МІНІСТЕРСТВО ОСВІТИ ТА НАУКИ УКРАЇНИ
ІНСТИТУТ МОДЕРНІЗАЦІЇ ЗМІСТУ ОСВІТИ
КАФЕДРА БАНКІВСЬКОЇ СПРАВИ ОДЕСЬКОГО НАЦІОНАЛЬНОГО ЕКОНОМІЧНОГО УНІВЕРСИТЕТУ (м. Одеса, Україна),
МОЛДАВСЬКА ЕКОНОМІЧНА АКАДЕМІЯ (м. Кишинів, Республіка Молдова), ГОСПОДАРСЬКА АКАДЕМІЯ ІМ. ДИМИТРА А. ЦЕНОВА (м. Свіштов, Республіка Болгарія), ДЕРЖАВНИЙ НАУКОВО-ДОСЛІДНИЙ ІНСТИТУТ ВИПРОБУВАНЬ І СЕРТИФІКАЦІЇ ОЗБРОЄННЯ ТИ ВІЙСЬКОВОЇ ТЕХНІКИ (м. Черкаси, Україна), ДЕРЖАВНИЙ ТОРГОВЕЛЬНО-ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ (м. Київ, Україна), ЗАХІДНОУКРАЇНСЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ (м. Тернопіль, Україна), ІВАНО-ФРАНКІВСЬКИЙ НАВЧАЛЬНО-НАУКОВИЙ ІНСТИТУТ МЕНЕДЖМЕНТУ ЗАХІДНОУКРАЇНСЬКОГО НАЦІОНАЛЬНОГО УНІВЕРСИТЕТУ (м. Івано-Франківськ, Україна), КИЇВСЬКИЙ НАЦІОНАЛЬНИЙ ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ ІМЕНІ ВАДИМА ГЕТЬМАНА (м. Київ, Україна), ЛЬВІВСЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ ІМЕНІ ІВАНА ФРАНКА (м. Львів, Україна), НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ «ПОЛТАВСЬКА ПОЛІТЕХНІКА ІМЕНІ ЮРІЯ КОНДРАТЮКА» (м. Полтава, Україна), НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ КОРАБЛЕБУДУВАННЯ ІМЕНІ АДМІРАЛА МАКАРОВА (м. Миколаїв, Україна).

IX Міжнародна науково-практична Інтернет-конференція «Економіка, фінанси, банківська справа та освіта: актуальні питання розвитку, досягнення та інновації»

(м. Одеса, 4 - 5 квітня 2024 року)

****

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
INSTITUTE FOR MODERNIZATION OF THE EDUCATION CONTENT
BANKING DEPARTMENT OF ODESSA NATIONAL ECONOMIC UNIVERSITY (Odesa, Ukraine)
ACADEMY OF ECONOMIC STUDIES OF MOLDOVA (Chisinau, Republic of Moldova), D.A. TSENOV ACADEMY OF ECONOMICS (Svishtov, Republic of Bulgaria), STATE SCIENTIFIC RESEARCH INSTITUTE OF ARMAMENT AND MILITARY EQUIPMENT TESTING AND CERTIFICATION (Cherkasy, Ukraine), KYIV NATIONAL UNIVERSITY OF TRADE AND ECONOMICS (Kyiv, Ukraine), WEST UKRAINIAN NATIONAL UNIVERSITY (Ternopil, Ukraine), IVANO-FRANKIVSK RESEARCH AND DEVELOPMENT INSTITUTE OF MANAGEMENT, WEST UKRAINIAN NATIONAL UNIVERSITY IVANO-FRANKIVSK (Ivano-Frankivsk, Ukraine), KYIV NATIONAL ECONOMIC UNIVERSITY NAMED AFTER VADIM HETMAN (Kyiv, Ukraine), IVAN FRANKO NATIONAL UNIVERSITY OF LVIV (Lviv, Ukraine), NATIONAL UNIVERSITY «YURI KONDRATYUK POLTAVA POLYTECHNIC» (Poltava, Ukraine), ADMIRAL MAKAROV NATIONAL UNIVERSITY OF SHIPBUILDING (Mykolaiv, Ukraine)

IX International scientific and practical Internet conference “ECONOMICS, FINANCE, BANKING AND EDUCATION: CURRENT ISSUES OF DEVELOPMENT, ACHIEVEMENTS, AND INNOVATIONS”

(Odesa, Ukraine, 4-5 of April, 2024)

ОДЕСА-2024-ODESA

УДК 336.71:378.1

Рекомендовано до друку Вченою радою Одеського національного економічного університету (протокол № 7 від «21» травня 2024 р.)

Економіка, фінанси, банківська справа та освіта: актуальні питання розвитку, досягнення та інновації: матеріали IX Міжнародної науково-практичної Інтернет-конференції (Одеса, 4–5 квітня 2024 р.) / за ред. д-ра екон. наук, проф. Д.В. Завадської. Одеса: ОНЕУ, 2024. – 410 с.

Конференція проводиться кафедрою банківської справи Одеського національного економічного університету. Матеріали конференції можуть становити інтерес для наукових працівників, викладачів, докторантів, аспірантів, здобувачів закладів вищої освіти, а також для всіх, хто цікавиться сучасним станом та перспективою розвитку економічної науки.

Тези доповідей подано в авторській редакції. Усю відповідальність за достовірність і коректність змісту несуть автори. Редакційна колегія може не поділяти повністю або частково думки авторів.

УДК 336.71:378.1

JEL O15; G21; O31

ECONOMICS, FINANCE, BANKING AND EDUCATION: CURRENT ISSUES OF DEVELOPMENT, ACHIEVEMENTS, AND INNOVATIONS
IX International scientific and practical Internet conference

Economics, Finance, Banking and Education: Current Issues of Development, Achievements, and Innovations: Proceedings of the IX International scientific and practical Internet conference, April 4–5, 2024. D.V. Zavadska (Ed.). Odesa: ONEU, 2024. 410 p.

****
ЕКОНОМІЧНІ ВІДНОСИНИ В УМОВАХ ЦИФРОВОЇ ТРАНСФОРМАЦІЇ
****
ECONOMIC RELATIONS IN THE CONDITIONS OF DIGITAL TRANSFORMATION
****

JEL Classification: O160; F330

Alekseyenko Lyudmyla
Dr. Sc. (Econ.), Professor of the Department of Management and Administration
West Ukrainian National University
Ternopil, Ukraine
Tulai Oksana
Dr. Sc. (Econ.), Head of the Department of International Relations and Diplomacy
West Ukrainian National University
Ternopil, Ukraine

RESTARTING FINANCIAL COMMUNICATIONS IN THE CONDITIONS OF GEOPOLITICAL CONFRONTATION

Geo-economic fragmentation, military conflicts and climate change require a reboot of financial communications for the implementation of a stable macro-financial policy and mechanisms of expanded financing with the specification of structural beacons and indicative goals. Macroeconomic response measures use monetary and fiscal instruments to contain volatile economic processes.

Key words*: macro-financial stability, monetary policy, financial reforms, business activity, digital communications.*

Global manufacturing is evolving thanks to digital communications and logistics, and digital platforms are becoming the leading business model. J. M. Keynes in 1938 stated that economics is the science of thinking in terms of models, combined with the art of choosing models that are suitable for the modern world. K. Raworth (2024) recognizes that for the economy to become a tool that allows society to move from an "endemic" crisis to a sustainable and prosperous future, economic recovery must begin with a "new compass and map" that meet the requirements of our time [1].

This forms a new economic theory D. Coyle (2024) believes that there is no 21st-century version of the overall picture of how the economy works as a whole, which was defined by Keynes' views, and there are no statistics for measurement and forecasting [2]. Accordingly, economists who work in the world of politics with its practical requirements default to the old model of thinking.

The COVID pandemic has caused a sharp drop in international trade, disrupted economic activity, exacerbated current account imbalances in the global balance of payments, and claimed lives. Due to the lockdown and the introduction of voluntary social distancing, economic activity fell sharply in 2020-2021, and global GDP shrank by 3.5%. Even after the economic recovery in 2021, GDP did not return to the pre-crisis level of 2019, and the recovery started in 2023 in most developed countries and late 2023 in developing countries. The global decline in working hours in Q2 2020 compared to Q4 2019 is 400 million full-time jobs, with 155 million full-time jobs already lost in Q1 [3, pp. 899–911].

The sustainability of EU development is determined by indicators and indicators that realistically reflect the assessment of the region's sphere of activity, the dynamics of its development and formation, distribution and redistribution of resources between sectors and economic agents. In this context, economic policy should be aimed at strengthening fundamental economic foundations and restoring price stability. The Social Accounting Matrix is the most common for assessing the formation, distribution and redistribution of added value flows. The most important area of application of the matrix of social accounts is medium-term forecasting and modeling of relationships between financial results obtained by the institutional sector (state regulation, households, non-financial and financial enterprises). Methodologically, the matrix of social accounts is determined by the principles of account formation, taking into account information limitations.

The ratio of capital flows to GDP has increased significantly in the world economy in recent years, which emphasizes the importance of financial integration between countries. Empirically, dynamic panel quantile estimates for a sample of 95 countries show that the impact of financial integration on economic development varies depending on the level of income [4, pp. 630-645]. Financial integration has hurt the economic development of middle- and high-income countries, but not significantly on low-income countries.

In a globalized economy, tighter monetary policy has led to an increase in the cost of borrowing, which has worsened the financial condition of households and businesses. Although the banking sector is well-capitalized, the geopolitical competitive context may lead to adverse scenarios that could lead to tighter lending conditions.

The IMF recognizes that monetary policy in most countries is nearing the end of its tightening cycle and that gradual fiscal consolidation is expected to begin in 2023 and accelerate in the following years [5]. A strong US economy and Chinese business activity are important foundations for global demand, but new shocks from military conflicts are weighing on commodity prices and posing risks to the financial stability of the global economy.

In 2023-2024, European central banks will significantly strengthen monetary policy, and national governments will reduce fiscal support [6]. This requires a new approach to reforms that would support sustainable economic development. An essential feature of the redistributive effects of financial liberalization is the implementation of internal and external financial reforms by countries. Successful financial reforms will reduce income inequality by increasing the incomes of the lower classes and reducing the incomes of the upper classes. Financial reforms implemented in 64 developing and low-income countries over the past 40 years have significantly reduced income inequality [7]. The applied “double-robust” approach to estimating and generating impulse responses using local projection methods has been validated by various specifications and alternative methods.

In Ukraine, the key risk for inflation dynamics and economic development is the course of a full-scale war. The monetary policy of the National Bank is aimed at maintaining the attractiveness of hryvnia assets and exchange rate stability, as well as the fixation of individual housing and communal tariffs limiting the growth of consumer prices. The National Bank recognizes the following risks as relevant: the emergence of additional budgetary needs to maintain defense capability or cover significant quasi-fiscal deficits (in the energy sector); significant damage to the infrastructure (port infrastructure, which will limit exports); continuation of partial blocking of borders with some EU countries (for cargo transportation, which will limit exports and make imports more expensive); deepening of negative migration trends [8].

The management of the IMF noted that the Ukrainian authorities are fulfilling their obligations under the “Extended Financing Mechanism” program and remain committed to the ambitious reform plan. Ukraine has fulfilled all the structural beacons and indicative goals, as well as all but one (quantitative performance criteria – slight non-compliance with the lower limit of tax revenues, which is related to the blocking of borders) [9]. The Extended Fund Facility (EFF) program is implemented in two stages (war and post-war) and provides access to credit funds from the IMF in the amount of SDR 11.6 billion (equivalent to USD 15.6 billion). In 2023, Ukraine received three tranches from the IMF for a total amount of SDR 3.3 billion (USD 4.5 billion). In 2024, Ukraine can receive four tranches from the IMF with a total volume of SDR 4 billion (US$5.4 billion equivalent).

In conclusion, we note that in the conditions of military confrontation, structural reforms will support the economy and macro-financial stability, which should be systematically carried out both in the conditions of a full-scale war and in post-war reconstruction. IMF support makes it possible to strengthen the trust of partners and attract the necessary financing for improving corporate governance and strengthening state institutions for post-war reconstruction and Ukraine`s acquisition of EU membership.

References:

1. Kate Raworth. A New Compass for Economics. URL: https://www.imf.org/en/Publications/fandd/issues/2024/03/Point-of-view-a-new-compass-for-economics-Kate-Raworth (дата звернення: 01.04.2024).

2. Diane Coyle. Renewing Economics. March 2024. URL: https://www.imf.org/en/Publications/fandd/issues/2024/03/Symposium-Renewing-economics-Diane-Coyle (дата звернення: 01.04.2024).
3. Joao Tovar Jalles, Georgios Karras. Pandemics and Trade in the 21st Century: Evidence from five Pre-Covid Pandemics. *Open Economies Review*. 2023. Vol. 34. Issue 5. pp. 895–918.
4. Abubakar Abdullahi, Saifuzzaman Ibrahim, Law Siong Hook, Wan Azman Saini Wan Ngah. Impact of Financial Integration on Economic Development: A Dynamic Panel Quantile Regression Analysis. *Journal of Economic Integration*. 2023, Vol. 38, No. 4, December. pp. 628-645.
5. Zixuan Huang, Amina Lahreche, Mika Saito, Ursula Wiriadinata. E-Money and Monetary Policy Transmission. *Working Paper* No. 2024/069. March 29, 2024. 46 p.
6. European Systematic Risk Board (ESRB). Recommendation on Vulnerabilities in the Commercial Real Estate Sector in the European Economic Area. Frankfurt, 2024.
7. Kwamivi Mawuli Gomado. Distributional Effects of Structural Reforms in Developing Countries: Evidence from Financial Liberalization. *Open Economies Review*. 2023. Vol. 34. Issue 5.
8. Виступ Голови Національного банку Андрія Пишного під час пресбрифінгу щодо рішень з монетарної політики. URL: https://bank.gov.ua/ua/news/all/vistup-golovi-natsionalnogo-banku-andriya-pishnogo-pid-chas-presbrifingu-schodo-rishen-z-monetarnoyi-politiki-18348 (дата звернення: 01.04.2024).
9. Рада МВФ завершила третій перегляд програми розширеного фінансування. URL: https://bank.gov.ua/ua/news/all/rada-mvf-zavershila-tretiy-pereglyad-programi-rozshirenogo-finansuvannya (дата звернення: 01.04.2024).