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SECTION 1
WORLD ECONOMY
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UDC 338.43(477):339.9

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**GLOBALIZATIONAL CHALLENGES
IN THE GUARANTEE
OF ECONOMIC SECURITY OF THE COUNTRY**

The article deals with theoretical and methodological aspects of the development of the state given the influence of geo-economic factors in order to identify potential benefits and minimize the economic and environmental risks. It is proved that the world globalization flows and processes in the economic, financial, social, environmental and other areas are the guidance of any national economy. It is found that disregard of globalization changes and trends will limit the possibilities of obtaining benefits at the national level. The national economy as a part of the global economic system has activated some elements of an integrated

world system, but their development is slow. Therefore, we proved that the issues of regulation of the internal market, the process of pricing, quality and standards of products as well as slow integration process, formation of organizational and economic structures adapted to external conditions remain unresolved.

Globalization is a comprehensive process of global political, economic and social integration. Globalization processes aim to obtain relevant global benefits in the further development of the international community and the development of individual state systems. In recent years the world economy is charac-

terized by an increasing coverage of systems of different levels with features of transitivity, chaotic development, which causes more profound consequences of the crisis at different levels of the global community development. The issues of geopolitical changes, including direct territorial reorganization of the world, are becoming more and more acute. Similar processes are associated primarily with different levels of development of separate states, financial capacity, energy dependency of national economies, overpopulation of certain areas, relevant national interests of individual states and global geopolitical leaders.

Globalization has a significant impact on the content and the rate of formation of new types of relationships in modern society. Global changes, along with other objective factors contribute to finding effective ways of reducing the adverse effects, reliable methods for predicting possible changes with the purpose of adaptation and further development.

The relevance of this study is determined by the fact that the world globalization processes and flows in the economic, financial, industrial, social, environmental and other areas are guidance for future development of any national economy. In turn, disregard of these trends will limit the possibility of taking advantage of globalization changes at the national level.

It is impossible to avoid the influence of globalization processes and phenomena; it is expedient to adapt to them in order to provide national interests and socio-economic

development in the long run. Effectiveness of directions of development can be proved only applying innovative solutions and maximum elimination of negative trends in political, economic, social and ecological spheres.

Guarantee of economic security of the state is associated with the implementation of the measures at the international and national levels to ensure the appropriate level of social, political and military safety, security and territorial integrity, ensuring the development of industries on the basis of innovation, invulnerability and independence of national interests in accordance with emergence of external and internal threats, primarily ones related to globalization, prevention of armed conflicts. This approach will minimize threats and provide appropriate adaptation to globalization changes and trends.

All geo-economic factors in the socio-economic development and guarantees of economic security from foreign economic to technological ones should be focused on internal natural resource base, take into account the economic, social, cultural, ecological features in order to minimize risks and enhance the benefits of geo-economic environment. There is an urgent need for the effective combination of internal fundamentals in the development of industries, appropriate technological readiness for innovation and adaptation to globalization trends, ensuring economic, social, energy, food, and defense security of the state.

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STRATEGIC DIRECTIONS OF FUNCTIONING OF FINANCIAL INSTRUMENTS OF REGIONAL POLICY OF EU

Leveling of regional development is an important aspect of the European market economy and determines the policy of the European Union in regional development. In the EU regional policy is being under close attention since 1950s. For a long period of time the EU countries were focused on equity in the development of regional policy, but since the mid 1970s, economic efficiency gradually started gaining more attention. Regional policy began to focus on economic growth through the development of competition and reduction of unemployment. That is why the study of strategic directions of functioning of financial instruments of EU regional policy is particularly relevant.

European policy of regional development is based on the political principle that the richer countries

and regions should provide solidarity with poorer countries and regions, as well as the economic principle that the lower volume of production in poor member states and regions or states and regions with high levels of unemployment is the loss of potential and opportunities for the EU as a whole.

Principles of Regional Development were checked and repeatedly improved over the years to be able to develop a variety of strategies to solve economic and social problems and to achieve environmental goals. The success of this policy is based on partnerships within the EU, planning and good governance. In case of application of these principles of development the program can be carried out in a decentralized way.

EU regional policy can be best defined as thematically ordered

grouped by unifying (supranational) center of activities aimed at using complex legal and financial instruments of elimination of disparities in economic and social development of the regions in the EU, and at ensuring balanced growth of all its areas preserving internal economic and social unity.

The main instruments of regional policy in the European Union at the supranational level are structural funds. They are responsible for redistribution of financial resources on the principle from “rich” regions to “poor”. By the 1990s in the EU funding for regional development involved several funds:

- European Regional Development Fund (ERDF) – established in 1975. The main task of the ERDF is to reduce disparities in different regions of the EU. Primarily it is aimed at supporting and developing depressive and peripheral regions;

- European Social Fund (ESF) was created in 1960 to provide aid to certain regions, industries and professions which appeared to be in

difficult situation as a result of the restructuring of the industry in the EU. Resources of fund are directed to implementation of programs to reduce unemployment, overcome social inequality, harmonize professional and family life;

- European Agricultural Guidance and Guarantee Fund (EAGGF) was established in July 1964. It funds general and specific measures of agricultural policy of the EU.

Regional development in Europe benefits from a wide range of different funding opportunities. Except the main sources of funding, there are other means of capital involvement. Unlike the period of program realization of 2007-2013, in the rules on the use of financial instruments adopted for the program of 2014-2020, there are no rigidly defined sectors, beneficiaries, types of projects and activities to be supported. Within the new system there are also clear rules which allow better combination of financial mechanisms and other forms of support, particularly issuing grants.

SECTION 2 ECONOMY AND OPERATION OF NATIONAL ECONOMY

UDC 330.34.01:338.43 (477)

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BALANCED RURAL DEVELOPMENT BASED ON THE CONCEPT OF “ANCESTRAL HOME”

The article describes the current state of rural areas and the dynamics of the rural settlements. Priority directions of revival of rural areas through implementation of the Concept of the State Target Program “Ancestral Home” are revealed. Prospects and the effects of the program at the regional level are described.

Understanding the nature of economic conflict of businesses and competition between other parties – owners of resources and income in the agricultural sector, resulting from the factors of market competition make people look for ways to harmonize relationships between subjects of social interaction as multifactorial and synergistically oriented values.

Rural areas are a source of national historical and cultural heritage, the main supplier of raw materials for food and processing industry, recreational center. Concept of the

State Target Program “Ancestral Home” provides revival of rural territories mainly by moving urban residents to distant “vanishing” regions, and often those villages that no longer exist on the map of Ukraine. The concept provides the transfer of one hectare of land to each family that wants a permanent or life use for furnishing the ancestral home without the right of private ownership, land acting as a commodity, prohibition to use it as security deposit, but with the right to transfer by succession. Institute of “ancestral home” is a tool that will change the consciousness toward environmental preservation, provide revival of the national idea and guarantee of food and economic security. The mechanism of these changes is change in the way and quality of life of the urban population interested in restoring the health of children by ensuring quality, and biological (organic)

food, safe environment, discovery of the potential spiritual and creative abilities.

The implementation of the concept of “Ancestral Home” will encourage new settlements in rural areas; will stop the process of “dying of villages”; will enhance the process of enlargement of production of fruits, berries, vegetables, livestock and other products, fish farming, mushrooms growing and gathering, which is inherent in rural areas; will help expand the base for creating cooperatives on harvesting and processing of agricultural products.

In connection with the appearance of new settlements will be created the conditions for the development of the service sector, medicine, education; rural development industry, focused on satisfaction of needs of developing rural areas.

Responsible attitude to land and environment on the part of owners of ancestral homes will signifi-

cantly improve the environmental situation, including through the use of preferred application by owners of such homes (holdings) of organic farming which will give a significant push to start agricultural production in all the lands of Ukraine.

These areas of economic and social activities require a significant number of jobs and thus securing families in rural areas. The population, which will “flow” from the city to work in rural areas, will reduce demographic tensions in cities and industrial centers.

Communication with nature will strengthen love for all living things, change attitude and moral principles, treatment of all processes that occur in society, on Earth. Implementation of the program “Ancestral Home” will provide an irreversible rural development based on the new moral and psychological grounds and will have not only tactical but also strategic results.

UDC 331.101: 338.47

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THE FEATURES OF FORMATION AND DEVELOPMENT OF INFOCOMMUNICATIONS MARKET IN NATIONAL ECONOMY

The article investigates the features of formation and development of the infocommunication in the national economy. It is determined that information and communication technologies (ICT) encompass a set of information and communication facilities and methods of collection, processing and transfer of data in order to obtain a new quality of information. The basic factors that influence the development of the information and communication technologies are specified. Kinds of convergence peculiar to the telecommunications and infocommunication sector in the national economy are justified.

The development of the national economy indicates that information technology is becoming the mode of production, which gradually replaces industrial one, and is based on production and productive use of information.

The transition to an information society determines the need for continuous improvement of an efficient system of dissemination of information, which is a function of market of ICT.

The spread of ICT contributes to integration of business and emergence of alliances of organizational structures inside infocommunications sphere as well as in other fields. Convergent character of development of infocommunications, which manifested itself in creation of converged networks (NGN, IMS), of content and convergent services (Triple Play – voice, data, video, Quad Play – voice, data, video, mobile communication), convergent terminals (smartphone, wireless gateway), promotes the integration of operators, service organizations in service delivery and network access and review of the market and business strategies.

At the same time, information service has similar to communication services specific features of intangibility, inability to move away from the source and network principle of services distribution. According to the main features of services, production technology, principles of organizational structure, dependence on the demand and infrastructural characteristics, telecommunications (communication) and information services are

close, which is the material and technical basis for combination of these areas of economic activity.

Thus, the economic basis of infocommunications is multidimensionality of processes of production and consumption, which are characterized by:

- cooperation between operators of different types of communication and information services in providing services to one client;
- emergence of virtual operators of infocommunications;
- separation of production and consumption of information and communication services;
- change of role of user from passive client to active consumer.

As a result, the development of information and communication sector and telecommunications nowadays takes place simultaneously in several areas: liberalization, privatization, integration, internetization and globalization, and most importantly – gradual introduction of innovative technologies, including the latest gen-

eration of networks, designed for better convergence of information, multimedia, computer formats and services.

As a result, it can be argued that before the last third of XX century telecommunications industry did not play any important role in either international trade or the economy of individual countries, but at the beginning of XXI century together with informatization it became dominant for national economies of many countries. This rapid increase in intensity of information processes is the most important essential feature of modern science and technology.

ICT is the driving force of convergence of technical means of processing and transmission of information observed in recent years. Further research of information and communication technologies requires the development of an effective model taking into account a number of factors affecting the distribution of products and services for these technologies.

SECTION 3 ECONOMY AND ENTERPRISE MANAGEMENT

UDC 331.101.3

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WORLD MODELS OF WORK MOTIVATION IN ENTERPRISES: LESSONS FOR UKRAINE

In market conditions, one of the factors of success and competitiveness of enterprises is the effective use of resources. The most important resource that provides operational efficiency of businesses is human potential. The desire to increase production and competitiveness, to encourage workers to find new and more efficient solutions forces management of enterprises to create effective measures of motivation and incentives.

Work motivation is among the range of problems the solution of which gets much attention in the world practice. Throughout the twentieth century in the world was formed conventional classification of models of management of employee motivation: American, European, and Japanese. Each of these models has national features and personal approaches to employee motivation in the workplace. The modern stage is characterized by broad comparative study of Japanese, American and West European management systems aimed

to identify the causes of the high efficiency of each management system and determine the conditions of their integration into a different economic system.

In the global and Ukrainian economic science research of work motivation are reflected in the writings of many renowned scientists. Fundamental researches were made by such economists as F. Taylor, P. Drucker, D. Nadler and others. As for the modern researches in Ukraine, such scholars as I. Bondar, A. Kolot, E. Libanova dedicated their works to analysis and search of the possible ways to improve mechanism of motivation. According to scholars, Ukrainian enterprises face the question what experience of foreign practices should be used.

Recently, in Ukraine's economy take place certain transformation processes that significantly affect the field of personnel management. Public, private and corporate enterprises practically felt that the development and success of mar-

ket relations is impossible without finding new contemporary forms of motivation and incentives, which foreign companies currently use. In many countries of Western Europe, USA and Japan motivational aspects of personnel management gained great importance. These methods and experience of motivation can be successfully transferred to Ukraine in the course of formation of work motivation.

Many highly developed countries formed their own models of work motivation. The most typical are American, Japanese, English, French, German and Swedish.

Analysis of the most famous foreign models of motivation makes it possible to find their similar

and distinctive features. The main thing that unites them is their effectiveness, as evidenced by the level of economic development of the countries in which they are implemented. However, it is impossible to fully implement any of these models in Ukraine.

The level of motivation of workers in our country lags behind developed countries, which is reflected on the state of the economy. Thus, it is necessary to adopt the experience of foreign companies, use effective systems of work motivation, and introduce some elements of American, English and French models, taking into account differences between individuals and different countries.

UDC 331.103

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IMPROVEMENT OF THE SYSTEM OF WORK STANDARDIZATION IN MODERN CONDITIONS

Work standardization is the first step towards optimization of production resource exploitation. Work standardization is establishment of the cost of living labor necessary to perform certain work in conditions of proper organization and labor intensity. The relevance of the theme is determined by the fact that businesses, regardless of ownership, receive the right to decide on the issues of the organization, standardization and wages. The results of the work of the enterprise should allow them covering current operating costs, including wages, making investments for expansion and renovation of production, ensuring social development, fulfilling obligations to the budget, banks and other bodies.

Improvement of work standardization is fulfilled by leaders and employers because they are interested in the rational use of labor. In turn, the employees themselves are interested in the objective assessment of their work. However, much of the business leaders and economic authorities start rejecting expediency of work standardization in market conditions and reducing

the importance of labor and wages.

It is important to adhere to the basics of work standardization; moreover, it is desirable to improve it according to the progressive changes that occur in businesses and the economy as a whole. There is a need to analyze the valuation of work standardization at the enterprise level, using Ukrainian and foreign experience, to determine the general characteristics of the process of work standardization, to identify the problems in work standardization and the main factors affecting work standardization of the administrative personnel in enterprises.

With the development of market relations and deepening of economic independence of enterprise, work standardization is of great importance as a means reducing the cost of living labor, reducing production costs, increasing productivity. Work standardization is a measure of labor for the performance of a particular job and remuneration for it according to its quantity and quality.

International experience shows that the effective operation of enterprises in a market economy

is possible only in condition of a high level of work standardization. Leading countries like USA, UK, Sweden, Japan, Italy and others not only keep the requirements for work standardization, but also extend their scope. Commonly used are methods of microelement analysis and standardization of work processes.

The purpose of work standardization in the contemporary economy is improvement of production and labor organization, improvement of work conditions and reduction of the cost of output, which in turn increases productivity and contributes to the expansion of production and growth of real income of workers.

The most important task of work standardization is consistent improvement of labor and production, reduction of labor intensity, increasing material incentives to improve efficiency of production, support of economically sound relationship between productivity growth and wages.

Improvement of work standardization promotes rational arrangement of employees and proper use of working time, affects the improvement of labor and production. Developed standards are used in the preparation of plans for the company and its divisions, solution of the issues of division and cooperation, identification of the required number of equipment and number of employees. The validity of standards significantly contributes to the proper definition of the amount of wages, material incentives, implementation of the principle of remuneration for quality and quantity of work.

As part of measures aimed at improving the level of work standardization should be a review of moral and ethical ideas about labor standards, their role and place in the mechanism of management. Crisis economic conditions prevailing in the global economy in recent years necessitate further research of current trends improving work standardization.

UDC 635:338.439.5

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TRENDS IN DEVELOPMENT OF THE MARKET OF VEGETABLE PRODUCTION IN CONDITIONS OF ECONOMIC GLOBALIZATION

The level of development of agricultural market determines the state of food security and economic development because agriculture, provided its formation through extensive use of modern innovation and information technologies, receives significant financial abilities to ensure quality standards of production processes. Ukraine is one of the few countries that can provide not only our own needs, but also can become a potential exporter of high quality vegetable production, both fresh and canned products in a wide range. There is a growing urgency of issue of formation of high-quality fundamentals of agricultural market in the context of the significant impact of globalization processes.

Insufficiently disclosed are the issues of the impact of transformational changes on the formation of internal and external market of vegetable production, which requires further investigation in the context of globalization.

Food market is one of the strategically important markets of any state, providing food security functions. The task of ensuring food security of the country with the help

of vegetable production requires an analysis of the market for vegetable production, development of effective organizational and mutually beneficial economic relations of its subjects through the development of partnerships and creation of conditions for the effective functioning of agricultural producers.

The increase in production, diversification of assortment and improvement of quality of vegetable production is possible only in case of integration of economic relations, organization of effective economic activity on industrial basis in the leading regions for the production of vegetables. Five leaders in vegetable production among the regions include: Kherson (1193.0 thousand tons), Kharkiv (711.8 thousand tons), Dnipropetrovsk (586.6 thousand tons), Donetsk (512.7 thousand tons), Kyiv (507.0 thousand tons).

Ukraine's accession to the World Trade Organization (hereinafter – the WTO) has activated the process of technological modernization of industries, focus on satisfaction of needs of consumers in national market, considering the effective demand, as well as reorientation of

production to expand export opportunities through diversification of vegetable production in fresh and canned vegetable products.

In Ukraine, a new segment of the vegetable market is organic production – vegetables, cultivated without the use of fertilizers and herbicides. This market segment tends to expand in recent years, especially in the European Union. Interest in organic products of Ukrainian consumers is not supported by adequate purchasing power, while production has significant export potential that should be developed.

The relationship of the financial and economic stability of the country forms the purchasing power of the population which, in turn, makes it possible to increase production and sales volumes, defining priorities.

The process of forming an effective market economy depends on well-established linkages. The main stage of it is industrial and technological sphere, which in today's conditions require a qualitatively new approach to its development.

Redistribution of share of the main suppliers of vegetable production in favor of private farms is held under the influence of many factors, one of which is outdated material and technical base.

Successful implementation of the priority tasks in the development of vegetable production requires the development of other criteria for evaluation and management methods. An important direction of development is creation of a cluster within which, based on integration and cooperative relations, rapid leaps of adaptation of agricultural and processing enterprises to competitive conditions – conditions of the World Trade Organization will take place.

Given the globalization processes that worsen food security in many countries, more attention should be paid to the vegetable market as one of the sources of export potential, effectiveness of which depends on ensuring conditions for technological modernization of industry on the basis of innovation and development of logistics.

SECTION 4 DEVELOPMENT OF PRODUCTIVE POTENTIAL AND REGIONAL ECONOMY

UDC 332.02

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REGIONAL DEVELOPMENT AGENCY: MODERN REALITY

The modern theory of regional policy, which was formed during 1980s, follows the principle that decisions on regional development must be accepted involving, and ideally – directly by regional authorities that establish system of partnership with other public, community, business institutions. The main objective of regional policy was to eliminate the negative effects of the imbalance in the levels of development of regions. State solved this problem through direct investments, financial transfers or introducing tools that indirectly affected the economic development in depressed regions. These included the regional development agencies.

The article aims at comprehensive study of the institutional mechanisms of regional governance, through the example of functioning of regional development agencies using international experience and elaboration of national practices in the context of legislation and realities of functioning in the country.

Implementation of regional policy requires a “staff center” in the executive branch, which accepts major tactical decisions and provides coordination of institutions and other institutes involved in the process of such implementation. Depending on the stage of development of regional policy in a country and the goals of state regulation of regional development, in European countries have been organized specialized ministries or regional policy was coordinated by general purpose central government authorities, consisting of specially created organizational units.

For effective implementation of the state regional policy it is necessary to create a network of non-governmental institutions of regional and local development. These institutions are designed to increase the role and responsibility of local communities, private businesses and every citizen for the development of relevant areas, ensure their real participation and impact in solu-

tions of important issues of regional and local development. Such an institution could be a network of Regional Development Agencies (RDAs) representing government, public and private interests.

According to some researchers, “the tasks of regional development agencies in Europe were determined primarily by existing paradigm of regional development. By the early 1980s main objective of RDA was to promote industrial development to diversify the economic structure of the region”. New tasks assigned to the RDAs during 1990s are support of economic competitiveness of the region through training for staff, improvement of management of regional projects. As testified by the world practice, RDAs effectively cooperate with local and central authorities as target centers for strategic planning and support of projects of territory development, providing effective

intersectoral collaboration of authority, business and community creating a qualitatively new economic environment.

Foreign experience of functioning of institutional intermediaries in implementation of strategies of socio-economic development of areas should be a useful lesson for Ukraine, which has chosen the way of European integration. Many questions regarding the operation of RDAs require scientific development, organizational and legal support, in particular, such as the relationship between RDAs’ approaches to regional development and traditional government approaches, clear division of powers between the RDAs, local state administrations and local self-government. Only after adaptation to local realities of algorithm of RDAs’ operation, they will be effective agents of future changes in the socio-economic development.

UDC 338.48

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ANALYSIS OF INVESTMENT PROJECTS OF TOURISM AND RECREATIONAL SECTOR OF ZAKARPATTIA REGION

The article investigates the impact of investment in social and economic development of regions, attractive investment projects in tourism and recreational sector of Zakarpattia region. Particular attention is given to the most significant investment projects for the creation of sport and tourist infrastructure, defined by their socio-economic impact on the region.

The main goal of tourism and recreational sector is to create a highly competitive tourism and recreational complex that provides service for Ukrainian and foreign citizens, as well to make a significant contribution to socio-economic development of a region and country. For this purpose a number of measures, including attracting foreign investments, are proposed.

International experience shows that countries can not develop their economy without involvement and the effective use of investment. Accumulating private, national or foreign capital, providing access to modern technology and management, investment will not only contribute to the formation of national investment markets, but also enliven the markets for goods and

services. In addition, investments usually contribute to measures of macroeconomic stabilization and allow solving the social problems of the transformation period.

Foreign investments promote economic growth of state's potential, integration of the national economics into the world economy through the transfer of production facilities, technology transfer, transfer of capital, managerial experience, skills, and innovations. Ukraine's rating status in the world community is not high. Nevertheless, there is a high interest in our country among strategic investors focused on long-term payoff of investment resources, because Ukraine is a cheap market with large investment possibilities.

Today projects, proposals for construction of tourist and sporting ski slopes, cable cars, sports and recreational facilities are attractive for investment. However, there are many risks and obstacles to investment programs in Ukraine: political and legal, monetary and financial, infrastructural and economic risks. The tourism industry, according to experts' estimates, is considered to be one of the most highly profitable,

but high profits are determined by high risks of investments. Thus, according to investment risk, tourism industry occupies 8th place among the other branches of the national economy of Ukraine.

Zakarpattia is an extremely promising area in Ukraine in terms of tourism, recreation and leisure. The unique recreational potential promotes the development of almost all types of tourism, especially balneal.

Zakarpattia region is known for its healing thermal and mineral waters. In the region there are more than 700 water springs of mineral waters and brines including 67 major springs of mineral and thermal waters, i.e. there are great possibilities of use of thermal mineral waters both for therapeutic and recreational and for industrial purposes. Some of them are unique in their composition and are analogous to known Caucasian mineral waters like "Borjomi" and "Essentuki". The use of mineral water is the basis of balneal treatment in health resorts of Zakarpattia. In the sanatoriums of the region there is the ability to treat over 100 diseases.

One of the most promising tourist resorts and recreation areas not only of Zakarpattia, but also of Ukraine is also Svaliavskyi region. Beauty and bounty of nature attract here everyone wanting to have active leisure, go hiking or treat diseases. The area has a network of health institutions. On the basis of mineral water springs there are known sanatoriums "Soniachne Zakarpattia", "Poliana", "Kvitka Polonyny", rehabili-

tation center "Professional" resorts "Kryshtaleve Dzherelo", "Kvasnyi Potik". In addition, in recent years the development of recreational facilities gained significant popularity in other areas of the region. Thus, a number of large investment projects on construction and reconstruction of sanatoriums takes place in the region. Alone in Uzhhorod region two powerful modern sanatorium complexes "Thermal Star" and "Derenivska Kupel" with a wide range of medical and entertainment services are in the stage of construction.

The implementation of investment projects of the tourism and recreational sector will certainly have a significant social and economic impact on the Zakarpattia region, namely:

- creation of high quality tourism product, able to meet the needs of the population;
- creation of new jobs;
- increase in tourist flows;
- development of supporting infrastructure and others.

However, the main problem that hinders the implementation of investment projects of the tourism and recreational sector remains a complicated procedure of allotment of land belonging to the forest land for construction of recreational facilities, which hinders attraction of both foreign and Ukrainian investments in the tourism industry of Zakarpattia region, development of tourism and sports infrastructure. Solution of this issue is possible by making appropriate changes to the legal acts of Ukraine.

SECTION 5 MONEY, FINANCES AND CREDIT

UDC 338.2

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BUSINESS PLANNING AS A TOOL FOR THE IMPLEMENTATION OF FINANCIAL MANAGEMENT IN CONDITIONS OF MODERN DEVELOPMENT OF UKRAINE

This article analyzed the current state of business planning in Ukraine, identified key problematic aspects and weaknesses of Ukrainian business plans, and considered the basic disadvantages in the ordering of business plan as a specific service.

Today unstable environmental factors require from entrepreneurs detailed prediction of their business strategy and current activities, taking into account the threats and opportunities for further development and achievement of goals. Modernity requires from the management of any organization the ability to make appropriate management decisions. An important element of strategic planning significantly determining the respond of the enterprise to the requirements of external environment and maintaining the appropriate behavior in the market, is business planning, which can be regarded as an effective tool of modern management, through which businesses can determine

the purpose and objectives of their operation, develop measures to improve their performance or prevent adverse events.

Business planning is a modern and very popular term in today's business environment. However, development of business plans and activities in line of continuous business planning considering all the details of this concept (constant monitoring of the market, the competitive environment, drawing up plans for implementing changes, etc.) in Ukraine are significantly distant from European practices of developed countries.

Many businessmen, who have read over more than one foreign publication on the development of business plans and try to follow the recommendations, face unconsidered issues and unknown in the West difficulties.

Despite the lack of legislation that directly require the development of business plans, now in Ukraine there is a significant num-

ber of adopted decrees that shape the business environment of the company. Functioning in it implies the need to develop a business plan to obtain funding. Raising awareness of entrepreneurs and managers and adoption of foreign experience regarding business planning will bring Ukrainian business to the next higher level of development.

The presence of a viable business plan helps to attract capital, determine future plans, careful study of potential risks and possible difficulties that may prevent the practical implementation of the business

project. Its implementation will significantly increase the effectiveness of the company, its competitiveness and reduce costs.

In a market economic system business plan is an active management tool, the starting point of all planning and implementation of the plan in company. Business plan allows analyzing, monitoring and evaluating progress in the implementation of business project, identifying deviations from the plan and promptly adjusting the direction of development of the business.

UDC 336

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FORECASTING OF FINANCIAL STATEMENTS UNDER FINANCIAL AND ECONOMIC CRISIS

The article attempts to explore the manifestations of financial crisis in Ukraine, to study theoretical ground and provide some recommendations for forecasting of financial statements in conditions of crisis.

The global economic crisis contributes to the manifestation of all the problems accumulated in the Ukrainian economy over the past two decades, and especially, continuing downward dynamics of vast majority of macroeconomic indicators. Under these conditions, special attention should be paid to the development of anti-crisis strategy. It is necessary to use data of financial statements indicators of which require constant adjustment and prediction. Determination of future value of indicators makes it possible to determine the projected space filled by specification of pre-defined parameters. In this context, especially important is compilation of projected financial statements, since it can be estimated based on the expected financial results and the need for financing and business in future can be justified.

Today the world economy in the process of development goes through financial and economic

crisis. The formed circumstances of the market in Ukraine also undergo significant changes when successful development of business depends on developed strategy and methods of implementation. The objective conditions of tough competition, associated with the active introduction of market mechanisms in the management of entrepreneurial activities of business entities, require above all maintenance of a high level of their own competitive position. In these circumstances, the demand for financial information greatly increases. Informational support in governance increases attention to accounting financial reporting as the main source of information about property and financial condition, and results of its industrial and economic activity during the reporting period. In terms of growth of the economic crisis in Ukraine, national enterprises form a new approach to the management of crisis in general and in particular. In our opinion, crisis management can now be considered as a special system that differs by comprehensive and strategic nature and has the ability to completely remove temporary difficulties, recorded in the enterprise.

The key to the success of any business is the prediction of the future financial condition of the company, the expected amount of its financing. Future activities of the company can be provided through the development of predicted financial documents – projects of future income statement, statement of cash flows and balance sheet. Projected income and cash flows statements are a working plan for the entire enterprise as a whole and projected balance sheet, we believe, reflects the cumulative effect of the assumed administrative decisions on the financial position of the company. Development of predicted financial statements is a complex process of financial forecasting, which should include, as we believe, preparation of budgets and financial reports;

- current activity budgets;
- cash budget;

- predicted financial statements.

In terms of growing economic crisis in Ukraine national enterprises need appropriate techniques and tools of anti-crisis management, i.e. a system of a complex character, aimed at rapid detection of signs of crisis in the future. One of the main areas of such company management we believe to be forecasting of financial statements, which plays an important role in the present economic environment. Given the experience of Ukrainian and foreign scientists we proposed a method for predicting reporting, which includes five stages, which, in our opinion, are aimed at improving financial strategy of the enterprise. Preparation of the projected reporting of enterprise will provide managers with basic scenario, which in terms of financial and economic instability can only be short-term.

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