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**ПРОБЛЕМИ ТА ПЕРСПЕКТИВИ РОЗВИТКУ
ФІНАНСОВО-КРЕДИТНОЇ СИСТЕМИ УКРАЇНИ**

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СЕКЦІЯ 3. ФІНАНСОВИЙ РИНОК В УМОВАХ РОЗВИТКУ ЦИФРОВОЇ ЕКОНОМІКИ

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FINANCIAL INCLUSION AS A DRIVER FOR THE FINANCIAL SECURITY PROVISION IN UKRAINE

According to the practice of developed countries, one of the main drivers of financial security is the implementation of the principles of financial inclusion, which is an extension of access of ordinary citizens and other participants of business process to financial products and services, regardless of income, age, place of residence or type of activity.

This approach greatly expands the long-established economic growth patterns and focuses on the equality, importance, uniqueness and value of each economic entity for society, as well as introducing opportunities to further delectations of their own needs.

Obviously, financial inclusion is rather a new concept, the exact meaning of which has not been defined. The essence of this term is involving the population, especially the low-income part of it, in certain open-ended financial products through various financial institutions and financial infrastructure.

Consumers' ability to access convenient financial products and services is a major factor in financial inclusion.

In particular, virtually all indicators of financial inclusion in Ukraine are lower than in developed countries, and in some situations - from the world average values, which indicates a low level of financial inclusion in Ukraine (Table 1). This contributes to the spread of shadow schemes in the economy, capital outflows, underfunding, and ultimately reducing our country's financial security.

Table 1. – Dynamics of individual financial inclusion indicators

Indicator		Ukraine	Poland	Japan	Cyprus	Belarus
Sales (client-business)	electronically, %	19	42	63	43	25
	not electronically, %	81	58	37	57	75
Supplier payments (business-business)	electronically,%	44	65	82	68	49
	not electronically, %	56	35	12	32	51
Salary (business person)	electronically,%	36	61	69	62	41
	not electronically, %	64	39	31	38	59

Source: made by the author [2].

Financial stability and financial markets are also dependent on the level of financial literacy. At present, numerous studies show that the financial awareness of Ukrainians is poor, which prevents them from properly assessing their investment opportunities and needs, calculating real costs of credit operations and profitability of investment instruments. The largest determinant of financial behavior, inclusion and literacy in Ukraine is respondents' age and wealth. The youngest (18-34 years old) and middle-aged Ukrainians (34-45 years old) feel themselves the most comfortable in the world of finance. For the older generation (45-60 years old) and the elderly (over 60 years old), unfortunately, financial services are more of an "inevitable evil" than an opportunity to provide a decent standard of living [1].

The reason for the lack of interest in financial services is more dictated by the level of well-being of Ukrainians, rather than their level of distrust in the financial system. It is established that almost every third Ukrainian does not make any savings or investments.

In our opinion, to increase the level of financial inclusion in Ukraine, the following approaches can be implemented:

- creating the necessary regulatory environment to allow access to accounts;
- expanding access points to financial services;
- promoting scale and viability through large government programs;
- focusing on developing financial literacy among certain social groups;
- promoting the use of financial services;
- development of educational activities in the field of financial services;
- ensuring the protection of the rights of clients in financial sector;
- creation of new financial institutions, development of new products and technologies used to reach untapped or inexperienced markets;
- implementation of key principles of innovative financial inclusion (leadership, diversity, protection, empowerment, cooperation, knowledge, proportionality, structure) developed by the Organization for Economic Cooperation and Development (OECD), which include a set of practical recommendations for the whole world.

Thus, the research shows that the spread of financial inclusion in Ukraine today does not satisfy the requirements of today's economically developed world. The low level of financial inclusion does not allow the state to make full use of the powerful resource of savings of the population, promotes the development of the shadow sector, which ultimately reduces the level of financial security as a whole.

References

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INNOVATIVE DIGITAL APPLICATIONS IN FINANCIAL SECTOR

We must admit that digital transformation has influenced the development of new financial innovations. Undoubtedly, it is rapidly changing the operation way of financial market by innovative financial technology, or Fintech, that is being used “as a variety of innovative business models and emerging technologies that have the potential to transform the financial services industry” [2].

Nowadays, there are more and more companies that offer financial services for banking and non-banking financial institutions and create strong competition with traditional financial intermediaries.

We would like to point out that application of innovative technologies in sectors of financial activity could be classified into eight different categories: payments, planning, lending and funding, trading and investment, insurance, cybersecurity, operations and communications [3]. We would like to consider them in detail.