

practice areas and developing key alliances in the space; IBM recently forged a blockchain collaboration with Nestlé, Walmart, Costco and others to improve global food supply chain safety. Similar to the Internet itself and social media, blockchain will enable new digital transactions that will disrupt traditional businesses like document authentication and title searches [2].

Therefore, to start and run a business, everyone needs to take into account many different things such as considering personal and business finances, researching the market and competitors, getting realistic about the risk involved, understanding business trends [3].

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## **METHODS OF OVERCOMING INFLATION IN UKRAINE**

Inflation as an economic phenomenon has existed for a long time. It is believed that its appearance is connected even with the emergence of money, with the functioning of which it is inextricably linked. The term inflation (from the Latin *inflatio* - swelling) first began to be used in North America during the Civil War of 1861-1865 and meant the process of swelling paper and money circulation. In the nineteenth century this term was also used in England and France. Widespread in the economic

literature, the concept of inflation was acquired in the twentieth century immediately after the First World War [1].

Inflation is a depreciation of money generated by disproportions in public production and a violation of the laws of money circulation, which manifests itself in the steady increase in prices for goods and services. The most concise definition of inflation is the growth of the general price level [2]. Inflation occurs when there is an excess amount of money in circulation (cash and non-cash). This situation leads to their depreciation, the money "cheap", and prices are gaining a tendency to increase.

The inflation index, or, equally, the consumer price index, is an indicator that characterizes changes in the overall price level for goods and services purchased by the population for non-productive consumption. Hidden inflation involves state control over prices, their regulation regarding the level of income and supply of goods and services. The state's administrative measures restrain the detection of inflation and thus understate its real level. The forms of latent inflation are:

- quality inflation when there is a decline in the quality of goods and services at a constant level of prices or either increase or decrease;
- inflation of incomes, when the predominant growth of incomes of enterprises and population in comparison with production of goods and services;
- deflation, when the state reduces the amount of money in relation to their required volume to serve the turnover of GDP.

Hidden inflation is regulated by the state by means of administrative methods, which adversely affects the development of market relations, deprives manufacturers of price incentives, impedes the development of the investment process and enhances macroeconomic instability [3].

The purchasing power is dependent on inflation, as the growth of household incomes does not keep pace with the growth of the consumer price index. Monetary reforms, which implemented successfully, can stop inflation processes or contribute to a significant reduction in inflation. However, this does not mean that the possibility of a new increase in inflationary processes cannot be ruled out. Therefore, the state develops a whole system of measures aimed at curbing inflation, which in aggregate embody anti-inflation policy.

Anti-inflationary policy should aim at achieving three main goals formulated as follows:

- development of the market mechanism, since it is the market that is able to recover most effectively and quickly the disturbed with the development of inflationary processes, the balance between the money and goods mass;

- the implementation of a deeply thought-out policy of monetary regulation, carried out primarily by the central bank of the country and aimed at ensuring the optimal change in the money supply;

- addressing the budget deficit to a level that does not cause large-scale negative changes in the country's economy [4].

The National Bank of Ukraine (NBU) has declared the adoption of a new monetary regime targeting inflation. The essence of the inflation-targeting regime is the public announcement of quantitative inflation targets and the central bank's commitment to achieve these goals over the medium term.

Decisions on monetary policy are made taking into account the forecast of inflation. The main monetary tool and operating benchmark for such a monetary regime is the interest rate. If the projected inflation is above the target level, then for its containment, a policy of "expensive money" made, that is, the interest rate increases. In addition, the policy of "cheap money" is conducted, when the interest rate is reduced.

Changing the rates for its operations with banks, the central bank affects the conditions under which banks enter into transactions with each other in the money market, and, thus, the value of short-term loans. Due to the mechanisms of capital flow between different sectors of the financial market, the cost of short-term funds affects the interest rates of banks on credit and deposit operations with enterprises and the population, the exchange rate of hryvnia and prices of other financial assets.

Ultimately, by changing interest rates, the central bank indirectly affects macroeconomic performance such as GDP and inflation. Such a mechanism is called the mechanism of monetary transmission [5].

There are sufficiently interesting methods of combating inflation in other countries. For example, in the USA, the Reagan administration has refused to state support for such unprofitable sectors as ferrous metallurgy, which has caused a wave of mergers of large companies. As a result,

competition has sharply increased, which has helped to reduce inflation to "creeping" sizes, as well as weakening the inflationary spiral of "prices - wages." "Shock Therapy" is a special form of fighting inflation used by some countries (Poland, Israel) with galloping inflation. Its main idea is to stimulate the development of market relations, free pricing, refusal to regulate prices and, as a result, to reduce (at an initial stage) the living standard of the population. However, as the practice has shown shock therapy justifies itself.

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## **DIGITAL ECONOMIC DEVELOPMENT**

At the request of France, the question of the Internet and the digital ecosystem has been included in the agenda of the G8 meeting on May 26 and 27, 2011 in Deauville. It is the first time that the subject will be formally debated at such a high level. The G8 will be introduced by an e-G8 Forum which, on May 24 and 25, 2011, will unite world leaders and experts in the digital ecosystem to discuss the economic impact of the Internet as well as the changes in the traditional sectors under the effect of digital technologies.

The question of the impact of digital economy sectors on growth and productivity has already given rise to a large number of debates and publications. At the beginning of the decade 2000, the emergence of a “new economy” was hailed whose dynamics of non-inflationary and durable