

FINANCIAL SYSTEM MODELS' CHARACTERISTICS BY VARIOUS SIGNS OF CLUSTERING

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The article is devoted to the study of framework provisions for the developed countries' financial systems effective functioning, grouping them according to common grounds and identifying differences that affect the level of financial and economic development of the country. The differences in the functioning of the state's financial systems are caused by specific geographic, historical, financial and social features.

The article considers the problems of ensuring effective functioning of the state's financial system. The analysis of financial systems' functioning efficiency in Ukraine and foreign countries through the centralization and redistribution of GDP, the level of fiscal and debt pressure; inflation and demographic factors is conducted.

Ukraine is within the average indicators: the centralization of GDP in the budget is 37.8% against the average level 40.2% in developed countries and by the level of redistribution of GDP through budget – 41.6% against average 41.7%. The level of tax pressure in Ukraine is 35 % to GDP against 34.3 % in OECD countries. However, the structure of tax revenue in Ukraine has certain differences: revenue as % of GDP on taxes income, profits and capital gains in the developed countries is 11.6 %, in Ukraine the share of taxes on income, profits and capital gains was just 7%. Instead, the share of taxes on goods and services in Ukraine is 12.6% of GDP, while in the OECD countries – 11 %. The level of total central

government debt as % of GDP in Ukraine in 2016 amounted to 92.7% (the EU optimal level is considered less than 60% of GDP).

The level of budget deficit in Ukraine is not critical, but it is quite a high level. To improve this situation we need to reduce budget expenditures, to seek additional revenue sources and to enhance the effectiveness of the implementation of budget expenditures. The level of Ukraine's inflation is increasing due to the financial and economic crisis and is accompanied by economic instability. Due to the unstable economic situation, high levels of inflation and debt obligations, military actions, Ukraine is less attractive to investors. The precarious economic situation in Ukraine promotes the unemployment rate increasing, due to inflation the population became less solvent and this has led to the bankruptcy of many enterprises. The unemployment rate in Ukraine is 9.2% against 7.6% average of OECD countries.

The authors conducted a comprehensive evaluation for the financial systems functioning effectiveness of the OECD countries, China, Russia, Ukraine and defined their advantages and disadvantages. It is stated that the choice of the model of state's financial system depends on many factors: the natural conditions, the wealth of the country, specific historical traditions, demographic factors, tasks and objectives of financial policy, as well as the level of tax culture and financial psychology.