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PUBLIC MANAGEMENT OF CURRENCY SECURITY IN UKRAINE: CHALLENGES AND PERSPECTIVES IN MODERN REALITIES

ABSTRACT

The article examines issues related to the effectiveness of public administration in the field of monetary security in Ukraine. The article presents general characteristics of the nature, state, and dynamics of the effectiveness of public administration in the field of currency security in Ukraine. The assessment of the current state and dynamics of the currency security indicators in Ukraine was made on the basis of the characteristics of the state monetary policy components indicators compared to similar indicators in Poland. The characteristics of exchange rate dynamics, GDP dynamics, and labour market dynamics in Ukraine and Poland are presented. The main economic factors affecting the exchange rate, namely the inflation rate and the state of the balance of trade account of the balance of payments have been considered. The main factors reducing the efficiency of Ukraine's monetary security administration are detailed. The dynamics of the indicators of the level of Ukraine's shadow economy proved to be contrary to the goals and objectives of the "Strategy of Ukraine's Economic Security until 2025". The ways to minimize the negative influencing factors and, accordingly, strengthen the implementation of monetary and credit policy and improve the efficiency of state management of monetary security of Ukraine were proposed. The development of currency circulation in Ukraine is ensured by the state's influence on monetary relations by specially authorized bodies with different legal statuses and powers. In practice, difficulties arise in the application of monetary law in the process of currency regulation. The mechanisms of interaction between state control bodies in the field of currency regulation have not yet been established, which weakens the position of the state in the currency market and hinders the process of integration into the international economic system.

Keywords: currency security, public administration, state budget, shadow economy, efficiency, information technology, currency policy

JEL Classification: G18, H56, H60

INTRODUCTION

The development of a fully-fledged currency market in Ukraine and its effective regulation are necessary conditions for the formation of an open market economy with all the necessary means to stimulate the activity of economic agents in the external economic sphere. An important part of this process is the mechanism for the development and effective implementation of a fully-fledged monetary policy, which will be implemented in accordance with Ukraine's Monetary Security Strategy. This strategy encompasses all the necessary instruments to influence monetary relations. The monetary policy mechanism "is one of the most important elements in the overall system of measures to maintain macroeconomic and financial stability and stimulate economic growth. Ukraine's national currency has depreciated against the USD 17 times over the past 26 years" [10]. Therefore, improving the efficiency of Ukraine's monetary security administration is an important issue. An effective mechanism to determine the level of security and take steps to increase it is needed to prevent threats. It is impossible to accumulate the necessary amount of international reserves to protect against shocks in the international currency market and to create optimal conditions for the gradual development of domestic exports, the inflow of large foreign investments into the country, and Ukraine's integration into the world economic system without a stable national currency.

LITERATURE REVIEW

Currency policy and currency security are relatively new sciences for Ukraine. The most pressing issues in this field have been reflected in the works of O. Baranowski [1], O. Liakhovych et al. [2], Y. Stoliarchuk, D. Ilynsky & N. Ilynska [3], B. Ilychok [4, 5], O. Makovoz, T. Perederiy [7], H. Polishko [8], Ye. Sviridov [9] T. Filipenko [10] and others. However, most of the works of these scientists are devoted to general issues related to Ukraine's financial security, which indicates that the level of research on the monetary component of the nation's financial security is inadequate and under-researched.

The research of approaches to defining the essence of the category "currency security" conducted in the works also allows us to conclude about the multidimensionality and ambiguity of this concept in the interpretation of different scientists. O. Baranowski [1] defines currency security through the provision of the country with currency funds, in particular their adequacy to support a positive balance of payments of the country, fulfilment of international obligations, formation of a sufficient volume of foreign exchange reserves, support of the stability of the national currency. This approach is also adhered to by T. Filipenko [9]. In the studies of B. Ilychok [10], and A. Kuznyetsova [11] currency security should be determined through the state of exchange rate formation, under which optimal conditions are created for the sustainable development of domestic exports, attracting foreign investment, integrating the country's economic system into the world system with maximum protection of the currency sector from crisis phenomena on international currency markets. The definition of currency security through the development of international activity (including exports) and the inflow of investment from international investors is also provided by Ye. Sviridov [9]. In the work of H. Polishko [8], currency security is defined as a multidimensional task of creating favourable conditions for entrepreneurial activity.

Within the framework of understanding the essence of currency policy, it is important to explain the role of currency security, which in its structure is a complex phenomenon, since it includes a system of indicators and criteria designed to assess the state of the currency market, the level of security of its subjects in all sectors of the financial system of the country, currency transactions and available gold and foreign exchange reserves at the appropriate level, etc. [12-14]. Most authors interpret "currency security" as the degree of safety of a country with sufficient monetary resources to support a positive balance of payments, meet its international obligations, accumulate the necessary amount of international reserves and maintain global stability [9, 11].

Currency security is the state of exchange rate formation that creates optimal conditions for the gradual development of domestic exports, the smooth flow of foreign investment into the country, and Ukraine's integration into the global economic system, as well as protecting Ukraine from shocks on the international currency market [9]. Currency security, at the core of which is the exchange rate of the national currency, serves as an important link that guarantees Ukraine's financial security and sustainable economic development of the nation.

Taking into account the need to provide all spheres of business within the country with sufficient funds in the national currency and international activity in foreign currency, it requires studying the state of the currency component of the country's financial security [14, 16]. Given the importance of ensuring the stability of the currency sector and the need to find effective mechanisms for currency security, the state of currency security requires analysis and adequate assessment. The level of currency security is a characteristic of the stability and resilience of an important area of the financial sector of the country, its ability to develop and improve. The shift in emphasis towards financial transactions, the growth of their volume and number, as well as the risks associated with this process of disrupting the balance of the financial sector, determine the need to increase attention to ensuring the financial security of the country as a whole and its components in particular [14, 15, 16].

It is necessary to identify the main shortcomings of Ukraine's monetary policy and suggest ways to improve the efficiency of public management of the nation's monetary security in view of Ukraine's potential for further economic development and integration into the EU.

AIMS AND OBJECTIVES

The purpose of the study is to assess the status, trends, and prospects for administrative efficiency in the field of monetary security in Ukraine.

Formulation of the goals of the article (setting the task):

- to analyze the effectiveness of public management of currency security in Ukraine;
- identify its main shortcomings;

- propose ways to eliminate the causes of shortcomings of public management of currency security in Ukraine.

METHODS

Currency security in Ukraine is implemented through the country's currency policy. Currency policy is a set of economic, organizational, and legal measures taken by the state in the field of currency relations in order to implement the strategic goals of national economic development. The content of the strategic objectives of currency policy determines it as an organic component of the state's economic policy as a whole (Figure 1) [14, 15].

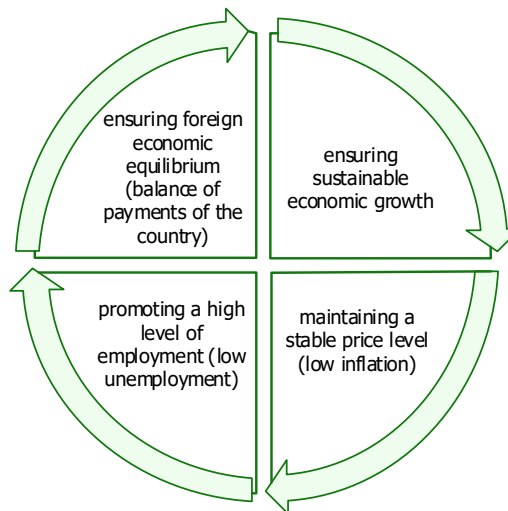


Figure 1. Strategic objectives of monetary policy.

The direction and form of monetary policy are determined by a country's currency and economic situation, the development of the world economy, and the deployment of power on the world stage. The study is conducted on the basis of a systematic analysis of information and statistical data. To ensure the clarity and objectivity of the assessment, we will review the currency policy of Ukraine in comparison with the currency policy of one of Ukraine's neighbours, Poland.

RESULTS

"Economic, political, and humanitarian relations between different countries are mediated by the movement of money related to the payment of goods and services, the import and export of capital, etc. [10]." These movements of money in international relations determine the content of monetary relations. "The globalization of economic processes, the deepening of the international division of labour, the formation of world markets and the integration of national economies into the world economic system have significantly increased the role of monetary relations [10, p. 17; 11, 28]." This increases the importance of the relevant functions of the state in regulating currency relations. The process of globalization of the world economy not only opens up new perspectives for the most developed countries but also leads to instability of the world currency system. This instability leads to an increase in threats to financial security, and in particular, currency security of all states of the world [19]. Accordingly, in order to effectively protect its economic sovereignty, the leadership of the state must pay due attention to ensuring the currency security of the national economy.

Currency security is a state of exchange rate formation characterized by high public confidence in the national currency and its stability, which creates optimal conditions for sustainable development of the domestic economy, attraction of foreign investments to the country, integration of Ukraine into the world economic system and protects Ukraine from shocks in the international currency market [1]. A reliable and objective assessment of the effectiveness of public administration in the field of currency security requires the development of adequate criteria for this assessment. In the generally accepted understanding, a criterion is a means of judgment, a certain quantitative or qualitative characteristic, on the basis of which the assessment of a specific process or phenomenon takes place. That is, the criterion is a certain "measure" of the reliability of knowledge, their correspondence to objective reality, with the help of which an attitude or opinion is formed about the results of the functioning of a certain subject [20-22]. Unlike indicators, criteria, in addition to measuring the quantitative parameters of the relevant activity, also make it possible to characterize qualitative parameters.

The currency security status of Ukraine is characterized by a currency security index determined in accordance with the "Methodology for Calculating the Level of Economic Security of Ukraine" approved by the Order No. 1277 of the Ministry of Economic Development and Trade of Ukraine dated October 29, 2013 [21].

In this context, it should be noted that monetary security is a component of financial security, which in turn is a component of the essential indicators of economic security in Ukraine [21].

Given its complexity as a dynamic system, the administration of monetary security can be evaluated for its effectiveness only by comparing its activities with itself, relying on a set of indicators that comprehensively characterize the objectives of this system. Based on scientific theory, the most common approach to understanding the efficiency of the administrative system of monetary and credit security is the classical perception, which is to evaluate the achievement of the system's objectives, i.e., achieving results according to the established indicator values that characterize this system [1-3]. In this case, the overarching characteristic of the effectiveness of Ukraine's monetary security administration is the sub-index of monetary security, calculated according to the "Method of Calculating the Level of Economic Security of Ukraine" approved by the order of the Ministry of Economic Development and Trade of Ukraine [21].

According to the data in Figure 2, Ukraine's currency security index increased from 37% in 2010 to 69% in 2021, a significant positive shift of 32 percentage points over the period. It is important to emphasize that the optimal level of the currency security index is 100%, satisfactory is between 80 and 100%, unsatisfactory is between 50 and 80%, and critical is below 50%. Therefore, even with the growth of Ukraine's currency security index from 37% in 2010 to 69% in 2021, its value remains in an unsatisfactory state, highlighting the need to enhance the efficiency of state management of monetary and credit security.

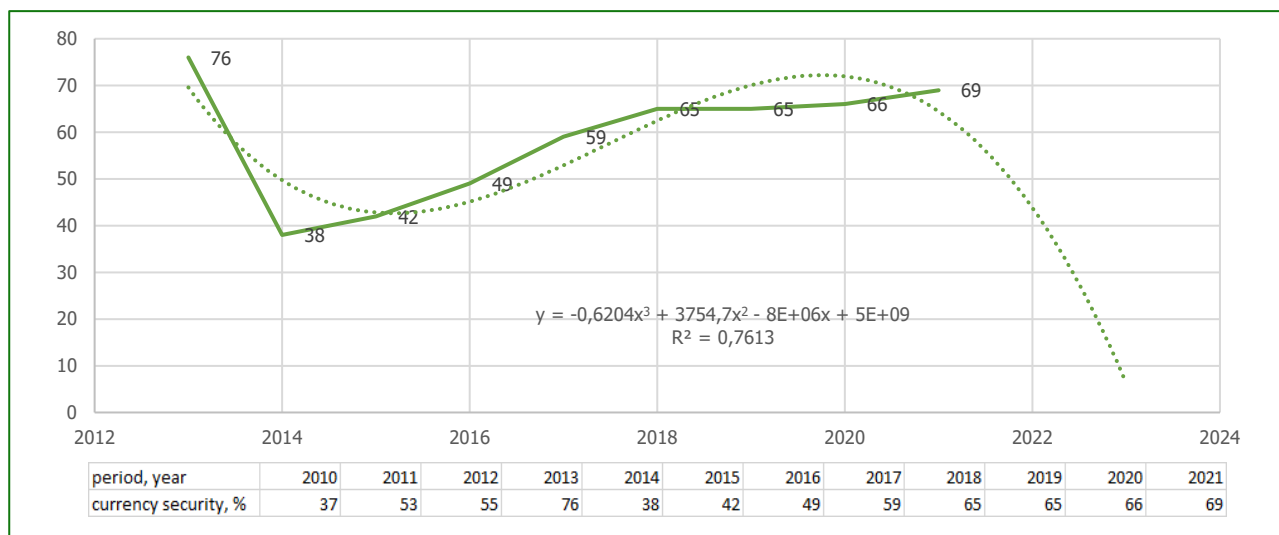


Figure 2. State and prospects of Ukraine's currency security from 2010 to 2024. (Source: analyzed based on [23])

An essential component of this study is the examination of the strategic objectives of monetary and credit policy within the analysis of key indicators of the macroeconomic situation. The first strategic task of monetary policy is to ensure sustainable economic growth. Regarding the assessment of Ukraine's prospects for economic growth, it is relevant to recall the experience of West Germany during the period 1947-1949. In 1947, West Germany was in ruins after World War II. Reforms were announced on June 18 and 20, 1948. Within 18 months of the reforms, West Germany fully restored its economic potential and reached a GDP level equivalent to the pre-war year 1939 in 1949.

According to the information presented in Figure 3, the real GDP of Ukraine in 2021 was only 64.8% of the level in 1990 [23, p.179]. At the same time, in Poland, the real GDP grew by more than 2.7 times and in 2021 amounted to 271.9% of the level in 1990 [24, p.698]. Accordingly, the first strategic objective of currency policy - to ensure sustainable economic growth – in Ukraine during 1991-2021 deserves a very negative assessment of its implementation.

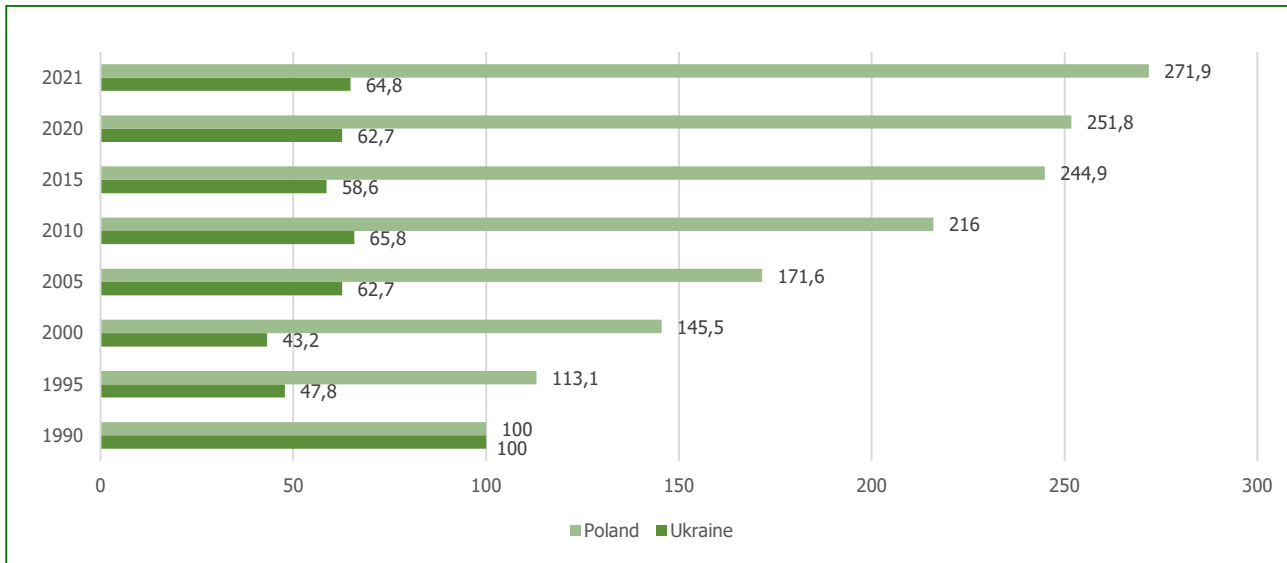


Figure 3. Dynamics of the real volume of GDP of Ukraine and Poland in relation to the level of 1990, per cent. (Source: prepared on the basis of [25, p. 179], [26, p. 238])

“The second strategic goal of monetary policy is to maintain a stable price level (low inflation)” [10, p.18]. According to the information presented in Table 1, Ukraine experienced significant inflation during the study period [23, p. 206]. As a result, the purchasing power of the national currency decreased, which ultimately had a negative impact on the hryvnia's exchange rate.

Table 1. Consumer price index in Ukraine and Poland during 1995-2021, per cent year-on-year. (Source: prepared on the basis of [25, p. 205], [26, p. 453])

№	Years	States	
		Ukraine	Poland
1	1995	447.0	127.8
2	1996	110.1	116.7
3	1997	120.0	112.5
4	1998	119.2	110.2
5	1999	139.7	106.4
6	2000	128.2	109.0
7	2001	112.0	104.5
8	2002	100.8	101.2
9	2003	105.2	101.4
10	2004	109.0	105.1
11	2005	113.5	101.3
12	2006	109.1	101.8
13	2007	112.8	103.7
14	2008	125.2	103.2
15	2009	115.9	103.5
16	2010	109.4	102.2
17	2011	108.0	105.3
18	2012	100.6	100.1
19	2013	99.7	100.1
20	2014	112.1	99.7
21	2015	148.7	99.2
22	2016	113.9	101.7
23	2017	113.7	102.3
24	2018	109.8	101.8
25	2019	104.1	102.3
26	2020	105.0	101.8
27	2021	110.0	106.3

During the period from 1995 to 2021, more "rock stars" were born in Poland than in Ukraine in 1996, 2002, and 2013 combined. Overall, compared to Ukraine's Western neighbours (Czech Republic, Hungary, Poland), the state of inflationary

processes in Ukraine indicates significant shortcomings in the government and the National Bank of Ukraine's activities. The implementation of a strategic monetary policy is aimed at ensuring the visibility of stability in the national economy.

According to the information presented in Figure 4, Ukraine experienced a significant decline in the number of employed people during 1990-2021. Specifically, from 25.4 million people in 1990, the indicator declined to 15.6 million people in 2021, a decline of 38.6% and 9.8 million people [23, p.53]. In the same period, the number of employed people in Poland increased from 16.3 million people in 1990 to 16.7 million people in 2021, an increase of 2.5% and 0.4 million people [24, p.241]. It is worth noting that since 2020, the number of employed people in Poland has exceeded the number of employed people in Ukraine.

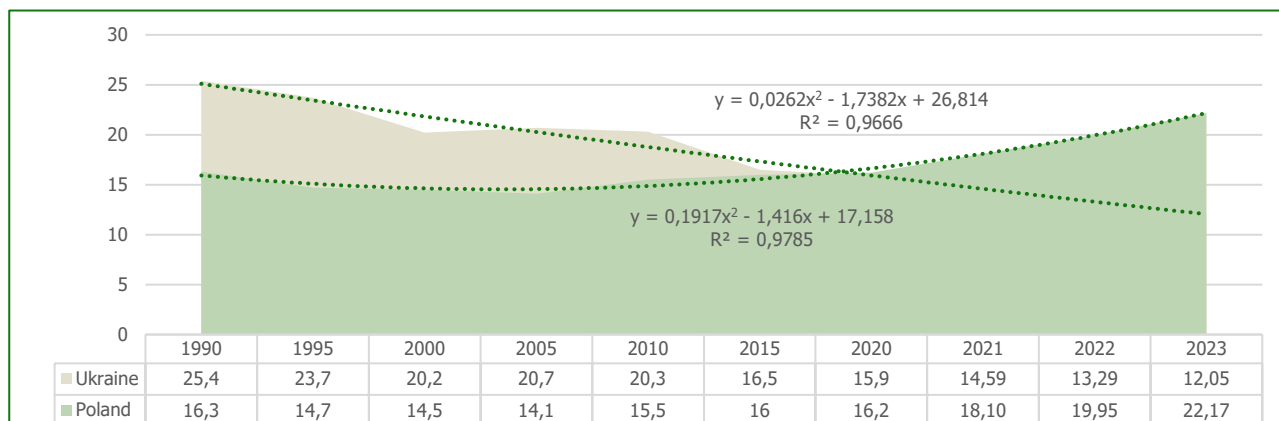


Figure 4. Dynamics of the number of employed people in Ukraine, million people. (Source: Prepared on the basis of [24, p.53], [25, p.241])

The 9.8 million reductions in Ukraine's labour market capacity have forced millions of Ukrainians to seek jobs outside the country. Specifically, in 2021, more than 1 million Ukrainians would be working in Poland. Thus, the third strategic goal of monetary policy in Ukraine, namely the promotion of a high level of employment in the national economy, also deserves a negative assessment of its implementation.

The fourth strategic task of monetary and credit policy is to ensure the balance of payments in the country. The most important issue in this regard is the negative balance of goods in Ukraine's balance of payments.

According to the information presented in Figure 5, Ukraine's balance of trade has been negated for most of the period from 1996 to 2021. The overall deficit reached USD 175.8 billion [26]. Poland also has a problem with a negative balance of trade during the study period. For example, in 1996, Poland's trade deficit was USD 15.0 billion, in 2000 it was USD 17.3 billion, in 2005 it was USD 12.2 billion, in 2010 it was USD 18.4 billion, in 2015 it was USD 2.4 billion, in 2020 it was USD 8.1 billion, and in 2021 it was USD 8.7 billion [25, p. 623]. However, taking into account the ratio of the above-mentioned negative trade deficit to GDP, the scale of this problem in Poland is at least three times smaller than in Ukraine. In particular, Poland's share in world trade is 1.2%, which is three times higher than Ukraine's [25, p.755].



Figure 5. Balance of Trade of Ukraine's Balance of Payments in 1996-2021, USD billion. (Source: prepared on the basis of: [26])

For Ukraine, the implementation of the fourth goal of currency policy also deserves a negative assessment. Ukrainian migrant workers have been sending an average of USD 7.5 to USD 12 billion to Ukraine each year from 1996 to 2021 [4]. A highly significant stabilizing factor for monetary policy and the exchange rate of the hryvnia is that the net inflow of capital from abroad in the form of currency receipts from migrant workers to Ukraine during the period 1996-2021 covered the aforementioned negative balance of goods. The provided information about extremely high inflation rates and significantly negative merchandise trade balance has had a negative impact on Ukraine's exchange rate. The dynamics of the hryvnia-to-US dollar exchange rate for the period 1996-2021 are illustrated in Figure 6.

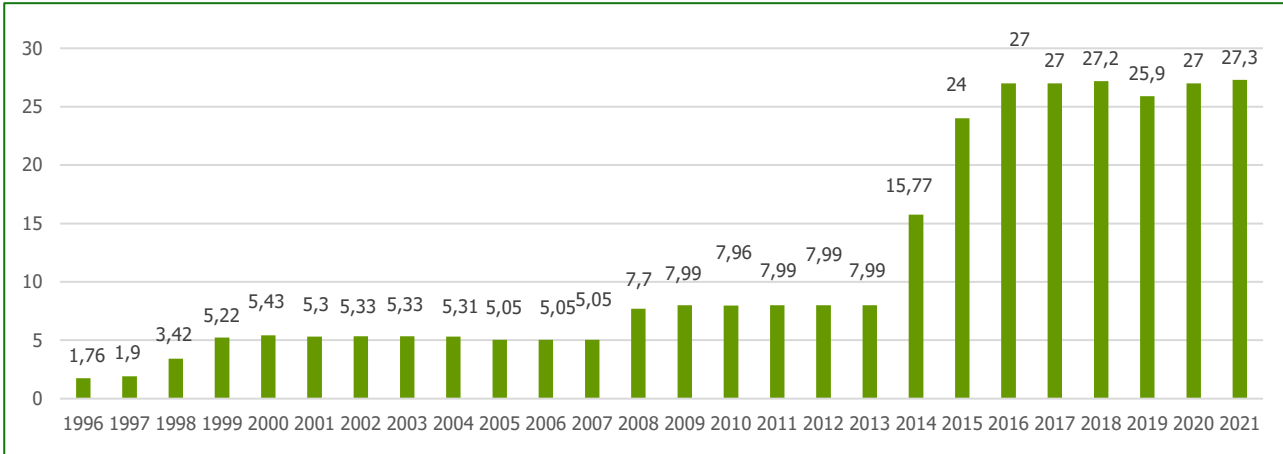


Figure 6. Dynamics of the exchange rate of the UAH against the USD from 1996 to 2021, as of the end of the year. (Source: prepared on the basis of: [27])

On September 1, 2021, the modern Ukrainian national currency, the hryvnia, turned 25 years old. During this time, the exchange rate of the hryvnia has undergone significant changes. On September 1, 1996, UAH 100 could buy USD 62.89. On September 1, 2021, UAH 100 could buy only USD 3.66. That is, the hryvnia has depreciated against the US dollar by 17.2 times in 25 years [29].

Information on the dynamics of the exchange rate of the Polish zloty against the US dollar from 1996 to 2021 is reflected in Figure 7.

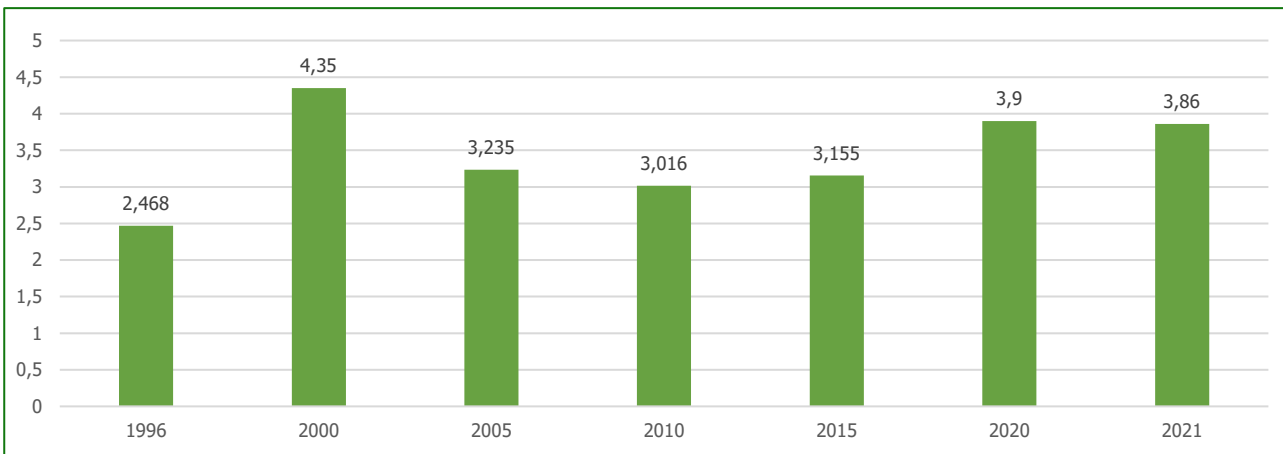


Figure 7. Dynamics of the exchange rate of the Polish zloty against the USD from 1996 to 2021, as of the end of the year. (Source: prepared on the basis of: [25])

Over the examined period, the exchange rate of the Polish zloty to the US dollar declined from 2.47 zlotys in 1996 to 3.86 zlotys in 2021, a decrease of 36.0%.

If in September 1996, one hryvnia could buy two Polish zlotys, then in 2021, one Polish zloty required UAH 7.07. Over the studied period, the Ukrainian hryvnia depreciated 14.1 times against the Polish zloty. This suggests that the Ukrainian government during the period 1996-2021 operated much less efficiently in implementing monetary policy than their Polish counterparts.

In this research context, it is essential to note that the effectiveness of public administration is a systematic analysis of the process of achieving set goals and performing functional tasks, as well as determining the results of the activities of government bodies. This process is carried out with the aim of improving the efficiency of governance. Therefore, to enhance the effectiveness of public administration in Ukraine's currency security, it is necessary to identify the main current problems in this management and propose mechanisms to minimize these issues.

Also, it is worth referring to the folk wisdom of Ukrainians, which emphasizes: "Where it is thin, it breaks." That is, the level of currency security is determined, first of all, by the state and dynamics of its most vulnerable components.

Since currency security is implemented through monetary policy, which consists of ensuring sustained economic growth, maintaining a stable price level (low inflation), promoting high levels of employment (low unemployment), and ensuring the external economic balance (the nation's balance of payments), it is necessary to identify the factors that most adversely affect the dynamics of the components of monetary policy.

Currently, the most influential factor that is slowing down economic growth in Ukraine, contributing to the reduction in the number of jobs, and weakening the ability of the State Budget of Ukraine to influence the course of economic processes in the country is the above-critical level of the shadow economy.

The main scheme of shadow economic activity is the underestimation by business entities of information about their income in order to reduce the amount of taxes, and fees (mandatory payments) paid. It is in this way that business entities avoid paying taxes to the state budget, thereby weakening the regulatory function of the state and its ability to solve social problems of society [30].

Regarding the assessment of the values of the indicator of the level of "shadowing" of the Ukrainian economy to GDP (in %), it is worth noting that in accordance with the "Methodology for Calculating the Level of Economic Security of Ukraine", the optimal level is up to 13%, satisfactory - from 13 to 18%, unsatisfactory - from 18 to 22%, dangerous - from 22 to 25% and critical from 25 to 30% [21].

According to the information reflected in Figure 8, the level of "shadowing" of the Ukrainian economy to GDP during 2010-2021 was critical (from 25 to 30%) and above critical, that is, it exceeded its critical value of 30%. During 2019-2021, the indicator increased from 28% in 2019 to 32% in 2021.

In the context of the problem under consideration, it should be emphasized that in Ukraine the volumes of avoiding taxation of profits of business entities through machinations through offshore companies reach colossal proportions.

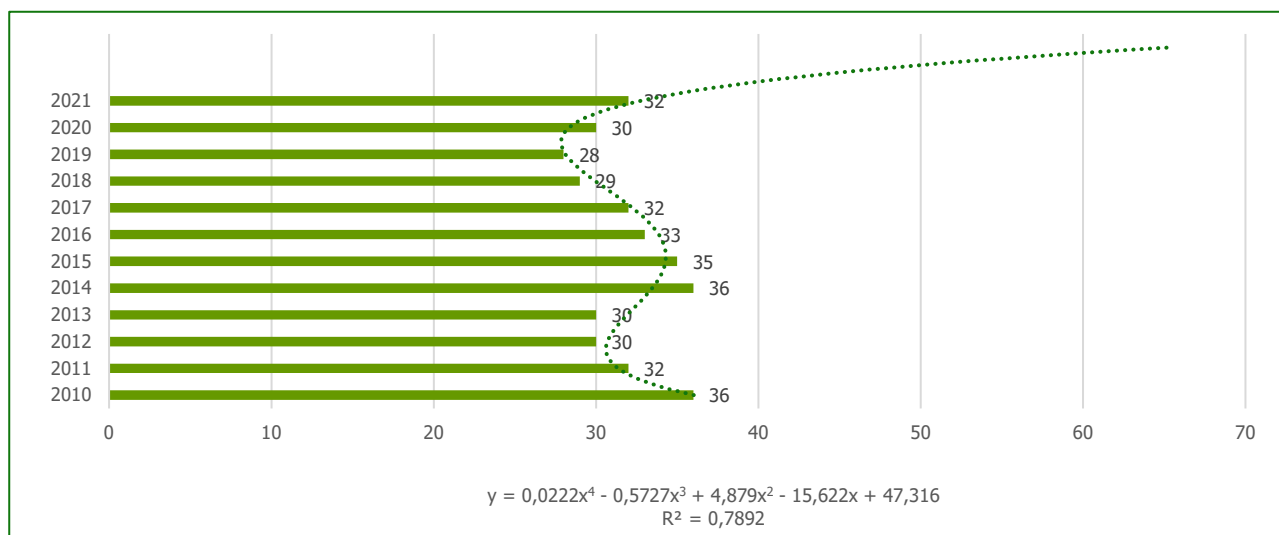


Figure 8. Trend analysis of the dynamics of the level of "shadowing" of the Ukrainian economy to GDP during 2010-2021, %. (Source: according to the data of the Ministry of Economic Development and Trade of Ukraine [23])

According to a study by the Ukrainian NAS Economic Forecasting Institute, USD 148 billion in capital was withdrawn from Ukraine to foreign countries between 1991 and 2016 [31]. In general, during 1991-2016, as a result of the corruption of officials, shadow economic activity of oligarchs, and their insatiable demand for luxury goods, our state lost about USD 274 billion, which, as of the end of 2017, averages USD 6.400 per Ukrainian citizen [16].

The withdrawal of large amounts of foreign currency from the national economy has the following adverse effects:

- dynamics of aggregate demand in the national economy resulting in lower potential GDP and lower labor demand; and the dynamics of the exchange rate of the national currency;
- national balance of payments. The problem of a negative national balance of trade is exacerbated because part of the shadow income is spent on luxury goods.

In other words, the level of "shadowing" of the Ukrainian economy has expanded from 2019 to 2021, negatively affecting all four elements of Ukraine's monetary policy. The increasing level of "shadowing" of the Ukrainian economy from 2019 to 2021 provides grounds for the conclusion that the expected results from the implementation of the "Ukraine's Economic Security Strategy to 2025" [32] have not yet been achieved. This situation is a direct consequence of the fact that the aforementioned strategy does not even mention measures to reduce the level of "shadowing" of the economy.

DISCUSSION

For the objectivity of the assessment of the "Strategy for Economic Security of Ukraine for the period up to 2025" it is worth noting that in the fourth section of the Strategy, "Mechanisms for Implementing the Objectives in the Field of Economic Security," paragraph 22 proposes the following ways to implement the objectives in the security area, which will be ensured by the following:

- definition and compliance with critical limits and target guidelines for indicators of the main components of economic security, as set out in the appendix;
- conducting continuous monitoring of economic stability by tracking the level of critical thresholds for indicators included in the table of economic security indicators, visualizing the relevant data in the form of infographics, placing it and keeping it up-to-date on the government portal;
- prevention of the adoption of decisions that would lead to the indicators of economic security exceeding critical thresholds;
- the Council of Ministers of Ukraine, the National Bank of Ukraine, the State Committee on Securities and Stock Market, and the Antimonopoly Committee of Ukraine (within their respective spheres of competence), with the involvement of other state bodies as needed, to develop and implement, as a result of continuous monitoring of economic stability, individual criteria identified as actually exiting or remaining above critical values To develop and implement detailed action plans to accelerate the development of the sectors in which they have been identified, or to adopt individual decisions on the coordination of issues in the relevant sectors [32].

Only in the appendix to the "Strategy for Economic Security of Ukraine for the Period up to 2025" is the indicator "level of the shadow economy, percentage of gross domestic product" mentioned, which in 2019 was 28%. Considering the information in Figure 6, it can be seen that the level of "shadowing" of the Ukrainian economy increased in 2020-2021, violating the requirements of paragraph 22 of the "Strategy of Ukraine's Economic Security to 2025". This requirement consists of "establishing and adhering to key thresholds and target guidelines for indicators of the main components of economic security, "which includes the indicator "level of shadow economy." This increase occurred under the condition that the target guideline of this indicator, specified in the "Strategy for Economic Security of Ukraine for the Period up to 2025", is 13% [32].

Therefore, considering the above example, we can state significant violations in the implementation of the "Strategy for Economic Security of Ukraine for the Period up to 2025", for the elimination of which no appropriate measures were taken during 2020-2021. That is, the control over the implementation of this strategy is not effective.

It is necessary for state authorities to intensify their efforts in two strategic directions in order to address the aforementioned problems in the spheres of national economic security, Ukrainian society, and non-governmental organizations:

- real societal relations regarding the control of budgetary funds usage;
- limiting the scale of shadow sales and offshore activities of large companies.

These tasks have specific features regarding their implementation. The first issue requires the immediate establishment of public control over the use of budgetary funds and real punishment for officials responsible for sabotaging public oversight of budgetary funds usage and obtaining shadow income through embezzlement of state budget funds.

The solution to the second problem should be based on a systematic phasing of the activities of the State Fiscal Service; one of the authors of this study had already proposed a systematic approach 25 years ago that would allow a gradual and

significant reduction in the level of the shadow economy in the country [4]. This approach can also be applied today to gradually limit the volume of offshore machinations of large corporations. To do this, when using this system, the main assessment criterion should be the profitability of the operational activities of corporations and compare it with a similar indicator in the average for the type of activity of these corporations [25, p. 405]. Those enterprises, primarily large ones, whose profitability of operational activities will be the lowest compared to the average indicators for this type of activity, should become the objects of enhanced research by both the fiscal service and the DBR, SAPR and NABU. The current state of the country's economy is one in which the majority of the fantastically wealthy oligarchic corporate sector operates with an operating margin of 2-4% [25, p. 405], is criminal.

Considering the catastrophic scale of the shadow economy in Ukraine, it should be emphasized that the use of artificial intelligence (AI) technologies for detecting dishonest actions by officials and public servants has significant potential for positively influencing the reduction of the shadow economy, thereby enhancing the overall economic security of the state.

This impact can be achieved through data analysis and pattern recognition, where AI engages in the analysis of large datasets from various sources, including financial records, government transactions, and public data. By identifying unusual patterns or anomalies in this data, AI can uncover potential cases of corruption, tax evasion, or other illegal activities within the government or among officials.

Utilizing artificial intelligence to monitor government transactions and decision-making processes will make it easier to hold officials and public servants accountable for their actions. Knowing that their activities are constantly under scrutiny can also deter corrupt behaviour among officials.

The effectiveness of using artificial intelligence to reduce the shadow economy in Ukraine depends on several factors, including data quality, the government's political will to combat corruption, and an effective legislative framework. It is crucial to emphasize that the use of AI for tracking and monitoring may raise ethical and data protection issues, which need to be carefully studied and regulated at the legal level.

The Ukrainian Parliament also has a role to play in this process by strengthening criminal liability for tax evasion by large corporations, preventing the transfer of taxation to low-tax jurisdictions outside Ukraine, and ensuring the targeted use of budget funds.

Improved efficiency of state institutions will lead to reduced capital outflows from Ukraine and increased state budget revenues, which will significantly improve state finances.

Improvements in the state's financial capacity should be appropriately reflected in social policy. State actions to raise the minimum wage to the socially necessary level will create opportunities for the maintenance and development of the nation's human potential, support effective activation, socialization, and livelihood support systems for people's activities, and improve Ukraine's demographic security.

The increase in the minimum wage affects the income of employees working in the budgetary sectors of the economy, the growth of aggregate demand in the economy, the volume of sales and profits of economic entities, and the amount of tax revenue to the budget at all levels proportionally. In other words, the entire mechanism of the national economy will gradually recover.

In turn, the growth of GDP, the increase in the number of employed people, and the increase in state budget revenues and their efficient use will create the real prerequisites for a significant improvement in the indicators of monetary security of the state.

The results of this study develop and complement existing scientific studies [1-4, 6-12, 33-35], including in terms of assessing the state and dynamics of the effectiveness of public management of monetary security in Ukraine.

CONCLUSIONS

This paper characterizes the nature, status, and dynamics of the public management of currency security in Ukraine. Since the process of public management lies in the formulation and implementation of relevant state policies, the assessment of the state and dynamics of currency security indicators in Ukraine was made on the basis of the characteristics of the indicators of the components of the state monetary policy compared to similar indicators in Poland. Over the period 2010-2021, the currency security of Ukraine's status was assessed as unsatisfactory. One of the main factors of the current situation is the excessive level of shadow economic activity, which leads to the extraction of large amounts of financial resources from the national economy by large enterprises, overall corruption of public officials due to the need for corrupt

concealment of shadow economic activity by supervisory state institutions, decrease in the volume of aggregate demand, decrease in efficiency indicators of economic management, decrease in the volume of tax revenue to the state budget leads to the following. As a result, the social living conditions of Ukrainian citizens will deteriorate and depopulation will increase.

The way out of the current situation is the systematic phased limitation of the volume of shadow economic activity of economic entities, including large corporations, and the increase in criminal liability of government officials for corruption and embezzlement of budget funds. The main obstacle to the implementation of the proposed measures is the lack of political will and desire of the state leadership to implement the "Strategy for Economic Security of Ukraine for the Period up to 2025" approved by the National Security and Defense Council of Ukraine.

One promising area of research is the development of a strategy and roadmap for improving the effectiveness of public management implementation in the area of monetary security in the context of Ukraine's integration into the European Union.

ADDITIONAL INFORMATION

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ПУБЛІЧНЕ УПРАВЛІННЯ ВАЛЮТНОЮ БЕЗПЕКОЮ УКРАЇНИ: ВИКЛИКИ ТА ПЕРСПЕКТИВИ В СУЧАСНИХ РЕАЛІЯХ

Статтю присвячено питанням підвищення ефективності реалізації публічного управління в царині валютної безпеки України. Дано загальну характеристику суті, стану та динаміки ефективності публічного управління валютною безпекою держави. Оцінку стану та динаміки показників валютної безпеки України здійснено на основі характеристики показників складових валютної політики держави порівняно з аналогічними показниками Польщі. Дано характеристику динаміки валютного курсу в Україні та Польщі, динаміки ВВП та ринку праці. Здійснено огляд основних економічних чинників впливу на валютний курс, а саме: інфляції, стану рахунку сальдо товарів платіжного балансу. Деталізовано основні фактори зниження ефективності публічного управління валютною безпекою України. Доведено, що динаміка показників рівня тіньової економіки в Україні суперечить цілям та завданням «Стратегії економічної безпеки України на період до 2025 року». Запропоновано шляхи мінімізації негативних факторів впливу та на цій основі вдосконалення реалізації грошово-кредитної політики й підвищення ефективності державного управління валютною безпекою України. Розвиток грошового обігу в Україні забезпечується за допомогою державного впливу на грошові відносини через спеціально уповноважені органи з різним правовим статусом і повноваженнями, тому на практиці виникають труднощі із застосуванням валютного законодавства в процесі валютного регулювання. Досі не створені механізми взаємодії органів державного управління в царині валютного регулювання, що послаблює позиції держави на валютному ринку та гальмує процес інтеграції в міжнародну економічну систему.

Ключові слова: валютна безпека, публічне управління, державний бюджет, тіньова економіка, ефективність, інформаційні технології, валютна політика

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