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## SUMMARIES

**YAREMENKO OLEH “Controversial influence of institutional reforms on the functioning of the economy”** – Reforms affect the efficiency of the economy through mechanisms of resource mobility, expectations, trust, shadow sector dynamics, corruption and economic freedom and the overall innovation capacity of the economy. The nature and content of these influences are controversial and sometimes uncertain. Therefore, when planning the “next wave” of reforms, it makes sense to take into account the specific features of relationship between changes in institutional environment and processes of functioning and development of the economy.

Reforms are preceded by a critical rise in uncertainty, which manifests itself in mass institutional, market and technological destructions. Such gaps, destructions and problems cannot be overcome within the framework of the old system of rules and actual distribution of powers and responsibilities of the participants in the economic system, since no subject regards the destructions as belonging to the sphere of his responsibility and authority. The content of reforms is a conscious change in the distribution of economic power within society. The most consistent with the identity of society and the state are evolutionary changes or endogenous reforms that reflect internal redistribution of economic power, market and technological changes in the national economy.

Institutional reforms always contain an essential element of uncertainty, which manifests itself in short- or medium-term risks of a decrease in efficiency and long-term stagnation of the system. It should be acknowledged that the greatest risk of institutional change is destruction of identity and the complete loss of subjectivity.

An important precondition for understanding the impact of reforms on the economic system is to take into account the national historical context. If reforms are consistent with the historically established value identity of the population, fix or continue evolutionary changes in the value-like institutional structures of society, then the likelihood of success of such reforms will be relatively higher and these reforms will be able to ensure tangible growth of public wealth, strengthening national competitiveness, technology development and further socialization of the economy.

**RIEPINA INNA “Transformational analysis and forecast of innovative entrepreneurship development in Ukraine”** – Cognition and systematic study of the essence of innovation processes remain extremely relevant scientific and applied problems. The article deals with state and prospects for the innovative entrepreneurship development in Ukraine compared with the countries of innovation enclave to search for catalysts for its activation.

The basis of the generalizations and conclusions were the works of domestic and foreign scientists, normative-legislative acts, public reports and plans for the innovative development of Ukraine in various time intervals, data of the State Statistics Committee of Ukraine, Eurostat, Startup Ranking and Global Innovation Index.

In course of the research the author applied a wide range of general scientific and special methods of cognition. To perform a transformational analysis of the innovative entrepreneurship development, the ADIE 7D descriptive model is proposed, which is based on the following seven descriptors: (i) GDP science intensity; (ii) venture financing of innovation activity; (iii) share of enterprises engaged in innovations; (iv) the number of registered patents; (v) implementation of innovation projects (start-ups); (vi) ecosystem of innovative entrepreneurship; (vii) Global Innovation Index. The model allows identifying the stimulants and destimulators of influence on the process of creating a favorable environment of innovative activity.

The following should be noted among the key stimulators of the innovative entrepreneurship development: significant innovation potential, entrepreneurial enthusiasm and creativity of innovators. However, the lack of adequate funding and a harmonized ecosystem of innovative entrepreneurship is becoming an obstacle to radical changes aimed at the innovative breakthrough of our country.

Based on the results of the analysis, the author presents a strategic map of innovative entrepreneurship development in Ukraine by descriptors of the proposed model. In the course of the further research it is planned to supplement this ADIE 7D descriptive model by implementing new promising descriptors to deepen analytical procedures.

**IEFYMENKO TETIANA “System of public finance management in Ukraine: problems of economic security”** – Countering threats to the security of the national economic space should be accompanied by the protection of financial sovereignty by the authorities. The unconditional implementation of the medium-term goals to reduce the growth rates of the country’s total debt (in perspective), improvement of the government regulatory mechanisms for allocating limited resources, a better quality of constitutionally guaranteed public services and support for investment in the real economy sector should be a key guideline for the Public Finance Management System (PFMS).

The author analyses institutional, macroeconomic, political, organizational and information risks that can hinder the successful implementation of measures aimed at ensuring the consistency and predictability of fiscal policy, preventing default situations, etc.

The results of practical implementation of the program documents adopted last year, which regulate the Public Finance Management Reform Strategy 2017–2020 (hereinafter the “Strategy”) and the Action Plan for its implementation, indicate that the lack of coordinated expression of will, as well as a consensus on a unified course of change in society, negatively affects the quality of management of fiscal risks and investment processes and the degree of synchronization of fiscal regulation with other levers of the state’s influence on the success of change management.

It is emphasized that a high degree of dependence on international financial assistance to strengthen economic equilibrium, the need for more intensive development of the national economy and continued structural reforms are highlighted in the recently published report of the European Commission in connection with the anniversary of the conclusion and implementation of the EU-Ukraine Association Agreement.

The author proposes the ways of neutralizing the destructive consequences of any external or internal transformations in the socio-economic system through: (i) equilibrium processes of social reproduction; (ii) intensification of investments; (iii) promotion of entrepreneurship development; (iv) restriction of shadow activities; (v) ensuring the transparency of operations with the state financial assets; (vi) synergistic effect of management interaction between the Government and the National Bank of Ukraine.

**KUDRYASHOV VASYL “Fiscal rules and adjustment of fiscal policy”** – The issue of using fiscal rules in budget policy implementation is covered (namely, one of the innovative mechanisms aimed at limiting fiscal imbalances and enhancing positive impacts on economic and social development). An analysis of approaches to determining the content of fiscal rules is carried out. The content’s interpretation is proposed, which reflects not only restrictive, but also corrective functions. The IMF recommendations on application of fiscal rules and supranational regulation of budget policy in the framework of integration associations, as well as their positive and negative impact on the development of Member States, were considered. It is noted that fiscal rules should be sufficiently balanced and flexible for their use in public administration. In order to increase the effectiveness of fiscal rules, significant changes have been made in the EU regarding their composition over the past years. The authors reveal the main objectives of application of fiscal rules, as well as their importance in increasing the budgetary responsibility of the government, particularly, to ensure budgetary discipline, as well as the effectiveness of spending funds. Mechanisms for adjusting the fiscal policies that are introduced in framework of fiscal rules are outlined. Particular attention is paid to measures to continue fiscal consolidation, as well as to support economic growth and financial stability. It is concluded that strengthening rigidity of fiscal rules at the supranational level in the EU hampered flexibility in managing budget resources, hence they require reform. With the use of fiscal rules, the issues of amending the institutional structure of public finance management and deepening the transparency of budget operations have been actualized.

It is noted that changes to application of fiscal rules are important enough for Ukraine. The rules used in our state are insufficient and do not fully solve the tasks assigned to them. They require expansion and improvement, as well as introduction of effective implementation

mechanisms. To improve the effectiveness of fiscal policy in Ukraine, one should take into account the experience of foreign countries, as well as develop and implement more detailed and flexible fiscal rules.

**ZHYBER TETIANA “Trends and perspectives of the state budget expenditures for Ukraine’s energy sector”** – The energy sector of Ukraine has been built according to the needs of the former USSR. During the entire period of independence, post-Soviet ties and technologies required considerable public spending for the needs of FEC. The purpose of the article is to determine the amount of public spending for Ukraine’s energy sector. The task is to outline the prospects for the further burden on public spending. The dynamics of direct expenditures and credits from the state budget for the energy sector is shown and they are compared in general and by individual areas. The method of calculation consisted of author’s grouping and adding the actual budget expenditures or loans together by general and special funds of the budget according to the budget programs during 2002–2017.

Expenditures for the FEC by functional classification were compared with author’s calculations of expenditures by budget programs. The discrepancies found are explained by: implementation of the approved budget programs during the entire analyzed period by various responsible executives, leveling out of the consequences of activities of the energy sector entities in economic sphere, reallocations of money between expenditures and lending, etc.

During the period researched, the number of thematic budget programs decreased fourfold. The analysis shows the prospects for the further significant direct expenditures for the coal industry to maintain closed mines, rescue and disaster prevention services and subsidize enterprises to compensate for the cost of coal.

The method of financial maintenance of repairs and modernization of energy networks through the budget loans means prospects for increasing the future debt burden of the budget due to the need to repay loans in foreign currency. In general, the energy sector also receives indirect subsidies from the state budget through subsidies to the population and direct funding. Reducing the number of budget programs by their consolidation narrows the scope for analyzing the state policy in the field of financial support to Ukraine’s energy sector.

**ZUBYK SERHII “Funded pension provision as a factor of economic development”** – The important goal of the funded pension provision is to create developmental effects since pension payments from all components of the pension system, funded or non-funded one, are financed out of a country’s output.

In the context of financial intermediation, the funded pension provision (compulsory state system of funded pension insurance and system of non-state pension provision) contributes to economic growth through, firstly, transformation of long-term savings into long-term investments, and secondly, promotion of technological changes and structural shifts in the economy.

In Ukraine, the funded pension provision have not been adequately developed (assets of the system of the funded pension provision accounts for 0.14% of the total assets of financial corporations), and, consequently, has no significant impact on the economy.

Strong impetus for the development of the funded pension provision in Ukraine should be, firstly, the introduction of the funded pension insurance system beginning 2019 and, secondly, qualitative upgrading of institutional conditions of non-state pension institutions in connection with the implementation of the requirements of the EU Directive 2016/2341 of December 14, 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (recast) and the realization of the measures provided for by the Complex Program for Development of the Financial Sector of Ukraine by 2020.

The positive economic effect from introduction of corporate pension programs can also be achieved at the level of corporate units. Corporate pension schemes, as a component of corporate social responsibility, contribute to the growth of the social resources of corporations and at the same time serve as a flexible tool for personnel management under conditions of growing labor shortage and increasing competition from employers in the labor market.

**SIDENKO VOLODYMYR “Megatrends of e-commerce development in the context of modern technological revolution”** – The article covers the issues of development of electronic (digital) commerce (e-commerce) as a key trend in transformation of the world economy.

The emphasis is on multidimensional manifestations of e-commerce and on a clear tendency towards further diversification of its forms under conditions of intensive technological transformations of modernity. Its spread is associated with the growing role of e-commerce and it is proved that the pace and efficiency of its spread in the sphere of trade and economic operations is largely due to availability of information and communication infrastructure of adequate quality.

It is shown that new prospects for the development of e-commerce are related to the new key technologies of the Fourth Industrial Revolution: analytics based on big data, blockchain technologies, Internet of things and artificial intelligence. The author argues that the latest technologies create the foundation for a systemic change in the very nature of economic and non-economic relations.

It is proved that the process of e-commerce spread is controversial and related to the possible presence of both positive results and negative consequences. Positive effects are primarily owing to a significant reduction in costs and expansion of the range of supply, increasing opportunities for promoting goods and services on the market (especially for small and medium-sized businesses) and a significant reduction of time of commercial operations. At the same time, the importance of security of economic development and protection of the rights of individual is emphasized, as in the context of the spread of e-commerce, the risks in these aspects are increasing.

Particular attention is paid to the importance of coordinating the e-commerce policy development. The role of the leading international organizations – the UN (UNCTAD and UNCITRAL), the WTO, the OECD, the World Customs Organization, the Universal Postal Union – in the development and regulation of e-commerce is also described. Taking the European Union (the policy of forming a single digital market) and the Eurasian Economic Union (Digital Agenda of the EAEU until 2025) as an example, the growing importance of international regional policy in addressing this problem is shown.

**BORODINA OLENA, PROKOPIY IHOR “The future of Ukraine’s rural sector – from extractive use to inclusive development”** – Content of the concept of the rural sector as a socio-territorial subsystem of society is revealed. The key features of the subsystem are habitation of people in rural areas and their relationship with production and processing of agricultural products. It is proved that opportunities of rural residents and persons engaged in agriculture are limited in comparison with other citizens in terms of meeting their vital needs. Evolution of the term “inclusive development” in the context of its relationship to “inclusive growth” and “inclusive welfare” is considered.

From the standpoint of inclusiveness, the socioeconomic situation in Ukraine’s agriculture in the Soviet period, in the years of active market transformations and at the present stage is characterized. It is shown that the extractive development of agriculture and rural areas gained an advantage at all stages, despite the declaration by political forces of the intentions to protect the interests of rural residents and producers of agricultural products, as well as the recommendations of scientists on realization of these interests. The extractive development was accompanied by resource-exhausting nature of management and restriction of real access of peasants to productive resources and distribution of benefits from their use.

The necessity of transition to inclusive development in domestic rural sector is substantiated and conditions for this transition are revealed. Important factors in this should be: (i) Ukraine’s implementation of measures to ensure the achievement of the Sustainable Development Goals proclaimed at the UN summit in 2015, and (ii) support and implementation of the ideas of the Declaration of the Rights of Peasants and Other People Working in Rural Areas, draft of which is being discussed at the United Nations Human Rights Council.

**MOLDAVAN LYUBOV “Theoretical foundations of agro-economics: retrospective and modernity”** – Formation of two diametrically opposed schools of agrarian economics in theory and practice is studied. The first one believes that agriculture is subject to the general

economic laws of the capitalist economic system (A. Smith, D. Ricardo, K. Marx), while the second one believes that the branch has features that limit this subordination, with the result that this area only “reflects” the general capitalist political economy. The author reveals the foundations of schools of the second direction formed by the classics of agroecconomics (A. Thaer, J. von Thünen, T. Brinkmann) and further developed by E. David, S. Bulgakov, T. von der Goltz, O. Chayanov, M. Makarov and other scientists.

According to the review of economic practices in the global agrarian space, it is proven that agriculture is successfully developing where specificity of socio-economic relations in the agricultural sector is confirmed. The specificity in this area is caused by interweaving the natural and economic principles of reproduction, peculiarities of the use of material, technical, labor and land resources, influence of the rent factor, low elasticity of demand for the main types of agricultural products and foodstuffs and significance of social and ecological functions of agriculture for the development of society.

Countries where agrarian policy is based on the principles of the general economic laws of capitalism that argue the advantages of large capitalist farms, the concentration and deep specialization of agriculture, the subordination of the production to profit maximization, etc., face negative social and economic consequences. The losses from these consequences collectively outweigh the economic benefits of a capital-only management system.

The development of agroecconomic science under conditions of modern scientific and technological progress and globalization processes is analyzed. The agroecconomic science, expanding the substantial content of social and ecological functions of agriculture under influence of positive results and negative consequences of these processes, proved the equivalence of these functions to the economic function of the industry. The essence of the concept of multifunctionality of agriculture, which is acknowledged by the international community as an instrument for developing agrarian policies for sustainable agriculture development, is revealed. In this context, the problems of domestic scientific agroecconomic trends and the consequences of their implementation in the process of reforming the agrarian sector of Ukraine are analyzed.

**BYSTRYAKOV IHOR “Spatial concept of rationale behind ecological and economic development”** – For Ukraine’s conditions, it is important to find new forms of organization of economic activity, which will ensure the overcoming of “catching-up” of the world economy. It is advisable to solve the problem in terms of determining the features of the national space for sustainable development. At the same time, objectively, there is a need to adapt the definition of “space” as such to the practice of environmental and economic development management. From a methodological standpoint, the issue is to use the post-industrial approaches to define economic processes with a focus on the category of “interest”. Since economic space of the post-industrial type is formed by the flows of “interests” of business entities, which circulate and determine its structure, attention is focused on domination of energy and information in communicative processes.

From the standpoint of the functioning of a proper communicative field, the effect of economic activity is provided by reducing the parameters of transaction duration and then reducing the costs to a corresponding acceptable level. Evolution of the communication system indicates a change in the nature of interaction of business entities with environment. The main issues are the ecological and economic encodings of the life space, which gradually transform into everyday reality and form the corresponding cognitive frames. Therefore, an important point is the search for modern forms of economic self-sufficiency of functioning of ecological systems at the level of requirements for their safe existence at the expense of rational use of natural resources assets. The author emphasizes the expediency of focusing on decentralized forms of managing the process of ensuring the ecological and economic development of territories, taking into account the relevant competences of local economic systems within the definition of their communication fields. Aforementioned approach can be fully solved in the framework of the so-called platform economy. As a phenomenon of macroeconomic level, the platform economy provides guidance on changing the mechanism of cost formation at the grassroots



level. The ecological and economic concept of sustainable development fits into general trends associated with transformation of the markets towards expansion of network interactions, since business as well starts to develop according to the similar to natural ecosystem laws.

**PLOTNIKOV OLEKSIY, BORZENKO OLENA, PANFILOVA TAMARA “Fiscal institutions in the process of transformation of the European Union”** – Transformation processes of the fiscal sphere of the EU concerning the development of fiscal institutions in the context of the system-forming component of both integration and disintegration processes are considered.

The EU fiscal institutions play an important role in shaping the core, not only from the economic side, but also from the political one. It is thanks to the fiscal institutions that the materialization of the political influence on the EU member states and the feedback is carried out.

The transformational processes of the fiscal sphere are related to: expenditure policies (volume optimization and streamlining of the structure and increase of the efficiency of spending public resources), income generation (adjusting the taxation system, increasing the efficiency of administering tax payments, reducing the shadow economy, improving the conditions of lending to the real sector, improving the state support of small and medium business) and financing the public administration sector (reducing the deficit of the state social funds, limiting the volume and forming the optimal structure of government borrowing), etc.

The essence of the main functions of the EU fiscal institutions (generating, distributing and controlling) as the core-forming elements of its architecture in the constructive and destructive directions of development is determined.

The current state of development of transformational processes in the European Union in two main directions – constructive and destructive – is described. The constructive direction implies further enlargement of the European Union with the use of appropriate procedures. Destructive direction involves the exit of countries from the European Union and the restoration of all attributes of a country that is not part of these or other associations. It is formulated that fiscal institutions in the destructive direction of development will play a suppressive role. Moreover, the higher level of integration was achieved by this country, the more restrictive the role of fiscal institutions will be in the case of destructive processes.

For Ukraine, the emphasis on fiscal institutions in their respective capacities may be useful for further deepening of cooperation with the European Union and adjusting already implemented steps.

**KHARAZISHVILI YURII, GRISHNOVA OLENA “Quality of life in the system of social security of Ukraine: indicators, level, threats”** – The authors consider the social security as a state of social sphere, which ensures high quality of life of the population (material level and social components), protection of the basic vital demographic-recovery processes, possibility of obtaining the high-quality education and the absence of threats to health and life of a person. The main indicator of quality of life – poverty level according to various methods of determination – is studied in detail. Imperfection of existing approaches to reflect the real state of poverty in Ukraine is substantiated. The definition of poverty level is proposed as a share of the population whose equivalent total costs is lower than the actual living wage, calculated as 50% of the average wage. According to this approach, the poverty level in Ukraine is about 60%, reflecting the real state.

The integral index of quality of life in Ukraine, calculated on the basis of modern methodology, indicates its unsatisfactory condition throughout the analyzed period; this can be overcome only on the basis of sustainable development.

The most important threats are outlined and ranked for the weight of influence. It is determined that the root cause of all threats to the quality of life, as well as social security in general, is the unacceptably low level of remuneration in output, which is significantly lagging behind similar indicators of economically developed countries and stipulates the corresponding humiliating social standards. In this regard, it is proposed to change the social policy by law through redistribution of income between labor and capital to the average level of the economically developed EU countries: labor – 29%, capital – 71%.