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## I. Economy and management of a national economy

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### **GROWING AND SOCIAL RESPONSIBILITY DEVELOPMENT: FOREIGN AND NATIONAL EXPERIENCE**

The idea of business social responsibility in the world had been occurred in the 50s of the XX century. In some forms it had been taken place even in the late 19<sup>th</sup> century. Since the 50s of the XX century American scientists have developed many concepts to determine the essence of the social responsibility. In Europe the concept of "social responsibility" appeared only in the late XX century and officially published in the "Green Paper on Corporate Social Responsibility" in 2001.

The social responsibility in the world has achieved its actuality in 70-80s when business activity began to cause serious damage and threats to the population and the environmental pollution caused by industrial activity resulted in loss of human health.

One of the first papers on the issue of the corporate social responsibility was developed by Howard Bauena and entitled "The Social Responsibility of the businessman". It was published in 1953. Bauen stated that since social institutions shaped the economic consequences it was obvious that the enterprises had to pay a lot of attention at the social aspect of business activity.

In the filed of management, the social responsibility of enterprises had been occurred in the 1950s in the US. The practice of companies that can be designated as socially responsible, has taken different forms of donations and charity, community services, welfare of employees and promotion of religious behavior.

During the twentieth century the social responsibility had become the part of the management system of companies, organizations, corporations in order to their further sustainable development in the frames of international regulations.

In Ukraine, the historical aspect of formation is not long enough and is about 10-15 years. However, more and more companies, organizations and institutions are involved into the socially responsible activities.

During the research the first professional organization had been occurred in Ukraine. Ukrainian Global Agreement network covers more than 140 Ukrainian organizations; about hundred enterprises declare their own social responsibility, only 13 of them publish reports on social responsibility; 24 companies declare corporate website activities of 3 or more categories of social responsibility (of 9 existed). There is a group of managers who are responsible for the aspects of social responsibility of Ukrainian companies, and so on.

As for the relevant social responsibility issues today there is an issue of accountability in government. The Adviser – an official website of the Ukrainian legal portal – distinguishes the following types of responsibility in the government: political, legal, moral and constitutional.

The types of the social responsibility are voluntary and do not require the company of coercion on their compliance, but the business failure can have place as a negative social attitude and the refusal of products or services' purchasing.

Ukraine's integration into the global community requires from enterprises, communities and government to implement the principles of social responsibility. With lean and careful attitude to the environment, ethical behavior, active social policy we can talk about favorable economic and social development, which is responsible for the welfare and health of society in the country.

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## **COMPETITIVENESS OF YOUNG PROFESSIONALS ON MODERN LABOR MARKET**

Youth unemployment is one of the main challenges of the XXI century, which is particularly important at the present level of socio-economic relations due to the unstable political and economic situation in Ukraine. Actually, competitiveness of young on the labor market is the issue of the day. This socio-economic problem follows trend of youth unemployment growth. These findings explain the relevance of the chosen topic.

This article is devoted to research the current state of youth employment and competitiveness, to determine causes of youth unemployment, to establish main directions of improving the competitiveness of young professionals in the labor market, to elucidate ways to overcome youth unemployment in Ukraine.

Analysis of the current state of the labor market presents that the amount of officially registered unemployed graduates in 2015 is 16.4% of the general amount of unemployed according to ILO. State Statistics Service of Ukraine reported that the lowest level of economic activity belongs to youth at the age from 15 to 24 years. Also, in 2015 the highest unemployment rate was typical for young (22.4%).

There is a disproportion between supply and demand in the labor market. Actually, labor supply exceeds demand.

As on the first of July 2016, on average in Ukraine, per one vacancy is 10 unemployed (as of 1 July 2015 – 10 people).

Due to discrimination in the labor market, employers do not want to work with young specialists. That's why they are often denied in the hiring. Moreover, there are many young specialists (51%) are forced to work not by their specialty. Generally, work for young graduates is not well-paid and hard. The main reasons are the lack of jobs (49%), dissatisfaction with the wages (34%) and working conditions (14%).

There is also another problem. Youth move abroad to find a decent job.

On the whole, there is a discrepancy between the amounts of graduates and the labor market demand. In general, for a long time top professions are: lawyers, economists, translators and managers. In fact, this plenty of professionals are not able to get job in their field, because the labor market is already overloaded. Actually, every third unemployed among the graduates got specialty in field of "the social sciences, business and law", 17% – in the field of "engineering", every tenth – in "Humanities and Arts", in field of "education" and "health protection" had educated 7% of graduates.

Therefore, the main problems in the labor market, which also affect on the competitiveness of young, are:

- The disproportion between supply and demand in the labor market, labor supply exceeds demand;
- The discrimination that face young specialists on their first employment;
- The discrepancy between the amounts of graduates and the labor market demand.



There are solutions for solving current problems:

- Increasing financial support of events, which aimed at the employment of young specialists and maintaining existed level of employment;
- Developing support campaign of companies and organizations which create workplaces for young specialists;
- Stimulate small and medium business to create workplaces;
- Support own business ideas of youth;
- Provide job fairs for educational institutions;
- Securing the graduated by obligatory first employment;
- Provide training and internships in institutions and companies for first practical experience of young specialists;
- Developing innovative forms of employment and self-employment among youth..

Basically, if implementing the proposed measures it will be possible to achieve the high level of youth competitiveness on the labor market and to reduce the level of youth unemployment. And as a result, to improve the general economic and social state of society.

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## **EFFECTIVE FORMS FOR MANIFESTATION OF ECONOMIC RIVALRY**

The aim of the article is to develop the theoretical and practical recommendations on identifying characteristics of economic competition in the conditions of new global economic tendencies.

The methodological basis of the study is the dialectical method of scientific knowledge. General scientific and special methods are used the study, namely: abstract and logical method – in determining the importance of coordination of national economic interests of different countries to stabilize the global economic environment; deductive and systematic analysis – to establish the factors by which economically developed countries obtained global economic and political benefits. The method of synthesis of information and literature sources to explore the effective forms of economic competition are used in the article.

It was revealed that economically developed countries, using available financial, economic and intellectual resources developed effective methods of economic competition. The global economic and political benefits are obtained with the help of these methods. It is revealed that a number of countries are not able to respond adequately to such actions. It is determined that the use of these methods harm the global economy, as reduced volumes of international trade, there are constant changes in established foreign economic relations, therefore, creates chaos and turbulence in the global economy.

Starting from the early stages of the formation of civilization and up to the present time, one of the most important factors in the development of the economy at the level of separate companies and entire countries is competition between economic agents in attracting and using production factors, increasing final results of economic activity and strengthening the influence in the markets. This rivalry, which received

the name of competitive struggle or competition because of its particularly important role in the economy and society, has long been an object of economists' researches. The study examines in detail the evolution of economists' views on the issues of competitive struggle at the macro level of economic analysis and determines the limitations of theoretical material concerning the features of modern inter-country competition in the era of globalization. The study findings expand the knowledge about current competitive struggle between countries and show the need to adjust the existing methods of the assessment of current national competitiveness.

It is proved that the harmonization of the national economic interests of different countries is very important under such conditions to stabilize the global economic environment. Conclusions on the impact of the competition for the economy are made on the basis of conducted research.

Possibilities of using effective forms of economic competition at the beginning of XXI century are generalized. New effective forms of economic competition in the global economy are considered. At the same time authors reveal the dominating value of the competition at institutes among which intellectual rivalry acts as an initial condition of development. They paid the special attention to so-called international institutes which aren't considered differently as key regulators in modern economy, on the one hand, and, on the other hand, cardinally new type of a resource, most often, take part in formation and which development all main players of the world economic relations. Taking into account that there isn't simply competitive situation in the world today, but unstable economic situation, it generated such situation when the certain countries at the expense of certain measures try to survive on other states. The international institutes are also such measures. For effective development and improvement of the competitive environment it is required full-fledged combination of strict observance of rules and informal approach to conducting economic activity. Because of fast development scientifically technical revolutions in society there is a need of a constant control of sequence of actions of each subject that creates the competition between formal and informal institutes. For this reason there is a

question of direct influence of the existing rules and traditions on economic process and the competitive environment.

The obtained results of research show that economically developed countries developed effective methods of economic competition using available financial, economic and intellectual resources. The global economic and political benefits are obtained with the help of these methods.

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## **II. World economy and international economic relations**

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### **INTERNATIONAL TOURISM AT THE BEGINNING OF THE XXI CENTURY**

International tourism refers to tourism that crosses national borders. The World Tourism Organization defines tourists as people "traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes".

International tourism has become one of the most influential categories. For its better research on the recommendation of the World Tourism Organization in the world distinguished 6 tourist regions:

1. European (Western, Northern, Southern, Central and Eastern Europe, including all former Soviet republics and Eastern Mediterranean (Israel, Cyprus, Turkey)).

2. American (North, South and Central America, island nations and territories of the Caribbean).

3. East Asia and Pacific regions (East and South-East Asia, Australia and Oceania).

4. Africa (most African countries).

5. South Asia (countries of South Asia).

6. Middle East (Western and South-West Asia, Egypt and Libya).

At the beginning of the third millennium, international tourism operates in the context of globalization and integration processes in the international relations. According to WTO tourist regions of the world are increasingly developing. Analyzing the statistics of the last period, we can say that each of them has received considerable positive changes in this area, despite some negative aspects that took place in 2015-2016. First, this is currency fluctuations; secondly, the decline of oil prices; third, the violation of global security and increasing "hot" points on the world map.

Another important negative factor was the extremely large number of refugees and migrants who flooded the European continent, which had an ambiguous effect on the attractiveness of Europe. But despite this, the country, according to official studies, received good profit in tourism. According to WTO statistics, in early 2030 the number of tourists worldwide will increase to 1.8 billion people. This means that countries will increase their tourism potential more.

The number of tourists in 2015 increased by 4.6%. By region, America, Asia and the Pacific – 6% growth; Europe, the world's largest visited region to 5%. The number of tourists in the Middle East increased to 2%, while in Africa the number

has decreased to around 3%, mostly because of reduced flow of tourists in North Africa.

Earnings from tourism increased by 4.4%, which is 1.26 trillion dollars USA (1136 billion Euros). France, the United States, Spain and China continue to hold the championship of the number of tourists and income from tourism.

According to the World Tourism Organization the number of tourists who came to Europe increased by 5% in 2015, reaching a total of 608 million people which is 27 million more than in 2014.

World Economic Forum index amounted countries that are the most competitive in tourism and at the same time, these countries attract the biggest flows of tourists and receive large revenues from tourism. According to the "Travel and Tourism Competitiveness Index" in 2015 as the championship in the ranking were: Spain, France, Germany, United Kingdom, United States, Switzerland, Australia, Italy, Japan, Canada, Singapore.

Each country is trying to attract more tourists. It is not surprising, given that international tourism represents 7% of world exports and spending by international visitors on accommodation, food, drinks, entertainment, shopping and other service industries accounted for 1.26 trillion dollar (USA) in 2015. Due to currency fluctuations, inflation, growth is 4.4% compared to 2014, which suggests the growth of international tourism.

In the future, the number of tourists worldwide will increase by 3.3% per year to 2030 their amount will be nearly 1.8 billion, according to a long-term forecast of the WTO (UNWTO's Tourism Towards 2030).

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### **GREENING OF THE ECONOMIC DEVELOPMENT OF EUROPEAN COUNTRIES: MAIN INDICATORS**

The aim of the article is the systematization of main environmental indicators of economic development of European countries to develop proposals for improving this sector in Ukraine. Nowadays the global community is trying to solve the issues that are a result of unrestricted use of natural resources by offering a new, green approach to economic growth. The Necessity of industrial policy ecologization in the transition to sustainable development on purpose to reduce the negative impact of the industry on the environment of regional ecosystems, natural and human capital of the region, competitive growth of national and regional economics is substantiated in this article.

The following methods are used during the study: abstract and logical, deductive to create theoretical generalizations regarding the study of foreign experience of greening of economic development of European countries and study proposals for subjects of domestic economy; monographic method – for analysis of research scientific results and synthesis of scientific views on study components of environmental dimensions of economic development of European countries; systematization method – in the analysis of the current state of foreign economic development of European countries and in assessing the environmental dimension of European economic development; comparative analysis – to compare the actual data environmental, economic and social development of the studied countries; graphics – for visual display of these calculations on determination of EPI and its dynamics.

The possibility to use EPI index of European countries that have the ability to set and achieve the main objectives of environmental policy, to improve the environment and ensure the viability of ecosystems is substantiated. It is established that the EPI index shows the ability of range to achieving the objectives of preserving ecosystems that are not necessarily associated only with economic activities.

It is determined that using EPI determination can be as much as possible to determine the environmental dimensions of economic development of the country. The experience of the EU countries, which suggests that legislation requiring enterprises to take care of the ecological state, introduce ecological production and pay environmental taxes, impact on reducing the size of profit of enterprises, but provide an opportunity to accumulate investment resources to address urgent environmental problems is investigated and analyzed.

The article defines the features of the implementation of sustainable development policies in the field of environmental modernization of nature use, namely: improving the management in environmental modernization, forming a system of regulatory instruments of socio-economic systems in the context of the socio-economic development, the formation of environmental modernization indicators of socio-economic systems.

The paper analyses the opportunities and limitations to introducing innovations into environmental management, basic trends of ecologization of production as associated with introducing innovation economic development principles to solve environmental problems, and principle difficulties in the practical introduction of innovations into the environmental protection.

The use of calculating methods of the potential amount of investment into the economic development of Europe is proposed. The necessity to invest into environmental investment projects for each country based on the fact that the negative human impact on the environment is characterized by an alarming trend for growth of various emissions is established in the article. The application of EPI for determining environmental dimensions of economic development of the country is substantiated.

The practical significance the obtained results is the ability to use investments to improve the environment, uniformity of greening approach to the evaluation of business. The governments of Europe have the ability to set and achieve the main objectives of environmental policy, to improve the environment and ensure the viability of ecosystems with the help of control of EPI values.

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### **III. Economy and enterprises management**

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#### **THE FUNCTIONAL STRUCTURE OF THE FINANCIAL AND ECONOMIC SECURITY OF MODERN ENTERPRISES**

The current economy period is characterized by the processes of the world globalization and volatility of market prices for feedstock, materials and energy resources. A complete and effective solution to the challenges faced by business structures, largely depends on the efficiency of their economic activities in which they engage in an uncertain and competitive environment, under the influence of internal and external factors. In the conditions of ever-increasing risks and threats to the effectiveness of the financial and economic security of the enterprise during achievement of its financial interests can be determined only by means of synergies between its integral parts (components). Thus it is necessary to study the relations and interdependencies of financial and economic security components from the standpoint of protection of financial interests of the enterprise.

After summarizing scientists' approaches for the financial security of the enterprises structuring, the author considers it appropriate to single out next functional components: budgetary, monetary, banking, investment, innovation, information, stock, insurance, foreign trade.

The budget component of financial security regulates the relations of the enterprise with the budgets of different levels on the taxes and fees to the state and local budgets, for budget loans, budget financing, reimbursement of value added tax, a tax credit.

The monetary component of financial security regulates relations arising in the cash and non-cash transactions: loans for operating and investing activities, the payment of wages to employees, payments to suppliers, receiving money from the buyers of products and services, and others.

Banking financial security component is aimed at resolving the relationships that arise between the enterprise and banking institutions on credit and deposit transactions: a loan from a bank for the development of production of the company, the payment of interest on these loans, the opening of cash deposits, deposits, etc.

The investment component of financial security regulates the activity of the enterprise in the investment area and is associated with capital investments in the development of the enterprise.

Innovative component of financial security ensures the functioning of the enterprise at qualitatively new level and is aimed at the introduction of innovative innovations in the production process, in the enterprise management system.

Information component of financial security aimed at ensuring the protection of information constituting a commercial secret, regulation of the implementation and timely updates of software of the enterprise, the rational use of the automated control systems.

The insurance component of financial security is aimed at the normalization of relations between the enterprise and the insurance companies regarding insurance of the property of the enterprise, financial risks, responsibility and insurance against accidents at work.

External component of financial security is based on the cooperation and on ensuring relationships with external parties in the implementation of export-import operations: settlements with customers and suppliers of products and services in foreign currency, purchase and sale of currency, loans in foreign currencies.

On the basis of the study it was found that each of functional components of the financial and economic security of the enterprise is characterized by its own content, a set of functional criteria and methods of security. All components of the functional structure are interconnected and interact with each other, thus are systemic in nature.

According to the proposed structure, the only possible way to achieve a high level of financial and economic security of the enterprise is to ensure the maximum safety of the major functional components.

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## **RESOURCE PROVISION OF AGRICULTURAL ENTERPRISES AS A COMPONENT OF THEIR COMPETITIVENESS**

The crises that arise in the global economy carry out varied in its depth impact on the economy of any country. The situation in Ukraine is not very critical taking

into account international processes and unstable domestic environment due to the agricultural sector, which is not the only one that provides about 1/5 part of the total revenues of GDP and 40% of revenues from exports of all goods.

Providing high performance indicators in the agricultural sector today is a situation where enterprises have to decide how internal problems concerning resource support (unsatisfactory level of renewal of material and technical base) and also consider the impact of external factors, namely: poor investment attractiveness of the agricultural sector, the volatility of the price mechanism and financial policy of the state. As a result is the decrease in the indicators of gross production, terms of agricultural operations are not respected, reduce profitability of economic activity.

Agricultural production is based on the use and combination of such factors as land, labor, material and financial resources. Provision of agricultural enterprises in incomplete least one of resources inhibits production process, worsens the results of economic activity and reduces the competitiveness of agricultural production and the enterprise as a whole.

Availability of the enterprises of the agricultural sector of resources requires reproduction based on the fundamental restructuring and technological upgrade.

The aim of the article is to carry out evaluation and identify the main trends in resource support of agricultural enterprises in terms of providing them with competitive advantages.

Theoretical and methodological basis of the conducted study is a systematic approach to the study of economic phenomena and processes of formation of resource support at agricultural enterprises.

The general scientific and special methods of research that ensure achievement of given aim are used in the article. The following methods are used during the study: statistical and economic, monographic, structural and functional - to determine the status of resource support at agricultural enterprises and the efficiency of their use.

It is revealed that one of the key issues is to determine the status of resource support of agricultural enterprises in terms of reforming the agricultural sector and

the impact of this component on the competitiveness of production and the enterprise as a whole.

It is determined that an important task that confronts agricultural enterprises is the optimal use of the available resource potential (agricultural land, labor resources and equipment's) to improve the efficiency of economic activity.

It is established that you should follow agro-ecological conditions of production for increasing productivity, development in cultural production, optimize wages in agriculture and update technical and technological production equipment, which will increase the competitive advantages of the enterprise in domestic and foreign markets.

The methodological and practical principles of resource support of agricultural enterprises and its role in achieving competitive advantage of the enterprise are substantiated.

The obtained results of research deepen practical aspects of the definition of resource support at agricultural enterprises and provide an opportunity to increase their competitive advantage in domestic and foreign markets.

Key words: economic resources, agricultural enterprise, competitiveness of products, competitiveness of the enterprise, efficiency.

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## **HISTORY OF BUILDING INFORMATION MODELING: ANALYSIS OF WORLD EXPERIENCE**

Since 60th of the XX century and at the beginning of the XXI century construction was one of the most inefficient sectors of the largest world economies. While productivity in other sectors of industry has doubled for the last fifty years, in the field of construction the opposite trend could be noticed – productivity was reduced by more than 20%.

However, due to the influence of several factors, the situation has greatly changed in just a decade. The conservative construction industry will be forced to abandon its established traditions and implement a number of significant changes. Thus, rapid implementation of computer modeling techniques of all key stages of construction cycle and other innovative IT-technologies has caused industry image formation. Just in a few decades we can expect a completely new set of materials and technologies used in the field of construction.

Building information modeling (BIM) is one of the most promising recent developments in the architecture, engineering, and construction (AEC) industry.

The main purpose of the article is to analyze the world experience of building information modeling (BIM) implementation with the support of state, public and non-profit organizations, construction enterprises, and to outline the prospects of its use in Ukraine.

Nowadays building information modeling is widely used by architects throughout the world. The European Parliament in its Resolution of 2014 encourages Member States to use BIM in public procurement in the field of construction; obviously it is effective way of the concept promoting and its further development. In North America and Southeast Asia the BIM is steadily gaining popularity in construction industry. China is also a one step closer to adopt the decision on state support of BIM usage. In Ukraine building information modeling is mostly used by

companies and software developers. Technology of building information modeling is developing, but very slowly, is focused on private enterprises and not supported by the state.

In the article the process of BIM implementation in the Member States of the European Union is outlined. The best practices in the UK are thoroughly analyzed and the primary role of government in the implementation and development of BIM is defined. Just as in the UK, the BIM implementation in Germany is actively stimulated by public authorities. Experience of BIM implementing in Poland is of great interest for Ukraine, thus, public and non-profit organizations promote its development in the country.

To summarize, in the article the expediency of state support of BIM introduction, which should be a tool to improve the quality of construction, reduce costs and terms, is grounded.

The use of information modeling in construction, especially in the field of public procurement is emphasised. Ukrainian government support of BIM implementation will be a logical and consistent step in the elected by our state European development policy and will stabilize the state budget process.

The analysis of world experiences of building information modeling implementation can be used by construction companies, NGOs and public associations, state bodies, including in the field of public procurement.

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#### **IV. Environmental economics and ecology**

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#### **THE PRINCIPLES OF BALANCED USE OF LAND RESOURCES POTENTIAL IN THE AGRICULTURAL SECTOR**

It is scientifically ground the basic principles of balanced use of land resources potential in agricultural production.

In the study used the methods of scientific inquiry: monographic, compilation, analysis and synthesis, induction (transfer of knowledge of certain facts to general knowledge) and deduction, causal relationships of economic events and processes in the agricultural sector depending on the land use system, that in a complex provide a scientific substantiation of its unity problem of balanced use of land resources potential in the agricultural sector in multilateral dialectical relation.

We processed the main theoretical approaches to interpreting the definitions of "balanced" and "sustainable" development in the context of harmonization use of land-resource potential in the agricultural sector.

Proved that sustainable use of land-resources potential in the agricultural sector – a system of land use in agricultural production, based on the principles meet the growing needs of people and ecological effective use of land, where human pressure on land resources and the natural environment does not exceed the self-repairing capacity of agricultural ecosystems in general and contributes to its reproduction.

We systematized the principles of balanced land use in agricultural production.

Defined that the generalized basic principles of balanced use of land-resources potential in the agricultural sector and its development are the following components:

- fairness for future generations – the obligation of the present generation to ensure commensurate at least with the quality of the environment for fair standard of living for future generations;
- balanced use of land and resource potential taking into account economic, social and environmental aspects;
- the process of triple social integration: objectives, area and time to ensure the balanced development of economic systems.

The peculiarity of the system of balanced land use at the level of agricultural producers is that in this aspect it is important to take into account the efficiency of two management subsystems. The first subsystem concerns of making economic decisions by the land user and the second is tangent to the general directions of land use that are crucial to higher levels of management.

Thus, the basic principles of balanced use of land-resources potential should be performed both on a local (entity level) and at the level of global economic systems.

Today, in order to achieve a harmonious development of the agricultural sector it is necessary to focus on the becoming of effective functioning of balanced agricultural enterprises. They are one of the providing units in the process of economic growth. Also important is the establishment of agricultural environmental business to a higher level of functioning as a center of social and economic system of production.

Conclusions on the need to optimize the structure of agricultural grounds and use of land-resource potential in the agricultural sector that will promote to the formation of effective land use and improving qualitative state of the land that are used in agricultural production.

The use of land resources potential in the agricultural sector taking into account these approaches will contribute to the formation of effective system of agricultural land use and improving the environmental condition of agricultural land.

The author's approach to the process of forming structural connections in the

system to ensure balanced use of land resources potential in the agricultural sector, both the macro and micro levels.

Organizing basic principles in the field of sustainable use of land resources potential in the agricultural sector will identify key priorities for the formation of an effective system of agricultural land use and improving the quality of farmland.

Key word: agricultural industry, bases, balance, land use, land-resource potential, principles, sustainable development.

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## **V. Accounting, analysis and audit**

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### **EVOLUTION OF SUSTAINABILITY ACCOUNTING**

Ukraine is going through a critical transformation period, which is a result of a new socio-cultural basis of society transition. At the same time, the most important scientific and practical problem of transformation optimization processes is the definition of such fairly obvious "super-tasks" of management, the solution of which will automatically "smooth out" the negative consequences of the inevitable inadequate coordination of various non-optimal solutions. The most general formulation of such a "super task" is the requirement to activate and stimulate the integration and adaptation processes of sustainability, the capacity for self-regulation, adequacy in achieving scientific and technological progress in the context of a complex transformation of society associated with its transition to a new socio-cultural quality with inclusion in global processes. One of the most important integration and adaptation processes at present is the transition to the consideration of sustainable development.

Theoretical bases of sustainable development investigated in their works by domestic and foreign scientists, but not all of them focused on the historical aspects of the formation and development of sustainable development.

The purpose of the article is to use retrospective analysis and an axiomatic method to form a general history of the emergence of the concept of sustainability accounting at the global level and in Ukraine.

For a long time, accounting was not perceived as an instrument for managing environmental and social activities. They were not reflected in the financial statements despite the rapid growth of expenses and liabilities of enterprises.

Sustainability accounting is often considered in the scientific works of domestic and foreign scientists, as separate two types of accounting: social and environmental. Therefore, our study of retrospective and modern trends in the study of sustainable development should be combined from two directions: environmental and social accounting. Development took place in the plane of two clear lines of analysis. The first line is a philosophical debate about accounting and control as prerequisites and directions needed to achieve sustainable development. To promote the sustainable development strategy, a completely new accounting and reporting system was established. The second line of management perspective, associated with various levers and instruments towards sustainable development, provides for the expansion or modification of the traditional system of financial costs and management accounting. The previous statement can be summarized as follows: Improvements in sustainability accounting makes it possible to fully reassess the benefits and importance of social, environmental and economic benefits and risks while simultaneously affecting the overall accounting system.

The sustainability accounting definition emerged during the rapid development of accounting in a broader sense in the past forty years, and in a narrow sense over the past ten years was found out. The several stages of the period of sustainability accounting development are substantiated. There are 1960-1970, 1971-1980, 1981-1990, 1991-1995, and the last stage since 1995 to present, the so-called modern stage of the formation of sustainable development accounting.

The step-by-step model of the sustainability accounting evolution and formation presented graphically, with the identification of the main stages of development, based on the study history generalization of the emergence and formation methodological concepts of sustainable development and its accounting was constructed. There are the conception of social and environmental auditing, the initiation of the methodology of social and environmental accounting, the final definition of the methodology for sustainability accounting, and the improvement of the methodology for sustainability accounting on the principles of mentality.

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## **THEORETICAL ASPECTS OF AUDIT OF THE OPERATIONS WITH THE INVESTMENT REAL ESTATE**

One of the key factors of competitiveness and continuity of operation of the entity is the availability of real estate, nature and direction of use which affects opportunity for recognition of estate investment.

Audit of operations with investment real estate has weighty importance in checking the accuracy of its recognition in real estate by investment and the accuracy of its recognition in accounting and financial reporting.

The main tasks of audit of the operations of the investment real estate are:

- 1) control over compliance with current legislation on transactions with investment property;
- 2) checking the correctness of recognition and measurement of investment property;
- 3) checking the correctness of recognition in accounting and financial transactions with investment property.

The auditor should check the disclosure of information about investment property in the notes to the financial statements by the following areas:

1. Reflection in the statement on financial results of the reporting period;
2. Evaluation of investment property at fair value;
3. Valuation of investment property at historical cost, reduced by the amount of accumulated depreciation, taking into account impairment losses and benefits of its recovery, provided the following. Such information is presented according to each group of investment property.

It is appropriate to carry out the audit taking into account the aim and tasks of the audit of operations with investment property in the following order:

1) study of accounting policies of the enterprise in part of accounting organization of the investment property;

2) establishing accounting security of the enterprise by existing normative documents governing the accounting of investment property;

3) checking the correctness of recognition and evaluation of investment property;

4) checking the correctness of the transfer of real estate to the investment property, or its removing from the investment property;

5) checking the correctness of primary documents on accounting of investment property registers of synthetic and analytical accounting;

6) checking the orders of the head of the company on the establishment of standing commission at the enterprise on write-off of investment property, list of materially responsible persons and establishing the presence of contracts on the full material liability;

7) familiarization with the data for inventory of investment property, its results;

8) checking the presence of file cabinets of investment property, accuracy of keeping inventory cards;

9) checking the correctness of reflection of the operations with investment property of financial statements of the enterprise.

Implementation of the audit in this sequence will enable to obtain the necessary evidence for the auditor to form a reasonable conclusion on the accuracy of reflection in the financial statements of operations with investment property.

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## **MANAGEMENT PROCESS OF PRODUCTION COSTS AT THE ENTERPRISE**

Currently the market economy causes the need to deepen informative management reporting that comprises both structural units and within the enterprise as a whole. Therefore, the main goal of any business entity is to maximize profits and improve efficiency the efficiency of production. Achievements of high performance of the enterprise will not be possible if there will no effective cost management. Ensuring the process of cost management, which will make administration of the enterprise to plan future production, determine industrial policy and exercise control over the level of operating costs is very important element.

Flour and cereal industry is an important part of agriculture complex, because it ensures the production of staple foods for people – flour and cereals, and also plays a leading role in providing the public and other sectors of the food industry with these socially important products. Specificity of flour and cereals industry requires special attention to the organization of production costs accounting for rapid and strict control of their individual elements, identifying unreasonable deviations of costs from standards (limits), analyzing and planning the structure of production costs.

Therefore, it is necessary to adopt this nomenclature of accounting costs on the articles that would meet the principles of governance (costs-output-outcome) and fully consistent with the nature of the industry. This question is still not fully highlighted in the scientific literature as well as in regulatory documents on accounting.

Building of an effective system of planning indicators is an important tool for successful search of reserves to reduce costs and production costs. Planning of production costs is necessary to carry out during the development of annual plans of enterprises, to split annual plans into quarters, and if necessary for months. The aim of the plan development of the production cost is to determine the planned minimum, but those that ensure the normal course of the manufacturing process, economically reasonable total cost of production.

The classification of costs based on production volume is necessary to analyze the production cost of products. It allows each farm enterprise to decide what production costs they have to include to the cost of production in the context of the technological process; rely on full production cost of goods (works, services) or not, by allocating fixed costs for the period of sold products on the production cost or the financial results of the enterprise activity as a whole.

It is recommended to use the classification of production costs based on production volume and nomenclature of the articles and items of the costs according to the production cycle.

The proposed nomenclature of the articles and items of the costs for organization them in accounting in flour and cereals industry is very important to identify and analyze the cost, as will implement the process and regulatory accounting methods, to carry out the traditional calculation option of cost accounting or accounting of direct costs by the system “direct-costing” for calculation and analysis of complete and incomplete (reduced) production cost of products.

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## **ORGANIZATION OF MANAGEMENT ACCOUNTING FOR ENTERPRISES OF SMALL BUSINESS**

The foundation for making effective management decisions by managers or owners of small businesses is the processing of numerous streams of diverse economic information leading role in the total population belongs to the accounting information. Substantiation of this statement is that the system of accounting enterprise generates information resources and provides the demands of management for adoption of corrective solutions, performing a variety of functions, including information, control, analytical, management.

Information function is a priority among them, because the enterprise as a system can only exist on the basis of information about coordination and subordination of the elements of the production system, the interaction with the environment, the adequacy of the functioning of the entity of the defined task. Its successful development and achievement of the desired level of economic security determines the allocation subsystems of operational, tactical and strategic management in the management of the enterprise, each of which requires original and diverse information, providing appropriate accounting subsystem

Therefore, to ensure a stable business performance of small businesses and their possible competition must first create the appropriate accounting and information support for making management decisions that would allow promptly remove all negative phenomena arising in the course of economic activity.

According to the results of the study:

– It is proved that is necessary to revise the traditional attitude to a retrospective financial information and strategic nature due to the accounting reform and transition of Ukraine to the international standards of forming financial reporting. Providing retrospective information on business activity of the enterprise is the main purpose of

the financial accounting, while the main purpose of management accounting is to provide operational and perspective necessary for making management decisions. Financial accounting measures the processes that have already taken place. Managers of small businesses are more interested in not so much a result of their past activities as ways to achieve the desired results in the future. For managers are not enough know how much this or other products cost. It is very important for them to know, why does it cost so much, and most importantly, how to make it profitable that production will be profitable, which revenue is expected from the planned economic measures, what is the effectiveness of new investments, etc.

– In this regard, there is need for the creating of system of internal information – management accounting, which should be recognized as a synthesis methods and principles of income and expenses, as well as forecasting, planning (budgeting), analysis and control;

– Practical recommendations on the organization of management accounting at the enterprises of small businesses that will allow to simplify making management decisions, to ensure generalization and systematization of information on the impact of activities and thus avoid significant load on your staff of small businesses.

The main provisions of this study in the form of proposals and guidelines can be used by economic entities when introducing a simplified administrative account that will on the one hand have adequate accounting and information support for management decisions, on the other avoid significant load on the accounting personnel of enterprises.

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## **FORMATION ACCOUNTING POLICY FOR INVENTORIES IN THE TRANSITION TO IFRS**

Entry of Ukraine into market space of a united Europe requires further harmonization of domestic accounting and financial reporting with approaches adopted in the developed countries. Determination of accounting policies and procedures of its formation under the national legislation of Ukraine in substance and content is generally identical to the definition in IFRS. The accounting policy concerning inventories is determined based on the relevant accounting standards containing a description principles, methods and procedures for disclosure of the relevant article in the financial statements.

Comparison of P (S) of accounting 9 “Inventories” and IAS 2 “Inventories” proves that these standards in major part are almost identical, differences in the formulation of the concepts are more technical than substantive in nature and contain a framework description of alternative models of accounting on stocks. The enterprise may detail based these stocks on management tasks within the formation of accounting policy.

It is expedient to allocate the following groups of stocks in forming the accounting policy: commodity stocks, inventory, inventory in unfinished production (the intermediate stages of production) and in the form of finished products. These groups of stocks are significantly differ one from another by purpose and cause of establish. Therefore, it is inappropriate and impossible to apply the same approach in accounting to them.

Considering that stocks as the object of accounting policies are very diverse by composition and structure, therefore, accounting policy is defined differently for certain types of stocks, even within the same group. The group of inventory is the

most structurally diverse; therefore, it requires particularly careful attention for creating an effective accounting and formation of appropriate accounting policies.

Accounting policies of the part of accounting organization of inventory should be formed by the following components in considering of requirements of the standards: formation of the working plan of accounts of inventory; determining unit of analytical accounting of inventory; choose of formula (method) for determining the value of inventory in output; frequency of determination of average unit cost of inventory in the case of application of this method for disposal of inventory; the order of accounting and distribution of transportation and procurement costs, maintaining separate sub-account of transportation and procurement costs; creation of a reserve of inventory impairment.

You should pay particular attention for drafting a working chart of accounts in terms the part of inventory, the definition of formula (method) for determining the value of inventory in output as the contents of procedures are differ in P (S) of accounting 9 and IAS 2 and procedures for creating a reserve of inventory impairment in forming the accounting policy in the transition to IFRS.

Classification features are determined for each type of inventory according to international standards, based on professional judgment. Some of Accounts are opened according to such classification features. Domestic enterprises create work plan of accounts, including the inventory, solely on the basis of default chart of accounts by detail of set accounting groups 20 “Inventories”.

Ukrainian enterprise in the accounting policies may provide to use a working plan of accounts for the preparation of financial statements in accordance with IFRS that is based on the typical plan of accounts or to develop it, using international approaches to coding of accounts based on numbers of tapes for financial statements.

The following features are determined in establishing the order of reserve creation in accounting policy: the object for calculating reserve; periodicity; establish a testing method for inventory impairment. The order for establishing reserve for impairment of inventories in accounting policy may be differ for different types of inventory.

You should use professional judgment in the transition to IFRS in the presence of the differences between the standards during the formation of accounting policies regarding reserves.

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## **IMPROVEMENT OF ACCOUNTING AND TAXATION OF DIVIDENDS**

Making a profit is the purpose for creation and activity of each enterprise. And if the enterprise is profitable, the owners of such enterprise are eligible for the part of its income – dividends. The issue of payment of dividends is important both for the owners and for the legal entity. Therefore, the subject of accounting and taxation of dividends does not cease to be relevant.

The aim of the study is to highlight the features of accounting and taxation of dividends and searching ways to improve them in order to create conditions that are designed to increase credibility of the enterprise, attractiveness for investors and eliminate negative phenomena that hinder dividend payment of business entities.

Summarizing the results of the conducting study, it should be noted that the existing national mechanism for taxation of dividends is too complex and controversial. It is not profitable for small businesses – a single tax payers (additional tax burden), which lead to a hidden distribution of profits and possible “hidden” dividends.

They are the taxpayer of advance installment of income tax. This advance installment is a special type of tax that they must pay despite the exemption under paragraph 297.1 of TC. Prohibition for credited of advance payments to reduce tax liabilities for such payers has negative impact on running costs are extremely discriminatory.

Thus, the importance of improving the existing mechanism of taxation is undeniable. We believe that improving areas of such mechanism could be:

- cancellation of advance payment of income tax for the payment of dividends.

This will prevent tax discrimination and also avoidance of double taxation;



– taking into account the experience of foreign countries depending on the direction that best to support at this stage for the country: whether to develop the enterprise or increase the attractiveness of domestic enterprises to investors, etc. (directing enterprises on the distribution of profits as dividends).

Meanwhile, still the tax burden on people with low incomes remains high, which adversely affects their quality of life, while, as more wealthy citizens pay tax on passive income (and not only) at reduced rates. Therefore, it is necessary to balance tax income from wages and income from employment not by increasing tax rates on passive income to 20%.

The following actions are proposed in order to improve the accounting of calculation and payment of dividends:

– for calculation of dividends on subaccount 671 – “Settlement of accrued dividends” is appropriate to conduct contingency sub-accounts of second-level by the Plan of accounts: 6711 – “Payments to shareholders resident in Ukraine the national currency of Ukraine” and 6712 – “Settlements with shareholders non-resident in Ukraine with foreign currency”. The introduction of such sub-accounts to the sub-account will allow distributing 671 currency and hryvnia accounting charges with the possibility of charging exchange differences;

– for ease of filling tax reporting and control of tax payment of issuers, in our opinion, should be used separate sub-accrual for the calculation and payment of advance payment of income tax for the payment of dividends, such as 641 / Income Taxes / Dividends.

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## **VI. Management, marketing, entrepreneurship**

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### **FORMATION AND SYSTEMATIZATION THE STRATEGIES OF FINANCIAL AND ECONOMIC SECURITY OF BUSINESS**

Economic crisis in economy of Ukraine needs a strategy formation of financial and economic security business. This situation needs the development of strategic alternatives, forms, methods and tools to ensure financial and economic security.

The purpose of the study is to systematize alternative strategies of financial and economic security based on criteria of classification and types, develops proposals to improve the procedures of strategic management.

The authors of the financial and economic security of businesses should be interpreted in the context of a systematic approach.

From the standpoint of management strategies systematization of financial and economic security of business entities may state the lack of uniform criteria for the classification of types and kinds of strategies. In 2011-2015 years there was a positive trend in the ratio of the proportion of profitable and unprofitable companies. In particular, the proportion of companies with positive activities increased from 63.5% in 2011 to 73.3% in 2015. This may be due, on the one hand, the decrease in the number of undertakings on the other - they are restructuring or reorganization.

Organizing strategies should be based on key characteristics, distinguishing between their species, conditions and scope. The main characteristics of the strategy

of financial and economic security are allocated as follows: hierarchy, a way of adaptation, prospects, alternative and time dimension.

In the process of forming strategies of financial and economic security of business entities, consider the following signs of criteria: 1) the level of control of financial and economic security, 2) the method of identifying, preventing and responding to risks and threats, and 3) adaptation ability and stage of life cycle sub the object of entrepreneurship, 4) diversifying sources of financial entity, 5) the degree of financial risk, 6) the powers of shareholders and the amount of corporate rights and level of control, 7) relationship solvency and expected financial results.

The approach to classification classifies the types of strategies in the examined criterial attributes. We consider it appropriate to single out a strategy based on the degree of corporate control, reflecting the share in the authorized capital of owners of businesses.

At the core strategies of forming financial and economic security of business entities is to ensure business value growth, financial stability, competitiveness and minimize external and internal risks and threats. Presented systematization management strategies of financial and economic security of business entities allows us to identify key strategic issues highlight the strategic goals, objectives and directions of their implementation on the basis of strategic alternatives.

Further research should address the development of algorithms, models and stages a strategy of financial and economic security business.

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## **THEORETICAL FOUNDATIONS OF INSTITUTIONAL TRANSFORMATIONS IN MARKET CONDITIONS**

One of the most important places in the sectoral structure of the national economy occupies agriculture. Its development affects the state of other sectors of the national economy and the welfare of the population, especially rural residents, who make up 31% of the population of our country. Strategy, tactics, mechanisms of institutional changes in the market transformation of agriculture and agribusiness, all this paid considerable attention from researchers.

But the rapid development of organic agricultural production in the world and in recent years in Ukraine require a more in-depth study of theoretical,

methodological and practical principles of functioning market institutions that should ensure the effective use of economic actors of the market infrastructure, protection of domestic food markets, state support for the development of organic agricultural production, etc.

The need to improve the efficiency of organic agricultural production requires more detailed consideration and improves the theoretical bases of institutional transformations that affect the market system and its participants - manufacturers and sellers of organic agricultural products.

The study of the theory of institutional transformations in the market environment, agricultural production has allowed formulating the author's definition of the Institute, as a combination of formal and informal elements impact on the economic activity of providing their efficient coexistence. Regarding the issues and goals of our research institutes are understood factors (normal) regulation (organization behavior) in the development and relations of economic, social, spiritual and other sub-systems as an integrated system of actions to ensure the functioning of the market for organic agricultural products in terms of the national economy, which will provide improved quality of life and efficiency of their work.

The revolutionary changes that have developed in the institutional system without clearly defined end tasks aimed at improving the lives of the rural population, unjustified measures taken and their imperfections contributed to the development of significant economic turmoil in the country. Today should prioritize the development of institutional processes to focus on the main task of forming future stages of development of the economy.

It was revealed that in the context of significant socioeconomic transformations of the national economy, one of the key issues is determining the nature of the vector and the influence of the institutional component of the entire reproductive mode of functioning and evolution of the structure of the agricultural.

It is determined that the important task of scientists is to search for and implement effective updated models and tools of institutional changes in the agricultural sector, to study the theoretical foundations of institutional reforms with

the aim of adapting them to the transformation of the Ukrainian economy at the present stage of development, in particular, for the development of organic agricultural production.

It has been established that the main goal of institutional changes is to increase the efficiency of domestic agricultural production by transforming property relations, the institutional structure of the agrarian sector, the general economic mechanism that can ensure the competitiveness of the agro-food market, provide consumers with safe and healthy products, the profitability of market participants in the equivalent exchange between rural sectors Economy and related sectors of the agro-industrial complex and the entire national economy.

The obtained research results deepen the theoretical aspects of institutional development and provide an opportunity to activate the innovative process of organic agricultural production in Ukraine.

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### **THE CONCEPT OF INTERNAL MARKETING IN THE PROCESS OF PERSONNEL MANAGEMENT AT THE ENTERPRISE**

A large number of publications devoted to internal marketing proves the complexity and importance of this economic category. However, most scientists focus on or clarify the essence of the definition of "internal marketing", or on the impact of this marketing concept into the result of the company's activities or to the formation of loyalty of external customers. In this way the implementation of the concept of internal marketing in the process of personnel management at the enterprise is studied little. This predetermines the need for further deeper studies in this direction.

The article is aimed at substantiation of theoretical and methodological foundations of the concept of internal marketing in the process of personnel management and the development of ways to implement this concept in the enterprise.

The article examines existing approaches to understanding the concept of internal marketing. Internal marketing is a multidimensional concept, which is aimed at improving the efficiency of the personnel of the enterprise to achieve its market goals. The author found that despite the importance of this concept in the process of personnel management, most managers ignoring it.

Modern labor market is characterized by higher requirements to employees in respect of their education, work experience, ability to juggle multiple positions, to work overtime. The price in the form of wages is not suitable for such requirements. Such working conditions unattractive to young worker who is committed to self-improvement, development, career growth, and really gets the routine work with low pay. This causes the rate of turnover among young workers on the majority of Ukrainian enterprises. Despite the lack of experience or a small available, this category of staff capable of creative thinking, rapid learning, flexibility, has a high level of adaptability, and thus is an important component of the company. But while employers strive to attract and retain progressive, highly skilled workers, giving preference to savings in staff costs and the retention of less efficient, not striving to develop, but also less demanding workers.

In the research process, the necessity of use of internal marketing at domestic enterprises. Determined that the most successful companies in the world use the concept of internal marketing as an element of the overall strategy in human resources. It is established that on most domestic companies are using outdated approaches to the management staff, which reduces the overall efficiency of their operations.

The author suggests ways of implementing the concept of internal marketing in the enterprise, which are: awareness of leadership roles and values the concept of internal marketing in the management of the personnel of the enterprise and the

adoption of it as part of the overall strategy; the analysis of expectations of potential employees and workers, the identification of the causes of dissatisfaction with their work, the search capability of smoothing of contradictions between the organization and the workforce; the policy of personnel management based on the concept of internal marketing with the selection of specific methods and tools through which implemented this concept; creation of motivation system, which will be based on marketing approaches with the prevalence of non-material methods of motivation; development of effective individual programs for the development and promotion of employees; create effective internal communication that provides both descending and ascending information flows; development of an effective system of personnel assessment based on the individual contribution of each employee to the overall performance of the company. The assessment should be carried out inside the company (leadership) and externally (clients).

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## **SECURITOLOGY AND ECONOMIC SECURITY**

The aim of the scientific research is to find out the current state of scientific developments and latest understanding of the security studies, identify existing trends in scientific thought and formulate the author's conclusion about the conceptual aspects, supplement scientific apparatus of security doctrine, particularly in economic area. An important condition for a stable economy is the existence of steadily growing businesses. In modern conditions it is possible only if there is a developed concept of enterprise's economic security based on the analysis of risks and factors of economic security, taking into account the interaction of the external and internal environments

There were used general scientific and specific methods, namely the analysis and synthesis, historical method (during the study of evolution of the economic security concept), the method of definitions (to formulate the definitions of the object, subject, aim of securitology, and the concept of “economic security”).

There was proved that development of new ideologies about life and in particular human rights is logical in terms of irreversible globalization. Among them new science “securitology” has a prominent place. The functioning of individual subject and (or) community and also phenomena that affect the quality and duration was suggested to understand as an object of securitology. The set of aspects that affect the safe functioning of individual subject and (or) community was suggested to consider the securitology subject. Scientific securitology exploration refers to various aspects of life and, in particular, economic, which allows highlighting economic securitology as a powerful flow of scientific thought of nowadays. The key concept of economic securitology is the concept of “economic security”, which can be defined as the state of protection of economic relations subject from the effects of various negative factors both economic and non-economic.

In article author made the analysis of main treatments of the category «economic security». Each group of scientists concentrates attention on certain processes. Necessity to ensure the safety mankind felt constantly. However the term «economic security» began to be used only in the period of the great depression, and also then it didn't mean «economic security» allocation in separate independent economic category. In article author gave definitions of economic security not only of the number of scientists-economists, but also those which contain in official documents. Now it gets a huge strategic importance both from a position of activity of separately taken enterprise, and in more global scales – functioning of regions and states. Economic security is the part of national security which closely interconnects with its other components and is a basis of providing such elements as military, political, social, ecological, technological, information and others. Also in article authors allocated basic elements of economic security which treats financial and credit, inflationary, production and technological, external economic and others.

Necessity of providing economic security both at micro, and at macrolevel amplifies in connection with development of globalization and integration processes. The main indicators and criteria of economic security which allow to define threats of economic security, to be prepared for their decrease authors also listed in article.

The article is dedicated to examination of interact and interdependence of economic security such infrastructure entities as state and enterprise. On author's basis quasidynamic model of economic security level assessment were visualization possible options of economic development state and enterprise. The connection between main tasks of economic security at the state level and at the enterprise level was demonstrated

The author's definitions of object, subject, and purpose of science "securitology" were formulated, which complements the scientific apparatus of the security doctrine and, in particular, in its economic direction through the author's position reasoning on the interpretation of the concept of "economic security".

The article deals with the economic security of the region as an integral part of the economic security of Ukraine, regional interests, are the mechanisms of formation of economic security in the region, threatening the economic security of the country and the region, there is a need for a compensatory capacity that is needed for the successful development of the system of economic security in the region.

The findings confirm the importance of development of science "securitology", which helps to promote the form of individual vision that allows providing safe development of all spheres of human activity, including economic.

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### **LOGISTICAL APPROACHES TO THE ORGANIZATIONAL EFFECTIVENESS OF THE GLOBAL FOOD MARKET**

The article is devoted application of national and regional reproductive approaches to providing of food safety, to determination of directions of policy of food safety of the state. Existent conceptions of decision of food safety are analysed. Composition, value and intercommunication of factors of food safety, is explored at all levels of its providing. Basic theoretical approaches are exposed in relation to essence of food safety. Explain necessity of the state adjusting of recreation for providing of food safety. Adjusting of development of agroindustrial production is analyzed. A method, criteria and indexes of estimation of regional food strength security, is developed. The features of agrarian policy are exposed with the purpose of forming of directions of increase of food safety. Directions and system of measures which are instrumental in the increase of food safety are certain. Basic principles of forming of the system of regional food safety are certain.

The aim of the article is to identify the important global issues of human food, updating the main problems of global food security, issues of waste and loss of a certain percentage of food products.

Theoretical and methodological principles of research are the works of domestic and foreign authors in this issue. The following basic research methods are used in



the paper such as: dynamical and statistical, evaluation, analysis, synthesis in substantiating the functioning and future prospects for further logistics market of food products in the context of globalization.

The system of economic security and its structural invariant system of food security are investigated. The system is considered in terms of the structural-functional approach.

The important national-economic problem of food safety provision in Ukraine is considered. The system of food safety monitoring indices is suggested, the analysis of its inner structure elements, measures taken by the government to increase the effectiveness of the national agriculture functioning is given.

The important issues of human food, updating the main problems of global food security, issues of waste and loss of a certain percentage of products are defined and outlined. Global criteria for determining food security in three main ways: affordability, availability, quality and safety, are reviewed.

It is investigated the proportion of food losses and waste that a layer of human wastes, while the other layer hungers. It is determined that the food market is fundamental, because it provides important vital human needs, contributes to the achievement of sustainable human development, because it is central to the global market system.

The article deals with correlation of national, economic and food security of the state, defining structural elements for ensuring national and economic security of the state, justifying dominance of food security in the strategy for ensuring economic security of the state, clarifying definition of «food security» using system approach.

The concept of essence of index “food security” is generalized, its role in the global logistics food market in solving problems of human food is substantiated. The issue of waste and loss of a certain percentage of food products as a result of inefficient functioning of logistics approach to the use of food market is outlined in the article.

The obtained results of research in terms of index review “food security” will contribute to the further effective functioning of the global food market and its efficient organization of logistics.

The food safety is characterized as a component at the economic safety. The current food safety in Ukrainian and in the world is analyzed.

The practical significance of the obtained results is the possibility of use theoretical and applied aspects for further effective functioning of food security.

Increasing food security, preserving intellectual, human potential food industry, Ukraine will contribute, perhaps the most important contribution in its long-term economic security. Food security is an integral component of national security of modern Ukraine, so the state should act as a guarantor to ensure food security for its citizens and the entire nation for the development and prosperity of the Ukrainian society. Thus, it should be realized right of the Ukrainian population to adequate and quality food through domestic production of the country.

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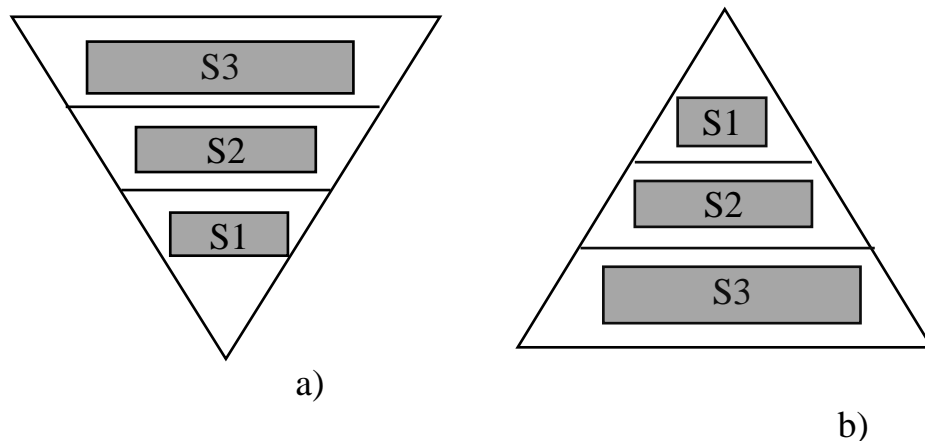
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### **ECONOMIC SELF-SUFFICIENCY: A THREE-LEVEL DEFINITION**

In modern conditions of the search of new, less dependent principles of the domestic economy functioning we are increasingly faced with the concepts of “autonomy” and “self-sufficiency”. Self-sufficiency is a special, contradictory economic category, which, on the one hand, is the basis of natural economy, and on the other hand, the need for it arises in the conditions of market relations. The achievement of a sustainable competitive position of the state, its territorial units and enterprises in conditions of international integration requires, on the one hand, effective cooperation strategies, development of equal and mutually beneficial relations with other countries, and on the other maintaining a high level of national security, which is based on self-sufficiency in various spheres of public life. The individual self-sufficiency, the self-sufficiency of the enterprise and of the country – different in nature concepts, but they contain a certain degree of freedom and independence, the preservation of which is relevant in all times, and especially in today's environment of internal and external challenges.

In the scientific papers “self-sufficiency” is being discussed in the context of food, financial, energy and politic-economic security. We define self-sufficiency as the state that does not require any help, support or interaction. This research presents the characteristics of the three types of self-sufficiency: individual-collective (S1), corporate (S2) and national (S3).

*Individual-collective type of self-sufficiency* is a state which does not require any help, support or interaction for survival, a type of personal or collective autonomy. The pyramid depicted in Fig. 1, symbolizes the self-sufficiency from the individual (S1) to national (S3), where S2 – intermediate – different types of enterprises and family farms, non-natural type; and vice versa from S3 to S1. Unreal, upside-down, shaky pyramid system of self-sufficiency (Fig. 1, a), where the economy is based on individuals or households natural type self-sufficient, which cannot (or will not) physically or mentally provide for themselves in line with the current state of social development. Their needs are different from most members of society, their mentality and consciousness practically free from the market.



**Fig. 1. Self-sufficiency: pyramid “3S”**

*Source: compiled by author*

Some members of the sector S1 not associated with sector C2 and C3, they do not need a market in their ideal, and they do not need the state at all. In fact, the number of self-sufficient people in the purest form in the world is small quantity, and the groups that identified themselves as “self-sufficient” one way or another are subjects and objects of the market, just the percentage of their material flows in

relation to the total turnover of goods and services is rather insignificant. The type of self-sufficiency “S1” in the socio-economic system of course may exist and exist (Fig. 1, b), although at different times and in different countries, the particular existence of individuals and groups repeatedly persecuted by the authorities. Now we can see this type of self-sufficiency in our country: eco-settlements, tribal settlements, religious settlements (the Amish), self-settlement in the radioactive contamination zones, civil living in the ATO area, hermits. However, at this stage, it is the exception that lies in the plane needs or personal (philosophical, religious) beliefs and yet is contrary to the concepts of modern society as a holistic social system.

The positive aspects of this type of self-sufficiency more than the negative, if that is followed by good climatic geographical, political conditions and genetically inherent well physical and mental health of individuals. This type of self-sufficiency does not violate the ecological system, since it takes from the environment as much as you need, for this type is not characteristic of excessive consumption, characterized by a high level of employment.

Negative traits of groups of this type of self-sufficiency:

- Isolation, presence of domestic statutes, unwillingness to reveal all the principles and details of the existence of such groups to surrounding society, which creates fertile ground for the formation and development of sects;

- Conservatism, which sometimes borders on common sense (early marriage, family marriage, the rejection of modern methods of treatment etc.).

*Corporate type of self-sufficiency (S2)* is a state, which does not require any help, support or interaction for being and development of enterprises, organizations; this type of collective business autonomy. This self-sufficiency (S2) in its pure form is impossible, even if it is a farm of family type. It is very difficult to meet the entire range of production needs of collective economy: one way or another they are going to exchange, for example, dairy products to tools (hayfork, shovels). That is, even the family-type economy will be market participants. We believe that the self-sufficiency of enterprises (the self-sufficiency level) can be considered as the basis of economic security of an organization. Enterprise economic security is the state of development

of the entity, which is characterized by the economic and financial development stability; the efficiency of negative factors neutralization and counteracting their influence at all stages of business activities. Economic security can be considered also from the viewpoint of fair competition, information security and intellectual property protection.

Thus, we see that the concept of “economic security” and “self-sufficiency”, even though they are related in some aspects, namely the issues of self-sufficiency of resources and capital, however, the concept of economic security of enterprise is much broader, and self-sufficiency is an important component of economic security. The assessment of self-sufficiency level of the enterprise calculated on the basis of capital analysis, material and labor resources. Note that the higher the level of autonomy, the higher the level of economic security.

The positives of high level of self-sufficiency of the enterprises can be considered from two sides: from the perspective of organizations and from the position of the state. So, enterprises with a high level of self-sufficiency have a guarantee to the economic security, stability, possibility of development and expansion of production, intra-industry and inter-industry integration and diversification. From the state: the more successful businesses, the more fiscal revenues to the budget, a high level of employment and the level of economic security of the country.

The negatives of the high level of self-sufficiency enterprises manifest themselves in inhuman and intolerant attitude to the environment, the promotion of excessive consumption, the creation of monopolies and oligopolies. To assess the market structure for the presence of individual or group domination use indicators of concentration “CR” (concentration ratio) and Herfindahl index (“HHI”). The level of concentration is an important tools of antitrust policy, the results of the analysis of this indicator the measures for the protection of economic competition on commodity markets. In accordance with the Law of Ukraine “About the protection of economic competition” monopoly (dominant) is a business entity which share on the commodity market exceeds 35 per cent. However, despite the existence of legislation

on competition protection by providing government guarantees on the protection of competition in entrepreneurial activities and the prohibition activities, which aimed at monopolization and unfair competition, in Ukraine there is the problem of monopoly and oligopoly.

The biggest part of the market, which belong to one or two corporations indicate that legislative regulation (protection) economic competition is not effective, has several shortcomings and needs in a new (clear, unambiguous) interpretation. The formation and the competent antitrust policy should promote the creation of competitive markets sector of Ukrainian economy, which largely depends on the welfare of the people of Ukraine. Oligopolistic competition, i.e. competition in the market with few large sellers of goods, creates such a condition in the market where the sellers of goods and services can significantly affect the realization prices. That is, the higher the market share, the less the price and non-price competition, the higher the price of products for ordinary Ukrainians.

Moreover, the establishment by government of fertile ground for the development of monopolies leads to increased autarky trends in the state.

*National type of self-sufficiency (S3)* is a state that does not require any help, support or interaction for the existence and development of the country (state). This type of self-reliance called autarky. Under the concept of “autarky” understand economic self-sustaining country, which minimizes the external commodity turnover. In the lexicon of modern economic autarky called economy that focuses inward on itself, not on the development of relations with other countries. In this sense, autarky closed economy, implying absolute sovereignty. In different periods for different reasons and circumstances, some countries sought to autarky (Germany, Italy, USSR, Japan, North Korea and some others), but in the global economy of the XXI century, autarky as an absolute economic sovereignty of the country is practically unattainable under the conditions of increased trade relations. Self-sufficiency for the sake of self-sufficiency at the state level – that is the wrong way, utopia.

That is, the absolute autarky unacceptable in principle. Countries that tried to implement it, failed to rebuild the economy and get out of poverty. Even North

Korea, which is often cited as an example of a state with autarchy economy, practically, it is not now. In 1994 President Kim II Sung was declared a departure from the ideology of Juche (strategy support only on own forces) and embarked on a participation in world trade.

Given the historical experience regarding the self-sufficiency of the state and modern tendencies of development of world economy, we note that autarkic trends, taken to the extreme when the autarky is for autarky, can be cause of irreparable harm to the economy, often throwing her back in the field of scientific and technical progress, economic efficiency of social production and people's welfare. If we consider the self-sufficiency of the safety concept (self-sufficiency economy), the higher the level of self-sufficiency of the country (not isolation!!!) is the higher economic, political and social security. Conversely, when a country is too open for foreign direct investments in all national economy sectors: it is for a short time for history (20-35 years) gives it a significant economic recovery; but, when the government allows to the foreign investor to direct invest into the strategic state sectors, they should think who will dictate the rules of the game in the markets and whether it will lead to economic, social and political instability in the future.

Considering, that in this study we define self-sufficiency at different levels, respectively, cannot be definite conclusions, except that self-sufficiency is a certain kind of freedom. Each type of self-sufficiency can exist in reality, however, the price and liability of such an existence is different. If in the case of C1 (individual-collective type of self-sufficiency) the maintenance of such a lifestyle and activity is an individual decision and, therefore, personal responsibility for that choice, in the case of S2 and S3 is not so clear. In making the decision of self-sufficiency, developing a strategy of development with the least degree of dependence on external factors on corporate (S2) and national level (S3), the responsibility for such a decision is not only personal, but social and national. These decisions should be the plane to create the basis and enabling environment for the country sustainable development and its social welfare. To persons, who make decision at the level of S2 and S3, which contain elements of social, physical and moral violence,



discrimination, irreparable damage of ecosystems should be applied to criminal liability.

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## **CONCEPTUAL ASPECTS OF BUSINESS DEVELOPMENT IN THE TOURISM INDUSTRY**

The purpose of the article is to outline the conceptual aspects of business in the domestic tourist industry in the economic transformation of Ukraine, given that the tourism sector has diversified nature and close communication factor with almost all spheres of life and is a heavy instrument of socio-economic development.

Investigated the modern economic conditions that dictate the need for a systematic development of various sectors of the tourism industry, creating special conditions for the development of domestic tourism space, able to integrate into the international tourism market growth based on entrepreneurial innovation activity and competitiveness.

By carrying out an analysis of theoretical approaches to entrepreneurship domestic and foreign scientists were discovered basic components of business activity. Shown the peculiarities of doing business in the tourism business, such as:

1. Business in tourism industry in the majority (90%) operate in the form of small businesses and individual entrepreneurs, contributing, on the one hand,

competition in the tourism market, and on the other – complicates management processes.

2. Business entities in the travel market vary by their functionality. As, the tourism industry is made up of different activities, transportation services, accommodation, meals, excursions and animation activities, recreation, rehabilitation, spa and more. Each of these segments of the tourism industry is different in the conduct of business activities, from the ownership, ending size of the required investment to start operations.

3. The effectiveness of business entities in tourism is directly dependent on the level of infrastructure provision territory: the quality and scope of accommodation services clients, catering, transport accessibility, availability and status of outstanding facilities.

4. Business activities in tourism is seasonal, which causes uneven entrepreneurial activity. In this regard, tourism businesses should use in their activities are different ways of leveling of supply and demand for services.

5. Making business travel organizations to face the problem of ensuring the quality of the tourist product, tourist and efficient process management process travel market.

Analyzed the international and domestic experience in using the innovative technologies in tourism has proved that tourism is a sphere of activity which are successful use almost all the leading science and technology. After analyzing the current realities of doing business travel revealed conceptual aspects of business development in the domestic tourism industry, in particular in the range: the development of innovation infrastructure; implementation of innovative tourism products, creating a favorable business environment:

It is proved that tourism is the system with aggregation members selectively engaged in business activities in the tourism sector, whose interactions focused on customer satisfaction and based on contractual relationships, which provide mutually participate in business processes. Proposed the conceptual foundations of business tourism within systematic and synergetic interaction of business processes, such as:

### 1. Within the development of innovation infrastructure:

- creating a network of companies to mutually exchange information, including: national innovation center of the tourism industry, the center of startup projects in the field of recreation and tourism, venture capital center of the tourist industry etc.

- the development of public – private partnership in the tourism industry, tourism transnational system of production, business partnership in tourism, travel companies consolidate. And on this basis, the formation of cooperation between companies with the aim of improving the competitiveness of its members and the industry.

- creating conglomerates interaction centers of tourism enterprises with enterprises of other sectors of the economy – light and food industry, trade and services, transport, communication, financial, credit and insurance facilities;

- forming synergistic relationship of science and tourism, cooperation of scientists and heads of tourism companies in the process of generating and implementing innovative projects of tourism development.

### 2. Within the implementation of innovative tourism products:

- expanding segments provide additional services and the introduction of alternative types of tourism;

- introduction of new tourist routes, development of new tourism, restaurant, recreational, animation, tour and hotel product;

- the use of new tourist resources;

- the use of new techniques and methods of business process;

- opening new areas and markets;

- realization of startup projects online and offline tourism.

### 3. Within a favorable business environment:

- reducing barriers to entry tourism small and medium enterprises;

- reducing the tax rate for small businesses that are successfully operating in the market of tourist services;

- public financing of investment projects in tourism and hotel business;

- providing affordable credit to participants of the tourism market;
- formation of favorable credit conditions for small and medium enterprises in tourism;
- the allocation of state subsidies for the development of transport infrastructure, ensuring the effective functioning of tourism;
- the development of certain types of tourism in view of the existing potential of the territory;
- promotion of tourism enterprises and setting up a comprehensive system of customer service;
- recovery of tourism infrastructure in accordance with international quality standards.

System synergistic approach to the domestic tourism industry considering conceptual foundations of business will reduce the risks of uncertainty operations provide minimizing transaction costs and correspondingly increase the competitiveness of tourist destinations in the market.

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**THEORETICAL ASPECTS OF THE GENERAL MECHANISM OF  
MANAGEMENT OF SOCIALLY RESPONSIBLE ACTIVITIES OF  
ENTERPRISES**

The article is dedicated to analysis of theoretical aspects of the general mechanism of management of socially responsible activities by enterprises and considers economic, motivational, organizational, legal mechanisms of management as its components.

The article discloses the essence of the concept «general mechanism of management of socially responsible activities by enterprises», presents its components and gives explanation of its importance. The author defines the basic characteristics, structure, methods and instruments of the mechanism management of socially responsible activities by enterprises.

The article proves that due to effective interaction of components of the mechanism of management of socially responsible activities by enterprises – economic, motivational, organizational, legal – the enterprises provide a competitive advantage in the market.

The essence of socially responsible activities by enterprises is revealed through the mechanism of management, which is an entirety of practical measures, tools, instruments, incentives, by which the company influences the society.

The article also gives a list of the following constituent elements that form the mechanism of management: objectives of management, criteria of management, factors of management and its connections, methods of influence on existing factors, resources of management (material and financial resources as well as social and organizational potentials, using which definite method of management is implemented and achievement of the objective is provided).

It is author's firm belief that general mechanism of management of socially responsible activities by enterprises provides the synergy of a number of components:

economic, motivational, organizational, legal and regulatory with their inherent objectives, leverage and methods of administrative actions.

The research exposes that only the coordinated interaction between components of the mechanism of management of socially responsible activities by enterprises provides the basis of its effective functioning and contributes to task fulfillment and goals achievement of enterprises.

The article states that the economic mechanism is formed by the economic regulators, the task of which is to ensure high company profit. Economic mechanism uses the following methods: taxes, benefits, tariffs, fines and incentives. The organizational component in the management of social responsibility can be identified as a set of rules and norms and interdependent organizational and administrative actions. The task of the legal mechanism of management of socially responsible activities is to regulate legal relations between participants of socially responsible activities. The managerial model of mechanism of motivation of socially responsible activities combines intrinsic motivation and external encouragement of employees.

The aforementioned mechanisms are components of general mechanism of management of socially responsible activities.

The general mechanism of management of socially responsible activities as a complicated multifunctional system is characterized by the following characteristics: social and anthropological foundations, nonlinear thinking, innovation, alternative ways of development, functioning on principles of continuous compromise between potential positive and negative consequences of activity, transparency and nonlinearity of the control system.

Having reviewed the system-mechanisms of management of socially responsible activities by enterprises the author proposes for consideration his own definition of “general mechanism of management of socially responsible activities”. By the abovementioned definition the author understands the interaction of economic, organizational, legal, motivational mechanisms of management; a set of specific methods and levers of regulation of economic and social processes, which are



consistent with development of all parts of administrative system of enterprise for the implementation of social responsibility.

The research exposes that only coordinated interaction between components of the mechanism of management of socially responsible activities by enterprises provides the basis of its effective functioning, contributes to the task fulfillment and goals achievement of enterprises.

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## **VII. Financial and credit system**

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### **THE ROLE OF RETIREMENT INSURANCE IN PROVIDING SOCIAL WELFARE**

In the modern conditions pension insurance is the most important part of social insurance both in terms of population coverage and by volumes of financial resources. The welfare of more than 12.3 millions of pensions or nearly 30% of the population of the country depends on the results of the Pension Fund of Ukraine.

The criteria of efficiency and fairness are the methodological basis for evaluating the role of social insurance in providing social welfare. They ignore

prevent the formation of objective understanding about its impact on the performance of public welfare.

The leading role in the system of social insurance plays its pension part, and therefore the level of pension provision characterizes most revealing its effectiveness. In spite of the increasing expenditures of the Pension Fund of Ukraine during the last decade, generally in 1.3 times, the national pension system guarantees a low standard of material support for disabled persons. The average size of pension payments for the period 2006-2017 was increased from 417.7 UAN to 2001.4 UAH, or in 4.8 times. The minimum pension payment at the beginning of 2017 was estimated at 1247.0 UAH, which is 3.6 times more than in 2006.

The minimum pension payment at the beginning of 2017 was determined at the level of 1247.0 UAH, which is in 3.6 times more than in 2006. However, the high indicators of growth of nominal pensions largely due to the influence of inflation and political factors and weakly are associated with growth in the economy. In particular, the level of real minimum pension was reduced during 2006-2016 to 78.7% from the level in 2005, and the level of average pension increased only by 26.9%.

Due to higher growth rate of the minimum wage, the rate of the minimum pension replacement has tends to decrease. The largest drop of this ratio occurred in 2017. Replacement rate of average wages by average pension in 2006-2013 had no clearly expressed path for changes, but in 2014 its steady decline is observed. Formal implementation of legal requirements for compliance with minimum subsistence level of pension benefits is provided by understating the actual size of basic social standards. For example, in terms of 43.3% full consumer inflation of subsistence level for the disabled in general has not been revised.

According to experts and specialists of the Ministry of Social Policy of Ukraine, the real cost of living is almost twice higher than the official identified and assessed in 2016 at the level of 2.3-2.6 thousands of USD at index of 1.1 thousands UAH, approved by legislation.

Practically unchanged in recent years is the level of the ratio between the average pension and the cost of living for persons who lost ability to work. Thus, the

system of pension insurance does not fulfill its key task – protecting the elderly people from poverty. The average size of pension payments is a quarter, and the minimum pension is in half below the real cost of living for disabled persons. Thus, the real pension payments are below the subsistence level that 2/3 of pensioners receive.

The pension reform is designed to solve a problem of financial resources of the pension insurance, which key priorities are defined the followings: increasing the retirement age, increasing insurance principles in the functioning of the pension system by transition to the individually and funded schemes, encourage of private pension savings and etc.

The question of rising the retirement age has a very negative perception in the national society and is the subject of much political speculation. However, gradually increasing the retirement age for women by 2021 is wholly reasonable and initiatives for its abolition are unreasonable.

Another actual question of pension reform is the introduction of individual funded schemes of formation of financial resources. Implementation of the scheme makes it possible to neutralize the negative impact on the pension system of demographic processes.

Individual funded scheme of pension insurance enables to provide substantially higher levels of pension provision in the presence of insured person for significant insurance period even with low values of investment income.

However, the prospects for its implementation are closely related to the macroeconomic situation in the country and the presence of political will in the government.

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## **ESSENCE OF THE FINANCIAL AND CREDIT SYSTEM OF COUNTRY**

The purpose of the article is research of essence of the financial and credit system of country from position of existing in economic science approaches with the purpose of forming of own interpretation of outlined definition. Problems of effective functioning of the banking system that are discussed in the article, are the most relevant at the moment. Modern financial and credit system needs new approaches to ensure stable operation. Liquidity, stability, reliability, profitability of individual credit institutions and the entire financial system are important for ensuring economic stability.

Theoretical and methodological basis of research are scientific labours of domestic and foreign authors on questions of research of essence of the financial and credit system of country, resources of Internet. In the process of research general and special methods are utilized, in particular: monographic – during realization of

literary review of the probed problem; analysis of the systems and structural – at the ground of different approaches and different points of view to interpretation of essence of the financial and credit systems as difficult economic categories.

The article examines the role of financial and credit mechanism in the system of economic security subjects of production. The authors of the study results are summarized theoretical basis of financial and credit mechanism in the economic security of the subjects of agricultural production and its refined features and methodological characteristics.

Going is considered and analyzed near determination of concept the “financial and credit system” in different domestic and foreign scientific sources. Maintenance of the financial system of country is described from positions of functional, institutional and economic approaches. On the basis of analysis of widespread interpretations own determination of the financial and credit system of country is offered.

The article considers the issues of institutional structure and the development of scientific concepts on financial and credit systems. The authors assumes that the finance and credit, advancing money to the production and consumption (general function), providing the improvement of financial intermediate sector and the sphere of financial and credit services, promoting the efficient allocation of funds, thus have the basis for convergence and separation.

Systematizing scalene scientific approaches, we are offer author determination of term, in obedience to which it follows to examine the financial and credit system as an aggregate of the financial and credit relations, which arise up between economic subjects, which influence on the processes of forming, distributing, redistribution and use of financial resources. It is well-proven at theoretical level, that a question of research of influence of the financial and credit system on development of economy with the purpose of providing of process of public recreation on the basis of combination of rotation of financial and credit resources is important. As finances and credit are a category isolated, the “financial system” and “credit system” have a concept complete right on separate existence. However to our opinion, deeper to



expose essence and maintenance of concept “financial and credit system”, it must be examined above all things from position of combination of afore-mentioned approaches.

The main approaches to the definition of a financial system are considered. On the basis of studying of treatments of this concept the structure and structure of a financial system are defined. The special attention is deserved by consideration of a financial system as sets of finance of all institutional units and economy sectors in their interaction among themselves and institutional units of other countries. The definition of the institutional structure financial and credit infrastructure is of a certain interest.

This paper has disclosed the main problems that restrain crediting of the economy in the current period, developed grounded proposals on encouragement and stimulation of the credit process at the present stage. It has been concluded that the following monetary conditions should be established for banks to revitalize their lending activities: low and stable inflation, expansion of a long-term resource base, regaining of confidence in the banking system and the national currency as well as improvement of banking activity regulation and supervision. It has been proved that the stimulation of lending processes should be based on the credit climate improvement, using more stringent crediting criteria, effective mechanisms of forming credit risks reserves and strengthening the protection of creditors and borrowers rights.

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### **FINANCIAL POLICY ON THE PRINCIPLES PUBLIC-PRIVATE PARTNERSHIPS` APPLICATION**

Financial policy is an activity, the basis of which the legal consolidation principles, ideas, programs and prospects for financial development. Financial policy rationally is been considered due to the financial activities which in general expresses the manifestation of all functions of the state, since the implementation of any function is not possible without appropriate financial security as one of the main mechanisms of public power. Therefore, in our study, we agree with the economists, who believe that financial policy should be seen as an activity of the state to determine the main directions, objectives, main tasks of financial resources for the future. In the development of financial science policy serves as the definition of

objectives and implementation of the recommendations of the theory.

Some authors the term "financial policy" and "financial management" is identified with the financial mechanism. In our opinion, the financial management is a management of financial relationships that arise in the movement of financial resources that the process of achieving the goal, and influence over the management by using methods and tools of financial mechanism. Financial management is done not for the sake of control, but for the satisfaction of certain objectives, goals and tasks provided financial policies. Financial policies primarily implement the national strategy for economic development, create an appropriate framework for the implementation of the state of its functions and are designed to support the financial incentives of active economic activity.

Historical retrospective of the theoretical concepts of finance and the state's role in implementing the financial policy indicates a lack of sufficient economic conditions for activation of financing and financial resources reproduction effectively that is stands strong argument in favour of the key subject of the formation and regulation of financial processes should be state. However, the objective inability of the state to ensure full implementation of the social functions without the active involvement in this process of private sector resources requires active usage of different types of interaction between state and business.

Cooperation between the state and the private sector in the implementation of public financial policy is not sufficiently developed area of research as fundamental work on these issues. For determination the place of interaction between state and private sector in the implementation of financial policies, consider the evolution of relevant scientific opinions in economics. The interaction of the private sector and the state in the economic sphere in general and in the financial processes are quite controversial scientific issue that has evolved under changing type of society in the development of civilization. Organizing scientific views on the role and nature of the cooperation between the state and the private sector in the economy reflects the logical development of scientific views on the nature, direction and tools of cooperation between the state and private sector financial policy states that formed within different scientific schools. The view of many economists that in today's state financial policies should be aimed at financing high technology sectors, at least in the medium term, which is achieved primarily by enhancing cooperation between the

state and the private sector on the basis of PPPs. This will attract additional financial resources in large-scale government programs to reduce budget spending, stimulate business activity and enterprises more efficient use of budgetary funds. Summarizing all the above said, it can be created a scheme of tasks and areas of financial policy of Ukraine, which may be implemented with PPPs.

This study found that at the current time of the national economy development raises the question of reforming the financial system of Ukraine, namely the general government as a permanent state budget deficit, the presence of significant imbalances in the redistribution of financial resources between the different levels and lack of financial self-sufficiency of local community demonstrates the ineffectiveness of the implementation of financial policy. The interaction of the state and the private sector, in particular through PPPs for the evolution of economic thought is reflected in the implementation of financial policy in solving important social and economic issues of financial mechanisms. High efficiency of public-private partnerships as a form of cooperation between the state and private sector experience has been proven in many countries.

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**BUDGETARY REIMBURSEMENT OF VAT TO AGRICULTURAL  
PRODUCERS WITHIN THE CONTEXT OF TAX LEGISLATION  
REFORMING**

On agricultural enterprises, most of which were on special tax regime, the problems in the budgetary reimbursement in terms of the Law of Ukraine "On Value Added Tax" have been considered by such economists – agrarians as M. Demianenko, V. Synchak, V. Pronina, N. Seperovych and I. Herasymchuk. Some issues of budgetary VAT reimbursement on transactions with grain crops after adoption of the Tax Code studied by L.Tulush. However, the procedure for budgetary funds repayment out of the value added tax (VAT) to agricultural producers after the adoption of the Tax Code, including theoretical and methodological foundations of the essential and qualification features of the necessity of its nature as one of the forms of budget support of agricultural development is insufficiently studied in scientific journals.

It should be noted that the works of numerous scientists are dedicated to processing of the essence of the term "budgetary reimbursement". Besides, there are various scientific approaches to the interpretation of the essence of budgetary VAT reimbursement, which occurred in the scientific literature in terms of the law number 168/97 and after January 1, 2011, i.e. after putting a Tax Code of Ukraine into execution (see table1).

In our opinion, it is necessary to amend the Tax Code and consider the budgetary reimbursement as "reimbursement of agreed amounts of the negative value of VAT" not only by the results of the inspections, but also by the positive results of taken decisions, resolutions and regulations of appeals and court instances in applicants' favor. This is particularly important for agricultural enterprises, as they fall within the attention of supervisory bodies during inspections on VAT reimbursement issues. This is due to the fact that since July 1, 2015 it is prohibited by the supervisory bodies to make documentary on-site inspections of payers on the veracity of the claimed budgetary VAT reimbursement issue, except for cases, specified in paragraph 200.11 of Article 200 of the Tax Code. One of such cases is delivery of any products (goods) to agricultural producers, who used special VAT regime.

The reasons for the delay in returning the budget funds out of VAT, after they have been reported and confirmed by inspections may be different, that definitely restrains the agrarians from reporting paid tax credit in agricultural production in the export of products. To this end, we offer a generalized list of impact factors (refusals) for commodity producers to claim the return of paid tax credit out of the budget.

Based on the results of the conducted research it was found that in modern scientific literature, as in operating of the law No 168/97 and under terms of the Tax Code of Ukraine unified approach to the understanding of the term "budgetary reimbursement" has not been formed so far, its economic content and structure are not deeply analyzed, there is no classification of types and directions of reimbursement, though there are a number of specifications of budget funds use in the form of subsidies and compensations that allow to fully reveal the purpose of public financial support for the agricultural sector, and identify the subjective and objective structure.

In addition, under paragraph 92 of the Law of Ukraine "On amendments to the Tax Code of Ukraine in part of improving investment climate in Ukraine)" of 21.12.2016 No 1797-VIII amendments to art. 200 of the Tax Code regulating particularly the order of budgetary VAT reimbursement were introduced. For that



reason, the latter question is updating and requires further analysis and research to further development of the theoretical foundations of budget support of agricultural commodity producers under the terms of budgetary reimbursement, updated from January 1, 2017.

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