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## THE FORMATION OF CAPITALIZED PENSION SCHEMES IN EUROPEAN COUNTRIES AS ONE OF THE WAYS TO ACHIEVE SOCIAL JUSTICE

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**Abstract.** *This article is devoted to studying the formation and implementation of accumulative (capitalised) components of pension systems in European countries, particularly in Ukraine, their advantages and threats. The reasons for the ineffectiveness of joint (distributive) pension schemes are indicated.*

**Key words:** *pension system, pension funds, accumulative and solidarity pension scheme, capitalisation, reform.*

**Problem setting.** The crisis of depopulation has covered almost all European countries, which has a negative impact on the operation of solidarity pension systems. The introduction of accumulative pension schemes also does not fully solve the problems of adequate pension provision of the population due to the instability of economic systems.

**The aim of the article.** To study the experience of European countries in carrying out pension reforms in order to increase the adequacy of pension payments and the financial sustainability of pension systems (in particular, when introducing savings schemes); development of conclusions and recommendations for Ukraine.

**Summary of the main results.** Pension reforms were actively implemented in Europe at the end of the 20th century. The principle of generational solidarity in the formation of pension payments has become ineffective, since the number of contributors has decreased. Therefore, it has become urgent to supplement the existing distributional pension systems with accumulative components.

In Ukraine, due to the war, there was a catastrophic decrease in the economically active part of the population - the payers of pension contributions. That is why the Ukrainian solidarity pension system is financially unstable.

In recent years, in the EU, a number of documents have been developed

(especially with the support of the Commission) on improving the effectiveness of pension provision as one of the ways to achieve social justice. In most EU member states, there are multi-level pension systems, which allows to increase the adequacy of pension payments and the financial stability of pension systems. Since not all reforms were effective, the European Commission recommends the

development of additional accumulative pension schemes and the continuation of parametric reforms of existing schemes.

The recommendation for Ukraine is to wait with the implementation of the accumulative component due to the crisis in the country, and to concentrate on further parametric reforms of the solidarity component and stabilization of the social and economic sphere in general.

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