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AREAS OF ENSURING THE DEVELOPMENT OF FINANCIAL ARCHITECTURE IN THE CONTEXT OF GLOBALIZATION AND EUROPEAN INTEGRATION

The article identifies areas for ensuring the development of financial architecture in the context of globalization and European integration. The components of the national state policy on the regulation of Ukraine's financial architecture development are considered. It is proved that in order to ensure the implementation of the main strategic directions of effective state policy towards the development of the financial architecture of the banking sector, the following measures should be taken: increasing the level of the banking sector capitalization and banking credit services competitiveness; implementation of international standards on corporate governance; systematic financial risk management; organization of the creditors' rights protection, relevant depositors and clients. It is substantiated that effective tools that will contribute to the development of the financial architecture of the national economy due to the consolidation of available financial resources and long-term investments should be: diversification of existing instruments in the stock market by providing appropriate information and methodological support for initial issuance of securities; significant increase in the role and importance of non-bank financial institutions (various insurance companies, relevant investment funds, credit unions and pension funds) by significantly simplifying the conditions and expanding the relevant available tools for the participation of such institutions in financial market operations; support for long-term investment lending on the basis of regulatory support to increase the effective lending capacity of investment projects.

Keywords: financial architecture, globalization, European integration, public policy, banking sector.

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НАПРЯМИ ЗАБЕЗПЕЧЕННЯ РОЗВИТКУ ФІНАНСОВОЇ АРХІТЕКТУРИ В УМОВАХ ГЛОБАЛІЗАЦІЇ ТА ЄВРОІНТЕГРАЦІЇ

У статті визначено напрями забезпечення розвитку фінансової архітектури в умовах глобалізації та євроінтеграції. Розглянуто складові національної державної політики щодо врегулювання розвитку фінансової архітектури України. Доведено, що з метою організації забезпечення реалізації головних стратегічних напрямів дієвої державної політики у напрямку розвитку фінансової архітектури банківського сектору мають бути проведені такі заходи: зростання рівня капіталізації банківського сектору й конкурентоспроможності банківських кредитних послуг; імплементація міжнародних стандартів щодо корпоративного управління; систематичне управління фінансовими ризиками; організація захисту прав кредиторів, відповідних вкладників й клієнтів. Обґрунтовано, що дієвими інструментами, які сприятимуть забезпеченню розвитку фінансової архітектури національної економіки внаслідок консолідації наявних фінансових ресурсів й довгострокових капіталовкладень, повинні бути диверсифікація існуючих інструментів на фондовому ринку шляхом забезпечення належної інформаційно-методичної підтримки для організації первинної емісії цінних паперів; значне підвищення ролі й значення небанківських фінансових організацій (різних страхових компаній, відповідних інвестиційних фондів, кредитних спілок та пенсійних фондів) шляхом суттєвого спрощення умов й розширення актуальних доступних інструментів щодо участі таких установ в операціях на фінансовому ринку; підтримка довгострокового інвестиційного кредитування на засадах нормативного забезпечення щодо підвищення дієвої спроможності кредитування інвестиційних проєктів.

Ключові слова: фінансова архітектура, глобалізація, євроінтеграція, державна політика, банківський сектор.

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НАПРАВЛЕНИЯ ОБЕСПЕЧЕНИЯ РАЗВИТИЯ ФИНАНСОВОЙ АРХИТЕКТУРЫ

В статье определены направления обеспечения развития финансовой архитектуры в условиях глобализации и евроинтеграции. Рассмотрены составляющие национальной государственной политики по урегулированию развития финансовой архитектуры Украины. Доказано, что с целью организации обеспечения реализации главных стратегических направлений действенной государственной политики в направлении развития финансовой архитектуры банковского сектора должны быть проведены следующие мероприятия: рост уровня капитализации банковского сектора и конкурентоспособности банковских кредитных услуг; имплементация международных стандартов по корпоративному управлению; систематическое управление финансовыми рисками; организация защиты прав кредиторов, соответствующих вкладчиков и клиентов. Обосновано, что действенными инструментами, которые будут способствовать обеспечению развития финансовой архитектуры национальной экономики в результате консолидации имеющихся финансовых ресурсов и долгосрочных капиталовложений, должны быть: диверсификация существующих инструментов на фондовом рынке путем обеспечения надлежащей информационно-методической поддержки для организации первичной эмиссии ценных бумаг; значительное повышение роли и значения небанковских финансовых организаций (различные страховые компании, соответствующие инвестиционные фонды, кредитные союзы и пенсионные фонды) путем существенного упрощения условий и расширения актуальных доступных инструментов по участию таких учреждений в операциях на финансовом рынке; поддержка долгосрочного инвестиционного кредитования на основе нормативного обеспечения по повышению действенной способности кредитования инвестиционных проектов.

Ключевые слова: финансовая архитектура, глобализация, евроинтеграция, государственная политика, банковский сектор.

Introduction. The main principle of choosing and taking measures for ensuring the development of financial architecture is balancing between the process of financial architecture protection and the provision of its participants with a possibility to carry out risky transactions in a particular way. Thus, caution and strict regulation can disrupt the framework for economic development.

Note that the assurance of financial architecture development during globalization and European integration requires the elaboration of an innovative approach to management of country's financial architecture in order to maintain its balance (increase in the capability of accumulation and efficient allocation of corresponding financial resources) and enhance the steadiness (significant decrease in the dependence on external factors). The balance of financial architecture development implies prompt bringing of the following aspects to conformity: relevancy of national economic demands in financial resources and possibilities of national financial architecture to ensure them in a certain way; the amount of financing investment projects and consumer demand to neutralize disproportions between the overall demand and supply; the amount of financing economic sectors and the level of the efficiency of using raised financial resources; the amount of the money stock and commodity weight by keeping a balance of payments, neutralizing speculative capital; inflation, percentage and exchange dynamics in order to liquidate misalignments in the active structure of economic sectors and balance of payments.

Analysis of recent research and publications. Areas of ensuring the development of financial architecture in the context of globalization and European integration were investigated by numerous foreign scientists including: M. Barkley, R. Brealey, S. Bringham, R. Goldman, F. Cleveland, R. Levine, N. Mankiw, M. Taylor, R. Patterson, J. Van Horn, A. Shleifer, etc. Local scientists investigating these problems and conducting the analysis of economic financial architecture include: O. Baranovskyi, N. Bychkova, I. Blank, Z. Vatamaniuk, A. Hrytsenko, V. Yevdokymov, I. Ziatkovskyi, O. Laktionova, I. Lukianenko, V. Melnyk, S. Onyshko, B. Samorodova, O. Tereshchenko, V. Fedosov, L. Fedulova, I. Shkolnyk, S. Yurii, etc.

The goal of the article is to define areas of ensuring the development of financial architecture in the context of globalization and European integration

Presentation of basic material. The national state policy on regulating the development of Ukraine's



financial architecture primarily related to all of its components should be implemented according to the following promising areas [1-2]:

1. Better performance of state regulation and strengthening of the unification process of corresponding regulatory requirements.
2. Modernization of the state monitoring and control system based on the separation from other stipulated regulatory functions and implementation of prudential supervision principles in all defined segments of financial architecture of the national economy.
3. Gradual shift from extensive to efficient intensive areas of financial architecture development.
4. Establishment of necessary prerequisites for the increase in the level of capitalization of financial architecture institutions, assurance of their productivity and financial solvency.
5. Information transparency of financial institutes and regulatory authorities at the state level.
6. An increasing level of protection of rights and legal interests of all potential participants of financial architecture.
7. Organization of well-targeted and gradual integration of national financial architecture into the globalized financial space in the context of the adoption of European standards of organizing professional market activities and implementing efficient state regulation procedures [3].

To organize the assurance of implementing key strategic areas of the efficient state policy on developing financial architecture of the banking sector, one should take the following measures: increase in the level of banking sector capitalization and competitive ability of banking loan services; implementation of international standards of corporate management; systematic management of financial risks; organization of protection of rights of creditors, corresponding investors and customers.

To ensure the implementation of the efficient state policy on credit market development, one should take the following strategic measures: to ensure a corresponding level of capitalization for credit unions; to implement principles of organizing the international cooperative movement based on credit union management; to increase the operating efficiency of their public authorities in order to manage and control; to organize the efficient state regulation and monitoring mechanism in the credit sector, taking into account international experience and involving various associations of credit unions; to set necessary regulatory and institutional conditions for the implementation of the system for guarantying corresponding deposits of credit union participants; to introduce the requirements and procedures for obligatory disclosure of information about the organization of institution activities in cooperative crediting and improvement of their audit quality.

To stimulate foreign financial assets transactions on Ukraine's national stock market, it is important to [4-5]:

- integrate the stock market into the mechanism for financing efficient investment demands for business entities;
- enhance the competitive ability of the national securities market and its professional participants;
- upgrade the efficient trading and settlement and accounting infrastructure on the securities market;
- activate the protection of rights of investors and other owners of operating securities, stimulate the decrease in non-market risks for investment activities;
- adapt the legislation for financial architecture functioning, efficient state regulation and self-regulation [6].

To encourage further development of collective investment, one should prepare and take the following measures:

- to adjust an institutional component for the co-investing organization market based on the introduction of favorable organizational institutional and legislative conditions aimed at the significant increase in the amount of investment activities;
- to organize constant monitoring and rating of activities of national investment funds and assets management companies; disclosure of obtained results by involving mass media and global network possibilities;
- to encourage the adoption of efficient procedures for assessing the performance of investment activities according to the rules set by Global standards of investment performance assessment [7, 8].

Key areas for ensuring the optimization of foreign capital's admission to the banking sector are:

- the foreign capital share in the banking sector should grow gradually: as far as favorable internal and external conditions for banking sector development are formed;
- it is worth to enhance and encourage further development of the banking sector specializing in the advancement of strategic social economic, structural and external economic measures.

To minimize financial risks and use efficient advantages of the presence of banking services by foreign investors on the national market, one should comply with social economic interests of financial infrastructure development, promptly involve foreign investments and diverse the resource base for the social economic development of the



country.

Thus, the process of banking sector transnationalism in Ukraine is accompanied by the enhancement of Ukraine's social economic and political dependence on corresponding interests of foreign investors and the increase in exchange stability. When the banking system focuses on foreign capital, banks with foreign capital will be able to efficiently affect key priorities of the social economic growth.

Given the fact that the money and credit sector takes the second place in the rating of financial components concerning economic security and the coefficient level, one pays significant attention to the identification of leverages on such a component and expected results of their implementation.

The defined predicted character for the dynamics of determining the external cost of a monetary unit will be ensured by [8]:

- transparency for currency market functioning (by imposing rules and procedures of its operations);
- establishment and advancement of state mechanisms for foreign currency hedging;
- regulation of the complex monitoring system for currency risks and prevention of disbalances related to the implementation of operations for the capital character;
- optimization of currency assets and liabilities for the banking system;
- adaptation of population's obligations in accordance with their foreign exchange earnings;
- systemic and algorithmic adoption of measures with gradual liberalization of the currency market by adhering to the principles and particular approaches;
- implementation of measures aimed at reducing the level of dollarization of the national economy [9].

For the long-term perspective, external stability of the monetary unit should be based on the substantial increase in competitive advantages in terms of national production and the efficiency of the final use of corresponding products. It is primarily referred to the activization of the structural synergetic policy, which key elements and focus should include the algorithmic approach to innovative technological paradigms by increasing the specific weight of the added cost in a defined structure of national production.

The National Bank of Ukraine, as part of the exercise of existing powers, should take strategic measures aimed at ensuring the stability of the whole banking system, its steadiness to the impact of exogenic and endogenic shocks. One should extensively use powers provided by the legislation in order to adjust the regulation of the capital export and import system to reduce corresponding currency risks, which provide business entities and the state in general with necessary means.

Within the scope of its competence, the local National Bank will take strategic measures to develop a financial infrastructure, neutralize calculated risks and adequately respond to internal and external shocks, elaborate mechanisms for working in the context of unexpected conditions. To ensure the development of financial architecture and the consistency of performance of Ukraine's National Bank by investigating international experience in this sector concerning cooperation with public authorities, which will initiate the introduction of changes to the local legislation.

Besides, to organize efficient transactions of residents and non-residents with corresponding currency values in Ukraine, there are the following important strategic objectives for currency restrictions:

- 1) keeping of the exchange rate of national currency at the corresponding level;
- 2) optimization of the balance of payments;
- 3) increase in the amount of official gold and foreign currency reserves.

To ensure the development of the financial infrastructure of the national economy in the post-crisis recovery period, one requires an innovative approach to the process of country's financial architecture management, keeping its balance: increase in the capability of accumulation and efficient allocation of financial resources; enhancement of stability (decrease in the dependence on different external impacts).

The balance and development of financial architecture implies the adaptation to the current conditions:

- fulfillment of national economic demands for corresponding financial resources and financial architecture's possibilities to provide them;
- increase in the amount of investment financing and consumer demand to neutralize disproportions between the demand and supply;
- increase in the amount of financing of national economic sectors and the level of applying involved financial resources;
- expansion of the monetary stock and commodity weight by keeping the balance of payments, neutralization of the impact of speculative capital;
- regulation of inflation, percentage and exchange dynamics in order to eliminate dynamic misalignments in the structure of the social economic system and balance of payments [1,3,7].

Reformation of financial architecture of Ukraine's economy should be based on the adoption of the efficient



financial stabilization system that includes: implementation of stabilization programs and particular measures for stimulating and supporting the economic growth, defining key principles of reforming global institutes in the context of preventing future disproportions, establishing mechanisms for combating international financial crises and step-by-step reformation of IMF relations.

Within the implementation of strategic dominants of the development of financial architecture focused on the dynamic process of accumulating and using existing internal processes in accordance with priorities of Ukraine's social and economic interests, one introduces its main properties, namely:

- stabilization of inflation rates based on the establishment of conditions for the gradual increase in the supply of local goods and services by developing fair competition;
- dynamic change in the structure of sources regarding money supply based on the achievement of the defined external balance;
- adaptation of the investment climate to the current conditions ensuring the inflow of corresponding foreign investments;
- adaptation to the standard of accumulation, prompt encouragement concerning the direction of accumulated corresponding financial, technological and organizational resources for different innovative purposes;
- implementation of the system for balanced independent funds of state finances;
- optimization of state debt management in the context of establishment and fixation of boundary and optimal parameters concerning debt load management for Ukraine;
- balance of payments.

Conclusion. Well, it is reasoned that efficient tools for ensuring the development of financial architecture of the national economy due to the consolidation of available financial resources and long-term investments should include:

- diversification of existing tools on the stock market by ensuring proper information and methodical support for the organization of primary issue of securities;
- significant increase in the role and value of non-banking financial organizations (different insurance companies, corresponding investment funds, credit unions and pension funds) by simplifying conditions and expanding relevant available tools for participation of these institutions in financial market transactions;
- support of long-term investment crediting based on statutory maintenance concerning the enhancement of the efficient capability of crediting investment projects.

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