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TRANSFORMATION OF THE INSTITUTIONAL ENVIRONMENT OF THE FINANCIAL SECTOR OF ECONOMY OF UKRAINE

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Abstract. *The problems of the transformation of the institutional environment of the financial sector of the Ukrainian economy are researched in the article. The types of transformations of the real and financial sectors of the economy under general system transformation are outlined.*

Three approaches to evaluation of transient (transformational) processes are distinguished. The key characteristics of institutional changes within the framework of institutional transformation are described. The component of the monitoring index of reforms as the basic indicator of the assessment of the transformation of the institutional environment in Ukraine is explored.

Transformation is shown a change in formal institutions, and it can lead to an improvement in the institutional environment and lower transaction costs, but itself leads to transformational transaction costs. It is advisable to evaluate the results of transformation on the basis of comparing transaction costs incurred in the course of its implementation, with the benefits gained and assessing the dynamics of global indexes, which determine the quality of the institutional environment.

Keywords: *financial sector, economy of Ukraine, institutional environment, transformational changes, socio-economic development, index of monitoring of reforms.*

The problems of the transformation of the institutional environment in the financial sector of the Ukrainian economy are researched in the article.

The types of transformations of the real and financial sectors of the economy are described in the conditions of the general system transformation, which are connected with the reformation of both the socioeconomic system and separated sectors of the economy: general system transformation, which involves the transition from one type or subtype of the economic system to another; transformation of the real sector of the economy; transformation of the financial sector of the economy.

Three approaches to evaluation of transient (transformational) processes are distinguished: neoliberal approach (based on the ideas of monetarists); institutional systemic. The neoliberal approach is described in the study on the example of «shock therapy» and gradualism. The institutional approach is feasible for the study of economic processes applies a broad interdisciplinary approach and is not limited to the use of only economic methods.

Using an institutional approach allows a deeper understanding of transformational processes. The study of institutions (laws, organizations, and institutions that create laws) and institutions (customs, norms of behavior in society, traditions) reduces the

uncertainty of the economic environment, allows more exactly predict the nature of the functioning of the economic system.

The system approach allows taking into account all elements and parts of a complex transitional economic system, to study its separate economic objects, to identify the role of each of them in the functioning of the system as a whole and, conversely, the impact of the economic system on its individual elements. In this case, the system refers to both the economic system as a whole and the legal and institutional frameworks of economic activity.

The key characteristics of institutional changes within the framework of institutional transformation are described. The component of the monitoring index of reforms as the basic indicator of the assessment of the transformation of the institutional environment in Ukraine is explored. Transformation is a change informal institutions, and it can lead to an improvement in the institutional environment and lower transaction costs, but itself leads to transformational transaction costs. It is advisable to evaluate the results of transformation on the basis of comparing transaction costs incurred in the course of its implementation, with the gained benefits and assessing the dynamics of global indexes, which determine the quality of the institutional environment.

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