Transformational processes the development of economic systems in conditions of globalization: scientific bases, mechanisms, prospects

Collective monograph edited by M. Bezpartochnyi

ISMA University
Riga (Latvia) 2018
Ekonomisko sistēmu attīstības transformācijas procesi globalizācijas apstākļos: zinātniskie pamati, mehānismi, perspektīvas

Kolektīva monogrāfija
M. Bezpartochnyj zinātniskajā redakcijā

Informācijas sistēmu menedžmenta augstskola
Rīga (Latvija) 2018

The authors of the book have come to the conclusion that it is necessary to effectively use the management approaches to regulate modern international economic relations, methodological tools for analyzing international competitiveness and innovation. Basic research focuses on assessing the social-economic development of the regions, the labor market and migration processes, the startup market, the analysis of investment activities of enterprises in different sectors of the economy, the formation of environmental and economic security, features of modern euro integration processes. The research results have been implemented in the different models of strategic enterprise development and management of innovative projects, mechanisms of state regulation and policy of decentralization, development of transport infrastructure, improvement of the state migration policy, introduction of IT-projects and resource-saving technologies. The results of the study can be used in decision-making at the level of international business, ministries and departments that regulate international relations, ensuring security and overcoming risks. The results can also be used by students and young scientists in modern concepts of the formation of international economic relations in the context of ensuring the competitive advantages of actors and improving innovation policy.

Reviewers (international scientific editorial board):

Sevdalina Ilieva Dimitrova – Doctor of Science, Professor, Vasil Levski National Military University, Veliko Turnovo, Bulgaria

Remigijus Kinderis – PhD, Assoc. Prof., Director Deputy for Strategic Development, Academic Council Chairman, Klaipeda State University of Applied Sciences, Lithuania

The collective monograph is approved for publication at the meeting of the Scientific Council of the Information Systems Management University of 04th June 2018, Minutes No. 1-18.

Reproduction or citation reference is mandatory.

© ISMA University, 2018

ISBN (print) 978-9984-891-04-0
ISSN (print) 1877-0444
# Transformational processes in the development of economic systems in conditions of globalization: scientific bases, mechanisms, prospects

## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INTRODUCTION</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>Chapter 1</strong></td>
<td></td>
</tr>
<tr>
<td>SCIENTIFIC FOUNDATIONS AND MECHANISMS FOR ENSURING THE DEVELOPMENT OF ECONOMIC SYSTEMS</td>
<td></td>
</tr>
<tr>
<td>Berezina L.</td>
<td>11</td>
</tr>
<tr>
<td>Logistics as a component of the enterprise strategic development</td>
<td></td>
</tr>
<tr>
<td>Skoryk H., Barinov V., Lynnyk O., Trevoho O.</td>
<td>17</td>
</tr>
<tr>
<td>Ukraine facing economic challenges in post-industrial society</td>
<td></td>
</tr>
<tr>
<td>Tesliuk R., Bachynska M.</td>
<td>34</td>
</tr>
<tr>
<td>Development of labor markets of Ukraine’s border territories: problems of informal employment</td>
<td></td>
</tr>
<tr>
<td>Zaloznova J., Trushkina N.</td>
<td>43</td>
</tr>
<tr>
<td>Mechanism for providing sustainable development of transport infrastructure in Ukraine</td>
<td></td>
</tr>
<tr>
<td><strong>Chapter 2</strong></td>
<td>54</td>
</tr>
<tr>
<td>THE ROLE OF INNOVATION IN THE DEVELOPMENT OF ECONOMIC SYSTEMS</td>
<td></td>
</tr>
<tr>
<td>Babenko V., Mandych O., Nakisko O.</td>
<td>54</td>
</tr>
<tr>
<td>Increasing the efficiency of enterprises through the implementation of IT-projects</td>
<td></td>
</tr>
<tr>
<td>Horbal N., Hoshovska O., Fedorova G.</td>
<td>65</td>
</tr>
<tr>
<td>Analysis of the Ukrainian national startup market as the basis for innovation-oriented economy in the European environment</td>
<td></td>
</tr>
</tbody>
</table>
Pozdniakova A.
Smart city strategy: lessons for Ukrainian cities .......................... 84

Mazur V.
Sustainable social development – current trends .......................... 94

Chapter 3
MECHANISMS FOR ENSURING THE COMPETITIVENESS OF ECONOMIC SYSTEMS .............................................................. 109

Kalnichenko O., Morozov V., Steshenko G., Kolomiiets A.
Improving business value through using the proactive approach in managing distributed it projects ........................................ 109

Parfentieva O., Grechan A.
Formation of motor transport enterprises alternatives for strategic development ................................................................. 118

Yemelyanov O., Symak A., Petrushka T., Lesyk L.
Resource-saving economic development as a factor of the Ukrainian enterprises competitiveness providing .............................. 138

Chapter 4
INVESTMENT AND CREDIT-FINANCIAL INSTRUMENTS TO ENSURE THE DEVELOPMENT OF ECONOMIC SYSTEMS
........................................................................................................... 148

Azarenkova G., Golovko O., Babenko M., Gorbunov D.
Management of credit and investment activity of banks of Ukraine as an integral part of the system of ensuring financial stability ...... 148

Chernyshova L., Kozub V., Kot E.
The mechanism of regulation of investment activities in the conditions of globalization ......................................................... 157

Kravchun A.
Actualization of self-organization mechanisms for investment platform development in Ukraine ............................................. 165
Kvasnitska R., Oliinyk A.
The influence of non-performing loans on the banks’ equity capital ................................................................. 174

Oliinyk A., Donchenko T.
Influence of the non-performing loans on the profitability of banks ................................................................. 183

Zhuvahina I., Otchenash P., Budna T.
Conceptual model’s estimation of investment potential of retail enterprise ................................................................. 193

Chapter 5
USE OF SECURITY MECHANISMS IN THE CONTEXT OF GLOBALIZATION ......................................................... 204

Akimova L.
Mechanisms of state regulation against corruption in the framework of ensuring economic security in Ukraine ........................................ 204

Bidak V.
Identification of factors of forced migration risks in conditions of military threats in Ukraine ........................................ 217

Dubnytskiy V., Naumenko N., Petryk I., Kozhevnik Yu.
Factors of ecological and economic security interaction within the framework and conditions of globalization of the regions .......... 225

Ryndzak O.
Improvement of public migration policy in the system of countering the threats to the national security of Ukraine ....................... 237

Zhykhor O., Baranova V., Bilska O.
State regulation as a mechanism of security of economic security of the state ................................................................. 247
Chapter 6
CURRENT STATE AND PROSPECTS OF DEVELOPMENT
ECONOMIC SYSTEMS IN THE AGRARIAN MARKET 256

Dumanska I.
Compensation of risks in the financial support of the innovative process of agro-industrial production 256

Proshchalykina A.
Features of organic agricultural market development in Ukraine 265

Skakalina E.
Algorithms of artificial intelligence in the management of agroholdings 274

Chapter 7
EUROPEAN MODERNIZATION AND REFORMS IN UKRAINE IN CONDITIONS OF SOCIAL-ECONOMIC ASYMMETRY OF THE WORLD ECONOMY 283

Burlay T.
Eurointegration of direction and the divergence trap of Ukraine 283

Buyak L., Bashutska O., Buyak A.
Models of economic partnership of Ukraine with the countries of the European Union and the Customs Union 296

Duma L., Buyak L., Daniluyk I.
Instrumentation for the implementation of the regional policy of structural modernization in Ukraine 309

Maskevych E.
Features of vision of the christian family: European modernization vs traditionalazation 317

Popadynets N.
Government regulation of consumer goods market in the EU Member Countries: lessons for Ukraine 326
Tulchinskiy R.
Decentralization as a means of institutional support formation of a new regionalism in Ukraine ............................................. 332

Tymechko I.
Development of civil society in the context of territorial communities’ development ................................................. 341

CONCLUSION ............................................................................. 349
Chapter 5

USE OF SECURITY MECHANISMS IN THE CONTEXT OF GLOBALIZATION

Akimova Luidmila
PhD in Economics, Associate Professor, Associate Professor of the Department of Finance and Nature Resource, National University of Water and Environmental Engineering (Rivne, Ukraine)

MECHANISMS OF STATE REGULATION AGAINST CORRUPTION IN THE FRAMEWORK OF ENSURING ECONOMIC SECURITY IN UKRAINE

The realization of the idea of building an effective legal state is connected with the overcoming of corruption phenomena in the bodies of state power and administration. Usually the basis of corruption is based on low-quality legislation, draws on the shortcomings of the state's financial system and spreads because of the lack of effective control over the activities of officials, state and local authorities. The fight against corruption is a priority task of the current government in the state, because corruption can make it impossible to carry out any positive changes in our country, many of which begin right now.

The gradual worsening of the financial situation in Ukraine indicates a decline in the level of domestic financial security of the state. One of the main factors negatively affecting its condition is the large-scale corruption acts taking place in our state. In recent years, much has changed in our country: the European vector of development for Ukraine was finally chosen. But one of the most complex processes that hinder the development of the state remains systemic corruption. Any positive changes in the state can not be effectively and timely implemented without internal or external investment in projects. But in the case when people who do not observe financial discipline control the financing of these projects, it is almost impossible to finance the project in full. All the presidents of Ukraine repeatedly called corruption the number one problem for the Ukrainian society. Everyone tried to
overcome it, but could not. Quite often, the Verkhovna Rada adopted laws of Ukraine that were aimed at combating corruption. But significant practical steps to address this important issue for the state of financial security have not been done so far, nor has the desired results been achieved.

It is common knowledge that corruption exists in all countries of the world. However, it manifests itself in different scales and affects the life of society in different ways. According to the international organization Transparency International [2], as of the end of 2016, Ukraine is among the states with the highest incidence of corruption.

A high indicator of the negative perception of corruption by citizens is due to the lack of effective reforms in the sphere of combating corruption and ineffective activity of law enforcement bodies in identifying corrupt offenses and bringing those responsible to justice, as evidenced in particular by Ukraine's unsatisfactory fulfillment of international obligations to implement anti-corruption standards.

It should be noted that a lot of publications are devoted to the fight against corruption in domestic and foreign scientific literature. In the works of scientists, corruption is described primarily as a nation-wide phenomenon, but the latter is hardly considered as a factor affecting the state of ensuring the financial security of our state. Taking into account the researches known to us, it is possible to speak about insufficient development of problems of influence of corruption acts on the national financial security of the state.

So, the scientist E.V. Nevmerzhitsky notes that corruption is not only certain actions, but also a system of negative views, beliefs, attitudes, methods [3, p. 92-95]. Some scholars write that corruption always creates serious problems for the development of any country in the world. It destroys the institutions of power and impedes the effective management of the state, as it violates the legal procedures [4, p. 12-15].

After analyzing the opinions of scientists, we return to the current legislation of Ukraine, where Article 1 of the Law of Ukraine “On the Prevention of Corruption” gives us a definition of the concept of “corruption offense”, indicating that this act, containing signs of corruption committed by a person for which criminal, disciplinary or civil liability. By the same article, the legislator quite broadly interprets the very concept of “corruption”, noting that it is the use by a person of his official powers or related opportunities for the purpose of obtaining an undue profit or taking such a benefit or making a promise/offer of such benefit to himself or others or, accordingly, the promise/offer or
the granting of improper benefit to the person or upon his request to other individuals or legal entities with the intent to induce that person to misuse the official powers granted to him or those associated with them [1].

Corruption in the minds of citizens in recent years has become an abstract term that exists on its own. Everyone talks about her and struggles with her, but with varying success. But the overwhelming majority of citizens can hardly imagine what exactly is meant, because the very term “corruption” includes many different manifestations of the weakness of human nature.

According to statistical data, corruption in the territory of Ukraine is quite large. In many respects, because of their scale, the economic situation in Ukraine is deteriorating, which is evidence of a decline in the level of domestic financial security of the state. The highest officials of the state have repeatedly spoken out about the need to combat corruption, but quite few steps have been taken in this direction of development important for the whole society. Because of corruption, Ukraine annually loses more than 5 billion dollars [5].

Indeed, the large scale of corruption significantly reduces the opportunities for rapid economic development of the state. In recent years, Ukraine has still not been able to significantly improve the state of its own industry and agro-industrial complex. Therefore, we have a situation where domestic financial security is declining at a rapid pace. And at the same time, we do not use a powerful internal resource to maintain the well-being of Ukrainian society – a resource of corruption.

It should be noted that corruption is a rather complex and multifaceted phenomenon that adversely affects all aspects of the political and socio-economic development of society and the state. Among the most dangerous manifestations of this phenomenon in Ukraine, experts note political corruption, corruption of the judicial system, bribery in the prosecutor’s office and the Ministry of Internal Affairs, corruption manifestations in the healthcare sphere, corruption pressure on business entities by the controlling bodies.

Corruption causes internal resistance in everyone, even though it exists long enough. The reason for this is that corruption infringes not only on the stability of the economic life of society, but also on its moral principles. Former US Secretary of State Hillary Clinton, who for many years is an outstanding representative of the political establishment of her own state, expressed her position on this issue: “Corruption is a political will. If the government is corrupt from beginning to end, it
pretends that everything is normal in the country. If officials are convinced that there is political will and sanctions, the punishment will inevitably go, then they will stop engaging in corruption. And now corruption is everywhere, because it is unpunished”.

Of course, without the political will of the establishment of the state, corruption can not exist in the state in large volumes. For our state, the fight against corruption is a matter that can not be postponed. After all, Ukraine is a significant number of reforms: in the regulation of business, medicine, education, public utilities. These reforms require significant investment. The main source of the investment resource is the state and local budgets, which are filled with domestic entrepreneurship.

However, in the society there is practically no effective economic dialogue between business and government and the social responsibility of business is not realized in practice. The consequence of these shameful tendencies is a significant level of shadowing of the domestic economy. The current state of shadowing the national economy becomes a risk for the implementation of these reforms. According to international experts, in Ukraine there is a trend of outflow of significant amounts of shadow capital from the country. And the shadow capital is a powerful unused investment resource for business development in Ukraine and a resource for stabilizing its financial system, as well as for raising the level of domestic financial security.

To solve complex, above-mentioned problems, let us turn to the world experience. I would like to note right away that, as of 2017, there are practically no states on the world map that do not have corruption to some extent. Corruption arose long ago. For a certain category of people, joining a certain power position was associated with the expansion of the possibilities of their own illegal enrichment. On this occasion, even there is a quote: “If you want to see the features of any person – give it power.” In any society there are people who do not want to comply with the current legislation, and individuals, they are helped by advice or by doing specific things.

The fight against corruption during the last centuries in the states was conducted differently. Very useful for our state can be the experience of Sweden, where until the middle of the XIX century, corruption was significant. But the leadership of the state carried out modernization, one of the consequences of which was a set of measures aimed at eliminating mercantilism. Since then, state regulation has concerned more households than firms, and was based more on incentives (through taxes, benefits and subsidies) than on bans and permits. Access to
internal state documents was opened, and an independent and effective system of justice was created. At the same time, the Swedish parliament and the government set high ethical standards for administrators and began to work for their implementation. Gradually, honesty became the social norm among the bureaucracy. Salaries of high-ranking officials at first exceeded the earnings of workers 12-15 times, but over time this difference decreased to twofold [6]. And already for more than a century and a half, Sweden has one of the lowest levels of corruption in the world. To bring the corruption act in our country even after the last changes in the anti-corruption legislation is rather difficult. The above problem can be solved by actively using the experience of Hong Kong [7].

If in Ukraine the notion of “presumption of innocence” is legally fixed, then in Hong Kong among the bureaucratic apparatus another principle is used, namely: “the presumption of corruption”. In modern Hong Kong, there are practically no officials who allow them to take bribes. In the “anticorruption” rating of Transparency International, Hong Kong is on the 12th place, higher than such developed countries of the world as the FRG and Great Britain. This is all the more surprising, because the vast majority of the population of Hong Kong is Chinese, accustomed to such illegal actions. And in the middle of last century, the vast majority of officials were corrupt. The situation was critical. Therefore, in 1974, a state structure was organized under the name “Independent Commission against Corruption”. It consisted of officers who submitted personally to the governor, and independent public observers, consisted entirely of intellectuals and businessmen.

An independent commission against corruption was formed from three departments: the operational department, which was engaged in investigative work, that is, showed bribe takers, interrogated them and sent cases to court; preventive, who showed corrupt ties in the state apparatus and studied the schemes of bribe takers. Its main task was to find vulnerabilities in the state machine; Department of Public Relations, which monitored the mood in society and covered the course of anti-corruption work in the media. The independent commission against corruption has received rather wide powers. Its employees could arrest officials, guided only by reasonable suspicions, and also keep them in custody without charges and, in addition, could freeze bank accounts. The aforementioned rather radical innovations were properly fixed in the legislation. The civil servants who lived at the expense of dishonest incomes had to prove that their property was acquired legally.
If this was not possible, they were arrested and confiscated. Already six months later, many important officials were imprisoned. All these events were widely covered by the press. The population began to help more actively and participated in the work of the commission through complaints, informing the authorities about cases of bribery. As a result of the above actions, over 30 years the level of corruption has been reduced from 90 to 3%. Taking bribes has become a dangerous and unprofitable affair.

Analyzing Hong Kong’s experience in fighting corruption, the following points should be noted: 1. The presumption of innocence for civil servants was abolished. Instead of it, the principle “prove that I bought the property is not for bribes”. This principle has proved quite well in Hong Kong, but it has much in common with the principle of confiscation of property “in rem”. It provides for the confiscation of property if it exceeds the income of an official at a cost, and the person can not document that the money received from other sources is legally obtained. 2. An independent anti-corruption body has also been established in our country. The salary of the employees of this body is also quite high. Therefore, it would be nice to create a mechanism for monitoring the National Anti-Corruption Bureau of Ukraine, and this should be done by public organizations created from intellectuals and business. 3. On the issue of interaction with the public – this is one of the most important and problematic measures. At first, citizens are skeptical of any initiatives of the government aimed at fighting corruption. It is interesting that Hong Kong treats those citizens who are forced to pay bribes, so corruption in Hong Kong is not a crime for reasons beyond the control of a person. For example, if a businessman gave a bribe to an official who issues permits for business, then only an official is to blame, he will be punished. And the businessman will remain out of pursuit. Therefore, people who are victims of corruption are not afraid for their safety and often report to the “Independent Commission Against Corruption” about the facts of the corrupt acts of such officials. 4. In contrast to other provinces, the People’s Republic of China in Hong Kong did not apply or apply the extreme penalty to persons who committed financial crimes, including corruption. Despite this, corruption has been reduced tens of times in a fairly short period of time. Hong Kong’s experience eloquently testifies: if there is a real desire to overcome corruption and the will to act decisively, then it is possible to achieve the desired result [7].

For comparison, in the PRC, where anti-corruption legislation is
considered to be one of the most stringent in the world, all officials seen or suspected of machinations will face severe punishment, up to the death penalty. It is also practiced to cut hands off bribes. Since 2003, 10 thousand officials were publicly shot, whose guilt was proven, another 120 thousand received 10-20 years of imprisonment. Despite this, a high level of corruption in the state remains. They can see ordinary monetary bribes, trade posts, abuse of authority, excessive use of budget money, even bribes in the form of sexual services. Along with the brutal ways to combat corruption in the PRC humorous ones are used. In particular, the Central Commission of the Communist Party of China for Discipline Inspection invited the population of one of the poorest districts of Tsiussian to draw caricatures on specially designed walls of the houses, expose officials in bribes. Subsequently, these comics were posted on the Commission’s official website, along with a set of other measures, according to Party statistics, led to a significant decrease in reports of official corruption [8].

The experience of combating corruption in the Republic of Singapore is indicative. In this state, corruption became one of the main problems in the middle of the last century. A public authority was created to combat corruption in the state – the Corrupt Practices Investigation Bureau. In 1960, the Anti-Corruption Prevention Act was adopted. In the normative legal act, the most corrupt articles were changed and the punishment for committing corrupt acts was toughened. The Corruption Prevention Act eliminated several major obstacles, namely: provided a clear and complete definition of all types of corruption. The bribe-takers could no longer shirk responsibility by receiving improper remuneration, and use vague wording in the legislation; the act regulated the work of the public authority to combat corruption and gave him serious powers; increased prison sentences for bribes.

The Corruption Prevention Act allowed the above-mentioned Bureau to detain potential bribe takers, conduct searches in homes and at work, check bank accounts and so on. The department created three departments: operational, administrative and information. Strict control gave good results, so more attention was paid to preventing corruption. A thorough work was begun on the “quality” of the bureaucracy, where wages were seriously raised, which was supposed to deter officials from receiving bribes. In Singapore, as in Hong Kong, a new legal principle, presumption of corruption, was introduced specifically for civil servants. That is, at the slightest suspicion, a civil servant is considered a criminal
until he proves his innocence. If it becomes known that an official violated the law and provided someone with an unreasonable personal benefit, then the prosecutor is not required to prove that it was a corrupt act. The accused himself argues that he is not a criminal.

Today salaries of senior officials in the Republic of Singapore are calculated according to average earnings in business and reach up to $20-25 thousand per month, that is, higher than the salaries of the relevant officials in the United States. The leadership of the state intended to make the profession of an official not only highly paid, but also respected. Therefore, at the state level, the principle of meritocracy is preached, that is, the way to the top opens before the most intelligent and progressively thinking. The most gifted help to enter the university send for training and internships abroad, encourage success. Thus, the bureaucratic apparatus was gradually updated by properly studied and well-educated cadres, many of which were enriched by the ranks of law enforcement officers. Subsequently, the level of corruption in the state fell at times. The attitude of investors to the Republic of Singapore has also changed. As a result, American and Japanese transnational corporations laid the foundation for a large-scale high-tech industry of the republic [7].

It would be quite positive to use the experience of the Republic of Finland, which can serve as an example of a state where corruption does not take root. But it was not always so. A large anti-corruption company was conducted there in the middle of the last century. Paradoxically, there is no special anti-corruption body in Finland, the Ministry of Justice deals with these issues. Serious corruption acts are in the competence of the National Bureau of Investigation, cases are simpler transferred to police patronage. The term “corruption” does not exist in the criminal code, but there is a concept of “bribery” for which an official can be fined or imprisoned for up to four years. Corruption is considered as part of criminal criminality. But cases of corruption are rare, most of them are made public through the media. The scale of corruption scandals is minimal. Indeed, the authorities in the Republic of Finland are as public as possible. All protocols and records of discussions held in administrations are open to every citizen. Among the most important factors hampering the spread of corruption in Finland are high material security and social security of officials. But the accusations of bribery and punishment for them are not saved either by official position, or by deputy mandates, or by public popularity.

Indeed, the fight against corruption in our state would look quite
impossible, if not for several examples of modernity, which demonstrably prove that even a sufficiently corrupt society can change in a few years. These examples include Georgia. It is hard to imagine that corruption could be completely destroyed. There is an indicative experience of the state of Georgia, where in the early nineties they began to form their own system of the mechanism of the state – Georgia. In this state until 2004, there was a rather high level of corruption. The latter, as a phenomenon, significantly hampered all reforms in the state. Since 2004, the government has carried out a number of reforms in the state, which were aimed at increasing the level of financial security of the state. One of the priority tasks was a significant reduction in the level of corruption in the state apparatus of Georgia. The number of officials was significantly reduced and at the same time their mobility and financial security were significantly increased.

Now Georgia, according to the international organization Transparency International, is included in the group of the least corrupt states of the world [2]. According to the results of the Transparency International poll, only 3% of citizens of Georgia took part in corrupt acts. An illustrative example is that the aforementioned set of reforms was carried out in a fairly short time (about 5 years). Developed European states have been going this way before, but in a few decades.

One of the key stages in the fight against corruption in Ukraine is a total reduction in the number of licensing procedures. To realize this issue, it is necessary to restore partnership relations between citizens and the state. Of course, in our state there are single licensing centers, single registration offices, single investment windows. But, for example, in Georgia more than 300 administrative services citizens can get in the Georgian Houses of Justice. That is, most citizens can get most administrative services quickly (up to 15 minutes) and without intermediaries (notaries). At the first stages of the work, with a large-scale pooling of the provision of services into one structure, there are some inconsistencies, but later they are compensated for avoiding duplication of functions and saving time as citizens, which are the basis of any state and employees of the state apparatus. It is not necessary to forget that it is the citizen who is the leading element of the legal system of the state. After all, it is the state apparatus that should serve the citizens of the state, and not citizens should for a long time “solicit” certain socio-economic benefits from the bureaucratic apparatus. This is stipulated by the Law of Ukraine “On Administrative Services”.

The concept of the State target program for the creation and
operation of an information system for the provision of administrative services for the period until 2017 [9] and the concept of development of the system of providing administrative services by executive authorities [10]. Ukraine is a special country. Based on the experience of predecessors, it will be long and difficult to struggle with such a large-scale phenomenon as corruption with the help of only administrative methods. Corruption mechanisms in our state were created simultaneously, and it is also impossible to reverse them completely at once. It should be noted that in the world there are no ideal schemes to combat corruption. And you do not need to look for them. The purpose of these measures is not to completely eliminate corruption from Ukrainian society, but to minimize it and limit it to certain limits. A positive result can be considered the fact that for every hryvnia spent fighting corruption, the budget will receive more than one hryvnia of income by reducing corruption.

Corrupt schemes are created by smart people who have several higher educations and a certain length of service in the state apparatus. The fact is that a significant part of the funds, of which taxes are not paid, does not fall into the budget. To illustrate this mechanism it is possible in the following way: the enterprise A sells its production to the intermediary firm B, which resells the same production to the intermediary firm B, which resells the same products to the enterprise D. Under market conditions, enterprise A could also sell its products to the enterprise D. In a pinch, they could take the help of an intermediary firm b (or B). But even from a logical point of view, one of the intermediary firms is in this scheme of selling products superfluous. However, the second intermediary firm is not superfluous in cases when the purpose of its activity (as well as creation) is to conceal funds from their taxation. After all, at an unexpected moment the second intermediary firm can simply disappear from the Ukrainian legal field. We propose to combat this phenomenon by a side-step method, namely: to introduce a 20% excise on operations with raw materials or products, which are carried out by the second and subsequent intermediaries.

Certain hopes were placed on the new Law of Ukraine “On the Prevention of Corruption” [1]. This regulatory act has allowed expanding the powers of controlling bodies to combat corruption phenomena. Only one and a half years after its adoption, officials begin to file declarations in electronic form and inform in the public register. Separate restrictions on civil servants have also been created, and the notion of a potential and apparent conflict of interest has been
introduced. The law was fixed for the possibility of comparing the incomes and expenses of officials, checking the financial sources of the declarant and the responsibility of the official in case of revealing the facts of illegal enrichment. The role of public control over corruption in the ranks of officials has also been strengthened.

The statements of the above-mentioned leaders can, of course, be perceived as the beginning of a new era in the fight against corruption in our state. But so far, there are not enough large-scale deeds. In July 2016, US Vice President Joe Biden was on an official visit to Ukraine, according to which there is not a single democratic country in the world where corruption is rampant. This is what he said, speaking from the rostrum of the Verkhovna Rada. He also called for judicial reform to be able to hold those responsible accountable, and that senior officials should separate their interests from state interests, all should act according to the same rules, without resorting to pressure on judges.

Corrupt manifestations significantly reduce the level of financial security of the state and slow down the positive economic transformations in our country, especially in the conditions of the world economic crisis. All the changes that recently occurred in the legislation in the sphere of fighting corruption as a threat to the national financial security of the state remained only a declaration of the state’s intentions to combat this negative phenomenon. Over the past six months, there have been no cases of public transfer to the management of business of high officials, and there were no cases of bringing any of them to account for violation of this requirement. Mainly, middle-level officials are prosecuted for their participation in corrupt acts. This state of affairs must be changed. The establishment of the National Agency for the Prevention of Corruption and the National Anti-Corruption Bureau of Ukraine is quite positive.

But it was not possible to completely eliminate corruption as a phenomenon in any civilized state. Our state, like others, seeks to minimize this phenomenon and its impact on the financial security of the state. In our opinion, in order to reduce the spread of corruption in society, it is necessary to systematically introduce a set of measures to reform various spheres of public administration. In more detail, we should dwell on: improving the system of state regulation of administrative and financial services; decentralization of budgetary allocations; harmonization of legislation with EU standards in parts of the definition of the customer of public procurement; the fight against charging wages illegally (without paying taxes and fees); formation of
the Unified State Register of Persons Who Committed Corruption Offenses.

In order to combat corruption, the following tasks should be implemented: establishment of a systemic anti-corruption expertise of legislation; a thorough analysis of the activities of state and local authorities. The implementation of any administrative procedures should be as transparent as possible; the improvement of the apparatus, as well as strict regulation of the rights and duties of officials, without forgetting the creation of a working mechanism for resolving conflicts of interest in the civil service and in business. Further, there should be a significant reduction in the types of documents and services provided by government. Here the key words are trust and respect both between the state and the citizen, and between citizens. But the existing measures to combat corruption are not sufficient to radically reduce the level of shadowing and corruption in the domestic financial system. Corruption itself, as a socio-political phenomenon, constitutes a sufficiently serious threat both for the development of our perspective state and for ensuring the financial security of Ukraine as a whole. To raise the level of domestic financial security, the state must resolutely and relentlessly combat corruption manifestations on the territory of our state. All highly developed states of the world have already implemented such measures (including those mentioned above). But they reached a high level of development and well-being of their own society only after reducing the level of corruption in their own territory to a minimum. Indeed, the funds used in corruption cases do not fall into the State Budget of Ukraine, can serve as a powerful internal reserve for raising the level of domestic financial security of Ukraine.

**Conclusions**

Gradual deterioration of the economic situation in Ukraine indicates a decline in the level of domestic financial security of the state. One of the main factors negatively affecting its condition is the large-scale corruption acts taking place in our state.

Corruption to some extent exists in all states, but manifests itself and affects the life of society on various scales. We state that in the world there are no unified administrative and financial and legal measures to counter corruption and other abuses that corruption mechanisms were created in the states not simultaneously and under specific conditions, and still no one managed to change them immediately and completely. It is recognized as expedient to use in a comprehensive manner the experience of Sweden, Hong Kong, Singapore, Finland and Georgia in
Ukraine, the essence of which is not to completely eliminate corruption from Ukrainian society, but to minimize it and limit it to a certain scope. The positive use of such experience is the creation of the National Agency for the Prevention of Corruption and the National Anti-Corruption Bureau of Ukraine, but it is inexpedient to rely entirely on the said bodies, as practice shows.

Legal realization of the financial security of the state in the conditions of the economic crisis is realized by: neutralizing the influence of the world financial crises and deliberate actions of world subjects, shadow structures on the national economic system; ensuring the stability of the financial and economic development of the state; ensuring the sustainability of key financial and economic parameters; preventing the movement of capital abroad, including from the real sector of the economy; prevention of conflicts between the authorities of different levels regarding the distribution and use of the resources of the state budget and other budgets; effective attraction and use of foreign borrowing; prevention of crimes and administrative offenses in financial relations.

References
7. The most successful method of combating corruption was invented in


**Bidak Volodymyr**  
PhD in Economics, Senior Researcher  
Dolishniy Institute of Regional Research of NAS of Ukraine (Lviv, Ukraine)

**IDENTIFICATION OF FACTORS OF FORCED MIGRATION RISKS IN CONDITIONS OF MILITARY THREATS IN UKRAINE**

Growth of the volumes of migration flows in Ukraine caused by the factors of exogenous and endogenous nature, in particular of political, economic and social character, are reflected in perception of migration activity as a certain type of social protection of population from the increasing risks in society. Therefore, migration becomes a natural manifestation and resource necessary to support or balance economic, demographic and even socio-cultural systems. In this regard, the perspective opportunities and meeting the needs reflected in the concept of “social and economic protection of migrants” are the resulting effect of the views, activities and coherence or cooperation of public, regional, local and international initiatives on social protection and security of migrants in terms of risks.

The country has realized the need to adopt the Law of Ukraine “On Foreign Labour Migration”, which in general terms defines the legal and organizational foundations of public regulation of foreign labour
Transformational processes the development of economic systems in conditions of globalization: scientific bases, mechanisms, prospects

Collective monograph
edited by M. Bezpartochnyi

Ekonomisko sistēmu attīstības transformācijas procesi globalizācijas apstākļos: zinātniskie pamati, mehānismi, perspektīvas

Kolektīva monogrāfija
M. Bezpartochnyi zinātniskajā redakcijā