisis, is unconditional energy independence or its increase. The Ministry of Economy of Ukraine has developed a program for the energy security of Ukraine and a whole package of important solutions to stimulate the development of distributed generation in order to meet local generation needs. That is, the government creates conditions with a minimum number of bureaucratic procedures for the ability of businesses and citizens to ensure their own energy independence by attracting financial instruments, and from now on a 0% lending program is available for the purchase of generating plants that produce electricity from alternative sources. The Zaporizhzhia region takes an active part in this program and additionally participates in co-financing

with the ministry for the installation of cogeneration and generation plants. The program for partial reimbursement of costs for the purchase of equipment for energy dependence of the Zaporizhzhia region consists of a simplified procedure:

- submission of all necessary documents to any CPAS located in the region;
- average compensation by the regional authorities of 10% of the cost of the equipment.

At the present time, the strategic solution of land issues remains relevant – payment of taxes on land by businesses and timely concluded lease agreements. Quick and transparent resolution of all bureaucratic issues according to the procedure defined by law. In the Zaporizhzhia region, for the effective functioning of this strategy, a working group on land issues was created under the city government, the composition included specialists of specialized city services, representatives of the regional administration of the State Land Cadastre and the State Tax Service. The first positive results from the work of this group are the partial inventory of land plots in the city of Zaporizhzhia and the discovery of unregistered land plots. To date, 39 lease agreements have been concluded, the decision on which has not been decided since 2019, which will add UAH 4 million to the 2024 budget.

One of the directions of social security of strategic perspective development in the Zaporizhzhia region is the creation of effective conditions for the opportunity for persons with disabilities to realize their rights and lead a full-fledged lifestyle, creating a barrier-free future for every child. Today, 87,000 people with disabilities are registered in the Zaporizhzhia region. More than 16,000 of them are persons with disabilities since childhood and children with disabilities. In addition to state social assistance, they are provided with rehabilitation services. Support is also provided to people who have suffered as a result of the action of explosive objects. The priority area of work of regional and local authorities is the social support of persons with disabilities as a result of the war between the Defenders of Ukraine and the Defenders of Ukraine, who have the right to receive monetary compensation for the purchase of housing. In addition to state programs, the Zaporizhzhia Region has its own targeted program of support for people with disabilities – "Towards the People". In order to overcome psychological stress and other social challenges, the opening of Sustainability Centers has been started in the region. Such centers have already been established in the Energodar, Kushugum, Melitopol, Petro-Mykhailiv and Shirokiv communities.

On November 29, 2024, the Cabinet of Ministers of the Government approved the Veterans Policy Strategy until 2030. From the initial steps in the soldier's return to civilian life – to the veteran's ability to strengthen the life of the community, region, and state. The strategy is based on such principles as comprehensiveness, human-centeredness, long-termism, realism and respect.

The document defines three main strategic goals:

- restoration of human capital and welfare of veterans and their family members;

Table 1 – Development programs of the Zaporizhia region for 2025

The name of the budget program according to the Standard program classification of expenditures and crediting of the regional budget	Name of the local/regional program	The date and number of the document that approved the local regional program	Total, hryvnias
Provision of out-of-school education by out-of-school education institutions, measures of out-of-school work with children	Education development program of the Zaporizhia region for 2023-2025 (with changes)	order of the head of the regional state administration dated February 22, 2023 No. 101	112,000
Improvement of qualifications, retraining of personnel by institutions of postgraduate education			288,000
Provision of financial support to public associations of veterans and persons with disabilities whose activities are socially oriented	Targeted program of social support for the population of the Zaporizhzhia region for 2025-2029	order of the head of the regional state administration dated November 20, 2024 No. 1004	150,000
Other measures in the field of social protection and social security			24,850,000
Other activities in the field of culture and art	The cultural development program of the Zaporizhzhia region for 2025	order of the head of the regional state administration dated 19.11.2024 No. 1002	700,000
Conducting educational and training meetings and competitions in Olympic sports	The target program for the development of physical culture and sports in the Zaporizhzhia region for 2022-2026 (with changes)	decision of the session of the regional council dated 16.12.2021 No. 39	1,991,900
Waste disposal	Regional program of construction, reconstruction, modernization of infrastructure objects, socio-cultural and ecological purpose in Zaporizhzhia region for the period until 2025 (with changes)	decision of the session of the regional council dated 18.03.2021 No. 141	37 522300
Measures and works on territorial defense	The program for ensuring the fulfillment of tasks in the field of defense work, implementation of measures related to territorial defense and civil protection in the territory of Zaporizhzhya region for 2022-2026 (with changes)	by the decision of the regional council session dated 02.15.2022 No. 75	3,650,000
Other activities in the field of mass media	Program to support the development of the information space of the Zaporizhzhia region for 2021-2025 (with changes)	decision of the regional council session dated 03/18/2021 No. 145	900,000
Promotion of the development of small and medium-sized enterprises	Comprehensive program for the development of small and medium-sized enterprises in the Zaporizhzhia region for 2025-2027	order of the head of the regional state administration dated 14.11.2024 No. 965	9,000,000
Measures for the prevention and liquidation of emergency situations and consequences of natural disasters	Program for the implementation of civil protection measures under martial law and in peacetime for 2023-2027 (with changes)	order of the head of the regional state administration dated 01.12.2022 No. 550	1,100,000
	The program of further expansion of the regional material reserve for the prevention and liquidation of the consequences of emergency situations for 2021-2025 (with changes)	decision of the session of the regional council dated March 18, 2021 No. 147	26,000,000
Promotion of the development of small and medium-sized enterprises	Comprehensive program for the development of small and medium-sized enterprises in the Zaporizhzhia region for 2025-2027	order of the head of the regional state administration dated 14.11.2024 No. 965	3,000,000
Measures and works on territorial defense	The program for ensuring the fulfillment of tasks in the field of defense work, implementation of measures related to territorial defense and civil protection in the territory of Zaporizhzhia region for 2022-2026 (with changes)	by the decision of the regional council session dated 02.15.2022 No. 75	300,000,000
<b>Total</b>			<b>409,264,200</b>

- respect and honor;
- ensuring national security and defense capability.

The first stage of the implementation of the Veteran Policy Strategy is planned for 2025-2027 [9].

The development program of the Zaporizhian region is given in Table 1 [10].

Therefore, the approved budget of the Zaporizhzhia region enables the region to quickly and effectively start implementing programs at the beginning of 2025.

### Conclusions

In the conditions caused by the war, there are increasing risks regarding the timeliness, comprehensiveness and realism of the prepared strategic development perspectives and recovery plans, therefore effective coordination of efforts of all participants in the process of the city government, business and the public is required. This mission can only be accomplished together, everyone is responsible for the implementation of the policy of development and restoration of the Zaporizhzhia region.

The war created a lot of destruction and painful, acute problems that need a timely solution every time and day. The Zaporizhzhia region should use the solution of these

problems as an opportunity for rapid entry into international cooperation and world support in the interests of the development of the region for its prosperity and the well-being of Ukrainian society.

Unfortunately, the war has been going on for a very long time, and the consequences in some places are catastrophic, which will affect the Zaporizhzhia region for more than one decade. Therefore, strategic planning of the region's development during the war and recovery period is urgent, and it is not worth waiting for the end of the war to start the recovery of the Zaporizhzhia region, a lot of time has already been lost. Now it is necessary to concentrate efforts for economic growth, to support enterprises, to promote the creation of new jobs in order to provide the population with jobs and the production of products necessary for the front and the country. The front, for their part, should create multi-branch agricultural farms in order to provide the internal market of the Zaporizhzhia region with food products. Currently, a working strategy is needed for the development of all human, financial, technological and organizational resources of the region, which must be directed to the rapid growth of the economy in the Zaporizhzhia region for the accelerated recovery of the rest of the occupied and destroyed region tomorrow.

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## THE ESSENCE AND CONTENT OF THE PROJECT APPROACH TO THE ECONOMIC SECURITY OF THE ORGANIZATION

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### **Key words:**

project approach, economic security, determinants.

The article is devoted to the definition of the main characteristics of the project approach to the economic security of the organization, which is a purposeful method of forming a future economic system. The key determinants of economic security of the organization are highlighted, taking into account the levels of its provision: macro-, meso- and micro-levels. The composition of key determinants in the system of economic security of the organization is also determined. The article proposes to consider improving the level of economic security of the organization as a project, that is, to consider this category from the standpoint of the project approach. The advantage of the project approach is the independence of employees and departments in making managerial decisions, concentration at work, a clear division of responsibility, minimal control and administration. It is noted that the project approach provides for the possibility of solving any problem with a sufficient amount of time and money. The content of the project will be the economic security of the organization, the target component of the project is to achieve a certain level of economic security of the organization, the limitations of the project are time and resources. Based on this, the main features of the project are highlighted. The main stages of work on the project are: determining the deviation of the actual indicator from the target, identifying threats to the economic security of the organization; calculation of scenario options for the ratio of time and financial resources; solving the problem of optimizing the distribution of time and financial resources of the organization; drawing up a plan of events (Gantt graphics); allocation of threats to economic security in accordance with the main determinants. A comparative description of the project approach with traditional approaches to organization management is given. It is noted that for different types of projects, depending on the goals and restrictions, it is advisable to develop an individual risk management system and a set of measures. A comparison of the main components of the economic security of the organization and the procedures of the project approach is given.

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## СУТНІСТЬ І ЗМІСТ ПРОЕКТНОГО ПІДХОДУ ДО ЕКОНОМІЧНОЇ БЕЗПЕКИ ОРГАНІЗАЦІЇ

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### **Ключові слова:**

проектний підхід, економічна безпека, детермінанти.

Стаття присвячена визначенню основних характеристик проектного підходу до економічної безпеки організації, який являє собою цілеспрямований метод формування майбутньої економічної системи. Виділено ключові детермінанти економічної безпеки організації із врахуванням рівней її забезпечення: макро-, мезо- і мікрорівні. Також визначено склад ключових детермінантів в системі економічній безпеки організації. У статті запропоновано розглядати підвищення рівня економічної безпеки організації, як проект, тобто розглядати дану категорію з позицій проектного підходу. Перевагою проектного підходу визначено самостійність співробітників та підрозділів у прийнятті управлінських рішень, концентрацію на роботі, чіткий розподіл відповідальності, мінімальний контроль та адміністрування. Зазначено, що

проектний підхід передбачає можливість рішення будь-якої проблеми при достатній кількості часу та коштів. Змістом проекту буде економічна безпека організації, цільова складова проекту – досягнення певного рівня економічної безпеки організації, обмеженнями проекту є час та ресурси. На основі цього виділено основні ознаки проекту. Основними етапами роботи над проектом визначено: визначення відхилення фактичного показника від цільового, виявлення загроз економічної безпеки організації; розрахунок сценарних варіантів співвідношення часових та фінансових ресурсів; рішення задачі оптимізації розподілу часових та фінансових ресурсів організації; складання плану заходів ( графіка Ганта); виділення загроз економічної безпеки у відповідності із основними детермінантами.

Наведено порівняльну характеристику проектного підходу із традиційними підходами управління організацією. Зазначено, що для різних типів проектів в залежності від цілей та обмежень доцільно розробити індивідуальну систему ризик-менеджмента та комплекс заходів.

Наведено порівняння основних складових економічної безпеки організації та процедур проектного підходу.

### **Problem statement**

The project approach to the economic security of the organization is a purposeful method of forming the future economic system. The economic security of an organization is a complex characteristic that takes into account the totality of financial, social, production, investment, innovation, resource, industrial, environmental and other potentials [1]. In the process of forming a plan to ensure the economic security of the organization, it is necessary to identify its key determinants and determine the appropriate indicators, which will assess the need for resources, time and opportunities to increase the level of economic security.

### **Analysis of recent researches and publications**

The project approach to enterprise management is the subject of research by many domestic and foreign scientists. However, the application of the project approach to managing the economic security of the enterprise is almost not proved. Although some scientists, in particular Sultigova M.B., Rossoshanska O.V., O. Prodius, Baranskaya A.N. consider this approach very promising, this issue, in particular, the conclusion of the essence of the project approach remains insufficiently worked out in the domestic literature.

### **Formulating of objectives**

The purpose of the article is to study the essence of the "project approach to the economic security of the organization" concept, its peculiarities definition.

### **Presentation of the main research material**

It is advisable to single out the key determinants of the economic security of the organization, taking into account the levels of its provision. To do this, we will distinguish macro-, meso- and micro-levels. The composition of the key determinants in the economic security system of the organization is given in tab. 1.

The advantages of this approach include the independence of employees and departments in making managerial decisions, concentration on work, a large distribution of responsibility, minimal control and administration [2].

At the same time, it is not without drawbacks, such as inefficient use of resources, due to tight end dates and "safe" assessments of tasks, including time reserves, the preservation of the risks of delaying the completion of tasks. So the hard finish dates of tasks, typical of any repetitive processes, require appropriate reserves of time, which leads to insufficiently efficient use of resources. At the same time, the risks of task delays remain. [2] These factors show the internal reserves of growth for the organization.

To date, in practical activities, there are trends in the transition from traditional theoretical approaches to the management of the organization (situational, structural and functional [3]) to relatively new (process and project) approaches. The need for the evolution of existing approaches is due to the shortcomings identified as a result of the analysis of the processes of financial and economic activities of organizations, based on the study of the tools of each approach and the methodology for studying the category "economic security of the organization" (tab. 2).

The process approach is a natural evolution of the functional approach. Each business process is a logical series of interdependent actions, using the resources of the organization, aimed at obtaining in the foreseeable future the final result necessary for the organization and satisfying the interests of customers. In this case, the process is considered as a mode of operation, reflecting the change in the states of the system. Taking into account the fact that functions and processes cannot exist in isolation from each other, modern enterprises have to combine functional and process approaches. To do this, it is necessary to simultaneously design the organizational structure (functional areas) and the order of interactions within this structure (processes) [4]. Analysis of the influence of the external environment on the efficiency of production using the process approach showed the impossibility of obtaining a long-term competitive advantage due to the possibility of applying similar procedures by competitors. Therefore, only business models (processes) and complementary assets that are difficult to replicate by competitors give a competitive advantage [1].

Table 1 – Key determinants of economic security of the organization

Level of economic security	Key determinants
Micro level	financial
Meso-level	industry
	production territorial
	informational
Macro level	political
	socio-economic
	resource (personnel, raw materials)
	Sales
	social
	investment technology
	industrial-ecological
	managerial institutional

Table 2 – Disadvantages of traditional approaches to the management of the organization

Approach	The basis for building an organizational structure	Disadvantages
Situation	Adaptation to the environment	Inconsistency between departments
Structural	Hierarchical basis	Bureaucracy, inefficient methods, low motivation
Functional	Principle of functional areas	Lack of interest in the final product

In the conditions of an innovative economy, the effectiveness of the process approach in comparison with others has strengthened its position in operational management, but as a tool for implementing strategy and strategic changes in the organization, business structures prefer project management. Economic security is an important element of the strategic management system of the organization. In our opinion, it is advisable to consider increasing the level of economic security of the organization as a project, that is, to interpret this category from the standpoint of the project approach [3]. The project approach assumes the possibility of solving any technical problem with a sufficient amount of time and money. One or more resources are often scarce in practice, necessitating the development of tools for this approach. The essence of project management is expressed by the implementation of the project with the maximum possible efficiency with time constraints, financial and material resources, as well as high requirements for the quality of the final results of the project.

The content of the project will be the economic security of the organization, the target component of the project is the achievement of a certain level of economic security of the organization, in the role of classical constraints – time and resources. Based on the above, let highlight the main features of the project "Economic security of the organization":

1. The goal of the project is to achieve a certain level of economic security of the organization.
2. The need to comply with the financial and time constraints of the project under the influence of external and internal threats.
3. The uniqueness of each project is determined by its target component (overcoming the crisis, increasing individual indicators, achieving the optimal level).
4. Purposeful transfer of the system from the existing state to some desired state[4].

Nowadays the project approach is now actively developing on the basis of such sciences as management, marketing, personnel management and others, and is being introduced in organizations of various industries. Reasonable use of project management tools is aimed at creating an integrated methodology for implementing this approach in the activities of the organization. The project approach as a purposeful method of forming future systems is a kind of continuation of the process approach, but it has a number of significant differences. The basis for the construction of the project structure is not the concept of functions or processes, but the project as the main production, innovative and competing business unit [4].

The main difference between a business process and a project is its repetition or reproduction over time. The project involves the creation of a unique product, through the implementation of complex activities and the provision of continuous integrating and coordinating influence with strict restrictions on time, costs and quality of work [4]. Obviously, management needs to clearly understand the results of the business. The business case for the need to implement a project management system for an organization requires its initial comparative assessment with traditional methods. The results of the comparative assessment are presented in tab.3.

The introduction of professional methods of project management into the organization's activities increases production efficiency, and allows achieving target results with minimal costs. According to some estimates [4], the effectiveness of the implementation of the project management system is confirmed by an increase in the value of the business by up to 20% due to the improvement of the quality of planning and the most efficient use of resources. At the same time, the implementation of the project approach is associated with certain difficulties and problems of an organizational and technical nature. The first problem is the interpretation of the category of "project".



A misunderstanding of the essence of the project structure can lead to complete organizational and managerial chaos. To date, depending on the conditions of operation, industry affiliation, market conditions and other factors in different organizations, different initiatives are understood as a project. As an independent field of knowledge, project management has existed for quite a long time, but the interpretation of the category "project" under the influence of trends occurring in the development of the theory and practice of project management continues to be clarified.

Despite the existing differences in the definition of the essence of the project, there are common features that allow us to identify it as an activity aimed at achieving a specific result in the foreseeable future with fixed deadlines and budget. It should be remembered that each project is inherently unique. Therefore, for different types of projects, depending on the goals and limitations, it is advisable to develop an individual risk management system with the appropriate depth and evaluation intervals, as well as a set of measures. Planning project activities, in contrast to the current one, is a more complex and responsible procedure, since the risks inherent in projects due to its uniqueness are much higher. There are industries for which the project structure is the only acceptable one. Initially, project management was the prerogative of engineering and construction organizations. The development of the theoretical basis of project management and the generalization of practical experience made it possible to apply this approach in each organization that needs specific systemic changes. The achievement of the set goals and effective results is ensured by the rational use of all resources in the process of developing its activities.

Thus, the management of the organization, when deciding on the transition to project management, should correlate its business idea with the main features of the project. The transition to the project "rails" for the sake of the transition itself will not allow you to get the expected benefits, but it will not save you from the complexities and costs of implementing and implementing this approach. "The second problem is the readiness to switch to the project system. The International Institute of Project Management has developed a special methodology for determining the readiness of an organization to implement project management [5]. The introduction of project management in an organization with a linear

management structure is accompanied by a transformation into a matrix structure. In this case, each employee simultaneously reports to the heads of the structural unit and the project, which requires a clear prioritization of tasks, rational allocation of resources, detailed time planning and consistency of managers at various levels. "In practice, the following key stages of the transition to the project system are distinguished:

1. Creation of a unified procedure for project management, described in the relevant regulations.
2. Reorganization of the company.
3. Clear functional separation of employees and departments within the projects.
4. Coordination of projects.
5. Development and implementation of an information system as a tool for scheduling and control of project work.

Thus, in order to move to full-fledged project management, the organization must reach a certain level of maturity. The third obstacle on the way to the project system is the cost of setting up project management. The cost of implementing a project management system is determined by the size of the organization and the cost of the project management information subsystem responsible for project planning, budgeting, database of implemented projects, etc. There are the following main strategies for optimizing the cost of implementing project management:

1. Development of internal methods with the participation of competent employees involved in projects, and the involvement of specialists from a consulting firm. This method of transition to project management takes more time, but is cheaper.
2. The use of start-up consulting in key departments of the organization in order to move the setting of project management "from the dead point".

This method is relatively fast, but requires large financial investments. Obviously, the costs of implementing project management should not exceed the expected benefits from its use. The next organizational problem in the transition to project management is the issue of combining process and project activities. The introduction of project management involves reorganization and changes in the organizational structure.

The responsibility of a manager who applies a functional or process approach is to solve specific problems, form business processes and control personnel. With the

Table 3 – Comparison of traditional methods and project management

Parameter	Traditional approaches	Project approach
Management methods	Bureaucratic administrative-command	Modern market relations
Methods of work and expense planning	Obsolete, inefficient use of material and human resources	Detailed planning, optimization of all costs and resources,
Motivation for the final result	No	Reasoned
Timing of work	Delayed deadlines for work	In the shortest possible time
Approach to the organization and selection of specialists	Departmental	Competitive basis
Interest in high quality of work	No	Focus on high quality
The ratio of time costs and quality of work	Excessive involvement of employees, loss of quality	Minimum necessary time expenditure for high quality
Work costs	Do not correspond to their real volume	For the amount of work performed

implementation of the project approach, the control of process stages and their boundaries moves from functional managers to project managers. Thus, in order to ensure the sustainability and increase the efficiency of the organization's activities, it is necessary to define formal rules for the coexistence of process and project activities.

The next issue is the control of project costs. To solve it successfully, it will be necessary to review the applied planning methods and the level of control. It is advisable to plan the costs of the project in proportion to the cost of working time for the implementation of the project and coordinate with the management. Project costs should be controlled on the basis of their compliance with the planned level on the basis of the distribution of personnel time and salary costs according to the relevant drivers [4].

At the same time, the control of project costs must comply with the principles of expediency and economy, otherwise bureaucratic administrative and command methods of control can lead to irreversible consequences for the "project team", violating the corresponding necessary level of trust. As a result, for a full-scale transition to project management, any organization will need not only to invest certain funds, but also to overcome some problems in its implementation within a certain time.

Despite the above difficulties and problems in the transition to project management, every year you can observe an increasing number of new business projects. However, with all the advantages that this method of management can give if it is properly applied, its implementation alone does not guarantee success. Successful completion of any project is possible with a comprehensive accounting of two components of project management:

1. The technical side of project management includes planning and cost assessment, project management and control, risk and quality management, as well as the preparation of project documentation and evaluation of results.

2. The managerial competence of project management is determined by the unity of the project team, the level of communication, the motivation system and the focus on the result.

It is the ability to form a team charged with obtaining the necessary "product" as a result of the project, in conditions of limited material and time resources, to instill in it the psychology of success, is often a key factor in leveling some inevitably arising technical inaccuracies due to the uniqueness of the project. Thus, project management methods can be applied to the operational activities of the organization, including ensuring economic security. The application of the project approach to the category of "economic security of the organization" is aimed at achieving a certain level of economic security, that is, a specific transition from one (current) state to another (target, optimal) by eliminating the factor of inefficient spending of time on tasks and reducing the risks that arise when tasks are not completed on time. "One of the key aspects that ensure the continuous uninterrupted functioning of all internal processes is its economic security. The financial and economic activities of the organization are exposed to a significant number of hazards, challenges and threats caused by

external and internal factors. The factors affecting the main components of the organization's activities are heterogeneous and require constant monitoring, analysis and control.

Accounting, monitoring and analysis of these factors is a very laborious process that requires significant time and certain financial costs, which necessitates the allocation of a full-fledged system responsible for ensuring the economic security of the organization.

At the same time, it is impossible to ensure full monitoring and accounting of these factors in the absence of an appropriate system for ensuring the economic security of the organization. The system itself needs appropriate theoretical, methodological and legal support. Theoretical aspects of economic security, such as threats, criteria, indicators and indicators in practice do not receive real application due to the lack of specific management decisions aimed at both "targeted" troubleshooting in the system (tactical measures) and promising strategic measures [4]. A project is understood as an enterprise that is largely characterized by the uniqueness of the conditions in their totality. From these positions, "Economic security-project" can be defined as an economic system exposed to the influence of disparate negative internal and external factors, requiring the adoption of certain management decisions to achieve a certain level of economic security [5].

Given the complexity and versatility of the concept, essence and structure of economic security, it is necessary to take into account a significant number of both economic and regulatory and legal features of the activities of a particular organization. In this regard, a project is a set of documents containing a fundamental or final decision that gives a complete picture of the object and subsequent data for the development of documentation. Thus, economic security as a project is defined as a set of management decisions of an organizational and economic nature that regulate the process of the organization's activities under the influence of various kinds of threats in the appropriate regulatory and legal form [4].

Thus, the economic security of the organization is a set of measures aimed at ensuring the economic interests of the organization, by increasing the indicators of threats in conditions of limited financial and time resources [4]. To date, the combination of two approaches – project and process – seems to be very effective. At the same time, the introduction and application of this methodology requires the development of an appropriate corporate standard for the unification of management procedures and uniform measures for the application of process or project approaches, depending on the activities carried out.

"When introducing a project management system in an organization with a linear management structure, there is often a transition to matrix management, when each employee simultaneously reports to the managers of the structural unit and the project, which causes certain problems due to the lack of clear priorities in solving the tasks facing the staff [3]. Ensuring a harmonious combination of process and project activities in the organization involves the following stages:

1. Development of the structure of operational activities of the organization. At this stage, the project managers

Table 4 – Correlation of the main components of the economic security of the organization and the procedures of the project approach

No components of the EB system	Procedures consistent with the project approach	Contents of the project "Economic security of the organization"
1 Determining the level of Economic Security	Start a project	Determining the deviation of the actual level of economic security of the organization from the target
2 Threats of Economic Security		Identification of Economic Security threats
3 Criteria, indicators, indicators of Economic Security, threshold values of indicators	Project Planning	Calculation of scenario options for the ratio: a) high budget, short-term period; b) average budget, medium term; c) low budget, long-term period.
4 Measures to counter threats	Project management	Preparation of an action plan – Gantt schedule for three periods (short-term, medium-term, long-term)
5 Countermeasure mechanism	Stage Control. Stage boundary control. Production management.	Solving the problem of optimization of financial and time resources on the basis of the critical chain method
6 Monitoring	Project Completion.	Identify your organization's Economic Security threats according to key determinants

conduct a formal description of the organizational and functional structure of business processes, the allocation of all functions of the organization, the appointment of performers. Partial restructuring of business processes allows you to replace redundant and duplicate functions with missing ones.

2. Creation of mechanisms for the implementation of processes in the project form: (construction of alternative options for the implementation of processes; adaptation of the company's management system and transition to the implementation of projects; ( formation of regulations for the interaction of process owners with project managers.

3. Creation of mechanisms for unified project implementation.

The processes required for project execution are grouped and described in the form of procedures.[51] Each procedure is assigned a manager who controls its effective implementation and further development, which ensures equality between projects and processes. A key factor in the success of project management is the availability of a well-defined pre-defined plan, minimization of risks and deviations from the plan, effective change management. The result of the project can be not only products, but also the solution of certain internal tasks to improve the quality of products and the efficiency of labor organization, optimization of financial flows [4].

In view of the above, economic security can be considered as the content of the project. Today, project

management is an integral part of the organization's management system.

The modern theory of project management has received a very high-quality scientific justification and wide practical application. Currently, the main project management procedures are formed in accordance with the traditional methodology and methodologies such as IPMA, PMI, PRINCE2. Next, we will adapt the main stages of work on the project to the PRINCE2 methodology. To do this, we will compare the main components of the economic security of the organization and the procedures of the project approach. The results obtained are presented in tab. 4 [4].

The final stage will be the formation of a plan reflecting the key determinants and indicators of the organization's economic security system, in order to determine the available resources, time and opportunities to improve the level of economic security of the organization.

### Conclusions

The proposed methodology makes it possible to adapt the process of ensuring economic security, taking into account all its components according to the traditional methodology (threat identification, assessment, counteraction, monitoring) to the project approach (achieving the goal in conditions of limited resources), which allows using all the advantages of the latter for organizing this activity. The indicator system allows you to monitor threats and apply countermeasures based on the applied organizational structure.

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## NOTES

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