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ECONOMIC SITUATION IN UKRAINE, IMPACT OF GLOBAL INTEGRATION PROCESSES

Abstract:

At the current stage of Ukraine's increasingly integrated into global financial and credit space. The main and most developed in the last few years, forms of such integration are: the integration processes in the banking system and financial resources of external financial markets, economic actors in Ukraine through the implementation of external loans.

As part of the internal processes of integration in the banking system there is an active entry of foreign banks into the Ukrainian market. Specifically, in 2008 the domestic market of 180 banks operating license from the NBU. Of these, 49 (27,2%) - a bank with foreign capital and including - 18 banks (10%) - a bank with 100-percent foreign capital. As of 01/11/2010, the number of registered banks in Ukraine, which have a license, dropped to 178, including number of banks with foreign capital increased during the crisis period to 53, including a 100-percent foreign capital - 20.

During the years 2008-2010 (01.01.2008 to 01.11.2010 and) the share of foreign capital in the registered capital of banks of Ukraine increased from 35,0% to 39,5% of total assets of banks increased from 599.396 billion. to 927.122 billion., more than 50%.

Another evidence of increasing activity of foreign banks to acquire domestic financial institutions (non-residents' purchases of Ukrainian banks) are quantitative and qualitative characteristics of foreign direct investment in Ukraine. Thus, in recent years was the most attractive investment for the financial sector. Despite the cri-

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sis, in 2008 the increase of foreign capital in the financial sector amounted to 2285.7 million dollars. And in financial institutions at year-end accumulated 7154.8 million. (20,0%) equity [1]. In 2009 the increase of total foreign capital in the economy, given its revaluation, losses and exchange differences amounted to 4410.4 million dollars. That was only 72,6% the previous year. However, the increase of foreign capital in enterprises engaged in financial activities amounted to 1813.7 million dollars. and reached 8968.4 million. which led to an increase in share to 22.4% [2]. In January-September 2010 gain on foreign capital enterprises engaged in financial activities amounted to 1684.3 million dollars. [3]. Given the exchange rate difference at 10.01.2010, in financial institutions accumulated 14115.4 million. or 33,2% of total foreign investment.

Key words: economic situation, foreign investment, foreign banks, global integration process

Thus, we should pay attention to the fact that discussion of the conditions and rules of opening branches of foreign banks in Ukraine are of significance as interested in the Ukrainian market, foreign banks will go towards the acquisition of Ukrainian banks with the existing system of branches and customer base.

In the part of foreign banking integration (out of domestic banks to foreign financial markets) have a significantly lower activity. Expansion of the Ukrainian financial institutions to foreign markets is still episodic and regional nature.

In turn, the Ukrainian banks to buy banks in Latvia and Georgia. Ukrainian banks opened offices in Russia, Kazakhstan, the Baltic countries. In particular missions abroad opened: State Export-Import Bank of Ukraine (New York), for "Privat" (Beijing, China), Forum Bank (Kazakhstan).

The second form of participation of actors of the Ukrainian economy in the global financial and credit space - is the use of external borrowings.

Global financial crisis has caused the growth needs of the state in leveraged resources. In this regard, and by a significant devaluation of the currency during 2008-2009, total public and guaranteed debt increased more than three times [4].

If in 2002 the ratio was 28.6%, then decreased in 2005 to 14,3% in 2006 was 12,1% at the end of 2007 amounted to 9,9%, and at the end 2008 - 13,8%. Score level the public debt to GDP at end-2009 is 23,2%, and state and state guaranteed debt to GDP - 33%.

The ratio of public debt to GDP in Ukraine is relatively low compared to other countries, including developed countries, despite the fact that Ukraine's capabilities in public debt management suffer significant limitations.

Gross foreign debt of Ukraine in 2008 grew by 27% or 21.7 billion dollars. And on January 1, 2009 it totaled 101.66 billion. Gross foreign debt of Ukraine in 2009 increased by 2,3% - to 103.97 billion dollars. That was 88.9% of GDP.

Significantly changed emphasis in the debt structure by sector of the country: 2009 was marked by debt in lieu of the banking sector debt and public sector management of monetary, whose share in gross external debt has grown over the financial year from 16.4% to 23.1 % and the bank - fell from 38,8% to 29,6%. The share of other sectors amounted to 47,3% against 44,8% at the end of 2008

According to the National Bank, the public administration sector debt as of January 1, 2010 reached 17.8 billion dollars. (17,1% of gross external debt and 15.2% of GDP), which is 5.8 billion. (48.9%) more than the beginning of 2009 the increase was due to debt: income in the accounts of the Government of Ukraine trench stabilization loan program the IMF stand-by in the

amount of 3.1 billion SDR (special borrowing rights) in the second and third quarter of last year, the use of IV quarter of 2009 of the Government of the additional allocation of special borrowing rights (SDR 1.2 billion) committed by the IMF in the interests of Ukraine within its quota, as well as income credit from international economic development organizations (World Bank, EBRD and European Investment Bank) amounting to 0.2 billion.

In 2009, Ukraine repaid 1.2 billion obligations on foreign government bonds in 2004 and denominated in Swiss francs of government securities in 2006

Sector debt of the monetary regulation in 2009 increased by 1,5 billion dollars. (By 31,4%) to 6,2 billion. The growth was at the expense of the second tranche of the IMF stabilization loan (SDR 875 million) and additional borrowing allocation of special rights carried out by IMF (SDR 81 million).

One of the most important parameters that characterizes the efficiency of debt policy of the country and its ability to meet debt obligations, is the ratio of total payments to service and repay debt to the state budget revenues and GDP. After the debt crisis of 1998, when the total debt payments reached 71.4% of annual revenues of the state budget implementation during the 1999-2002 debt restructuring allowed to reduce the burden on the state budget. Although in recent years, a gradual increase in payments on public debt in absolute terms, the budgetary cost of servicing debt and public debt has stabilized within 2,0-5,0% of GDP and the end of 2009 this indicator amounted to 4.33% of GDP.

At the end of 2009 external debt of the banking sector of Ukraine returned to the level of 2007 and amounted to 30.8 billion dollars. (26,3% of GDP), which is 8.7 billion. less than at the beginning of the year.

As of October 31, 2010 and guaranteed public debt of Ukraine amounted to 51.2 billion dollars. USA (405.312.029,98 thous.), Including: public and publicly guaranteed external debt - 32.5 billion. USA (63.43% of the total public and guaranteed debt), external public debt was 21.9 billion dollars. USA. During this period the state foreign debt increased by 27.68%.

The main form of foreign borrowing entities of the Ukrainian economy is the issue of eurombonds and loans (medium and long). The main investors, buyers of Ukrainian eurombonds on international markets are investment companies and banks. For example, among investors Eurobond Kyivstar present: Funds - 68%, investment banks - 17%, insurance and pension companies - 8%, other banks - 7%. In geographical terms, investors Eurobond Kyivstar is: Great Britain - 47%, USA - 30%, France - 5%, Netherlands - 5%, Asia - 4%, other - 9%.

Select the quantitative characteristics of forms and processes of integration of subjects of the Ukrainian economy into the global financial and credit space, we select also the qualitative features of these phenomena.

Firstly. Can be described positively the fact that Ukraine is a party to financial and credit integration, major and those that take on forms of its manifestation, is banking integration and entry into international credit relations of all subjects of the national economy through foreign borrowing. Participation in the global financial and credit space has positive benefits for the Ukrainian economy, as increased opportunities for financial resources and its subjects: businesses and individuals in the short term.

Second. Negative evaluation of merit as the financial risks that may occur in the domestic economy in the long run, and who have questions to national experts characterized the Ukrainian economy. These include.

1. Prevalence *odnostoronnosti* integration processes in the banking sector. Modern banking integration is mostly internal. On the Ukrainian market of foreign financial institutions. But domestic banks and their services on the world market are presented in a very limited form. And the active dynamics of foreign bank integration has not yet been observed.

2. Focusing on short-term benefit of subjects of the Ukrainian economy in the implementation of large-scale foreign borrowing.

Financial resources that get the subjects of the Ukrainian economy to foreign markets have a positive outcome in the short term. But in terms of long-term prospects and value for foreign loans - a situation opposite. In particular, the macroeconomic context of large-scale foreign borrowing of banks and non-financial enterprises in Ukraine rise to a number of negative processes.

Thus, the rapid growth of corporate sector external debt is not accompanied by adequate increases in export earnings. Disparities in the rates of accumulation of external debt of Ukraine and the national growth rate of exports dangerous because in case of violation of positive dynamics of receipt of external loan debt that has accumulated will have to serve due to reduced domestic capital formation and reduced consumer spending entities of national economy. This hinders the development of production, raising living standards and put pressure on the national currency (by eliminating international reserves).

Moreover, foreign loans, which involved state enterprises and commercial banks in Ukraine are mainly of consumer orientation, which also violates one of the key performance criteria for external borrowing

Mobilized by banks foreign loan capital has become a source of credit boom in the domestic market, which is not stimulated the domestic production. Keep in mind that in itself growth of consumer credit is very dangerous, because the scale of national economy consumer spending does not create a trusted source for repayment of accumulated debt (especially if the additional demand is met through imports), and large volumes of external commitments Transactions generate high currency risks.

3. The formation depends on the situation on international capital markets. After crisis events in the U.S. mortgage bond market value of foreign loans to Ukrainian banks has grown to 8-12% per annum. End of 2007, several large banks abandoned plans for syndicated bank loans, referring to the high cost of borrowing. The long stagnation of the international capital market will slow down the growth of external debt of Ukraine, but the degree of instability of the banking system increase. Therefore, a significant deterioration in trading conditions or a sharp devaluation of the national currency can be simply disastrous.

Thus, falling prices for products of export or domestic sharply higher import prices will deepen the current account deficit and lead to narrowing of the income base to pay off past debts. A currency devaluation will increase substantially the burden of external debt service for companies that have revenues in foreign currency. For banks in case of devaluation not only increase the load of external payments, but also dramatically worsen asset quality: non-payment borrowers who received loans in foreign currency may be a mass phenomenon. In macroeconomic terms, these processes will cause narrowing of the domestic demand, lowering the level of economic activity and a decline in international reserves in Ukraine.

Given the above, we can conclude that Ukraine is a party to the integration processes unilaterally. That is the object, not the subject of global financial and credit space, taking advantage of global financial environment, taking into account mainly short-term perspective and not taking into account the trends of the future. This, in turn, determines the need, take measures to improve its competitiveness of Ukrainian economy by improving the internal market in financial services, as well as measures to reduce the financial risks arising from financial and credit integration.

Evaluating the stability of the domestic financial market crisis on the threats we note that the low share of Ukraine in the global financial system makes its financial market was safe from the transnational financial speculators, creates a permanent threat to the financial sustainability

of national finances and a deteriorating financial situation of Ukrainian joint stock companies. Acute questions about how to protect the national economy from the risk of outflow of foreign capital in the form of repatriation of profits or "escape" short-term assets abroad due to the decrease in confidence in domestic economic policy.

The current state of the national financial market of Ukraine shows a low level of integration into global financial processes. No matter how paradoxical, but they actually helped the country survive on less losses as global financial crisis of 1997-1998, the events September 11, 2001 Another thing that this points to the minor scale in the world economy nature of domestic financial market.

Events in 2008 allow us to conclude that the policy of accelerated integration of Ukraine into the global economic and financial community, which is manifested, particularly in liberalizing access to foreign capital on domestic financial market and to offer residents many opportunities of access foreign debt markets, was premature.

These are Ukraine's position in global competitiveness rankings for 2010-2011, comprising experts from the World Economic Forum, a group of indicators that describes the sophistication of financial markets. The latest ranking shows estimates for 139 countries of the world [5]. For the year, Ukraine has lost 13 positions in aggregates "Financial market sophistication" - 119 against seat 106 in 2009 Reliability of the banking system estimated by the authors of the report (138 place - last figure among the countries in the ranking), ease of getting credit (130-something), Stock Market Regulation (127), restrictions on capital flows (125), accessibility (affordability) Financial Services (122), availability of venture capital (121), funding through local markets Securities (120). Ukraine has received the highest estimation by the "availability of (institutional) financial services" - 108 .

Despite the globalization of world economy, countries with economies in transformation, especially those which have not yet completed the formation of effective national market institutions should not be overestimated development opportunities by attracting foreign financial resources. As foreign investors are uncertain about the political and economic future of most post-Soviet countries. Availability formed the institutional environment of financial market could prevent the development of negative tendencies, but in countries with economies in transformation of this environment is far from complete.

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THE INNOVATION STRATEGIES OF COUNTRIES IN POST-CRISIS GLOBAL ECONOMY: A CONCEPTUAL APPROACH

Summary. In the article the specific features of global economic system at the modern stage of world development have been studied. The conceptual foundation of developing of countries' innovation strategies at different stages of Kondratiev long cycle has been determined.

The globalization and innovative development have caused significant transformations at all the levels of social and economic system of modern society. We can observe the acceleration of system processes on the global level resulting in changes of fundamental characteristics of the world economic system, growth of its organization efficiency and integrity. The world economy is moving to a new state that is the global economic system.

Unlike widely and deeply analyzed problems of global development, the nature of the global economic system, its structure, factors of formation and mechanisms of development have been studied insufficiently.

The mechanism of the world economy systemic development has been described in interdisciplinary conceptions of globalization. The civilization theories of Fernand Braudel and Alvin Toffler, conceptions of the world - system analysis of Giovanni Arrighi, Immanuel Wallerstein and Andre Gunder Frank, the conception of quantum consciousness of Ervin László, the integral theory of structural constructivism of Pierre Bourdieu and others, constitute the basis for the systems analysis of the global economy. Nevertheless, the complexity and multi-structural character of the research object, continuous swift changes in the dynamic world environment pre-determine the necessity of further scientific development.

The concept of global economic system is relatively newly included to the academic vocabulary. Therefore, its theoretical and methodological foundation is in progress now. Some re-

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