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NATIONAL CAPITALISM

The Economic Model for Ukraine

Monograph

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The presented scientific monograph defines essence and features of economical model, which is required by Ukraine to find a way out of decline, and that is the result of faulty macro-economical government's policy and National Bank of Ukraine monetary policy, conducted throughout last twenty years. Such ineffective governmental approach caused establishing of uncompetitive economical model as government-monopolitic capitalism of oligarchic type. Author proves this model exhausted and finalized in its life cycle. The original, single-handedly developed mechanism on the conceptual level, which empowers transition from destructive model of government-monopolitic capitalism in integral, creative model of national capitalism of European type, which is directed for shaping of effective export-oriented, innovative and investing model of economy and powerful middle class, comprehensive development of open, diverse and competitive environment in the name of significant, prevailing part of country's population. Imminence and urgency of said approach in conditions, when globalised economy (Ukraine is a part of that economy) becomes all the more volatile and passes through long declining part of Kondratiev's K-cycle, is presented.

The country's role in old economical model's decommissioning is revealed, concrete mechanisms of imperative change of regulative government functions regarding shaping and implementing new model of national capitalism in Ukraine are developed and proposed.

Monograph is an original, pioneering, integral scientific product. It shall be useful not for scientific readers and practitioners only, but for public, who will desire to understand macro-economical reality in Ukraine and possible solutions for "entropy vortex" condition, which is how our country is operating now, being in the state of country with permanent transit-entropic type.

PREFACE

Development of the modern civilization in third millennium A.D. was starting rather controversially. In one respect, there was a lot of positive hopes about fast human progress, which was conditioned by a chain of processes` activation. Firstly, global communistic, administrative and directive system`s disintegration and liquidation happened, which was operating on non-economical and anti-business grounds with national property rights, directive planning, all-round national monopoly, private business prohibition and non-existent competition. Secondly, European integration stepped on the whole new level of development, European Union structured itself, most of the European countries became members. European Union transformed into economic power, practically equal to United States of America. Thirdly, North Atlantic Alliance became an undeniable leader and a backer of global security. Fourthly, technologies of fifth and sixth (partly) technological mode are widely used in global economy, which fundamentally changes qualitative and quantitative characteristics of productive forces.

On the other side, negative processes are happening along with mentioned above positive transformations, which have significant impact on economical and political power balance formation in the world. Firstly, this is strengthening of inter-civilization contradictions and even collisions between, first of all, Muslim and Euro-Atlantic civilizations. Secondly, unwinding of the first phase of all-round global systemic and structural crisis in 2007. Thirdly, exhausting possibilities of vertically determined hierarchical governing model`s development. It is superseded by the model of horizontal-networking incontrollable and partially controlled chaos.

Fourthly, establishing or strengthening by fundamental civilizations theirs enclaves in another countries, especially in transitive-entropic, where those enclaves expanded deeply into social environment and achieved significant success.

Taking into consideration objective and simultaneous action of multi-vector processes, which were mentioned above, there is a strategic mission for Ukraine - to modify model of economic development of the country qualitatively, which is not capable to act adequately to risks and challenges that exist in modern, global economy.

During restoring independency, starting in 1991, the dead-born model of government-monopolitic capitalism of oligarchic type was formed, which mutated and structured itself into “state of stationary bandit” (its features were analysed in studies of known Western economists, by Mancur Olson¹ in particular) along V. Yanukovych presidency. Essentially, it does not live up to any parameters and tendencies of modern global development. The

government-monopolitic capitalism model in its perfect form - “state of stationary bandit” model - leads to creation of double-pole society system, where objective and general rule of capitalistic accumulation reaches its pinnacle. In double-pole society, there is oligarchic capital on the first pole, which is engaged to receive maximal monopolitic profit, destroys competition, human capital and environment, and on the second pole, there is low income population, manual labour workers, outcasts, lumpens, those who do not possess any capital or private property. The middle class is almost absent in Ukraine: private owners, who shape small and middle national bourgeoisie, that acts on the basis of open system of competition and free entrepreneurship, increases private property and shapes productive economy model, which is directed to create real wealth.

1 Олсон М. Власть и процветание: Перерастая коммунистические и капиталистические диктатуры / М. Олсон ; пер. с англ. – М. : Новое издательство, 2012. – 212 с.

At the same time, plutocracy tier (billioners) works to develop financial usury capital, increase wealth through so called virtual financial schemes, in particular, where government finances are used; operation of parasitic capital's forms.

Economy model, which was created in Ukraine, is not capable to provide its sustainable development, especially in such conditions, when globalized world is in decline phase of large Kondratiev cycle, and fundamental civilizations are contending over «gray zone» countries, where Ukraine belongs. Our country appeared incapable to use increasing phase of large cycle and currently it is in so called “entropy vortex” condition, which is characterized by permanent decreasing dynamics of main economic and social data.

Our country became a consuming-type state of entropic transitivity, which acts as a parasite to developed countries, is not capable to satisfy its needs through sustainable production growth and additional value creation. The country is operating on loans - external and internal. This model brought Ukraine to economic collapse, which means internal and external national bankruptcy in practice. Second stage of national bourgeois revolution - Revolution of Dignity in 2013-2014 was the consequence of that.

Such processes mean that current development model of Ukrainian economy, where the model of state-monopolitic capitalism of oligarchic type prevails, is exhausted completely.

Coming out from long crisis, for society and economy, requires radical update of goals, strategy and tactics of social and economic development. In other words, Ukraine reached bifurcational point and has to define another development model, which will be capable to provide stable growth of national economy. Certainly, it has to be on capitalistic market basis, because history tells that capitalism won in competition struggle with socialism, defended its right to be called single capable method of modern economy's rational organization².

To keep Ukraine a full-value country, for Ukraine to become successful country, it is necessary to change national economical model from state-monopolitic and oligarchic to european model of national capitalism, where middle class is the main moving force, small and middle bourgeoisie being the core for it, also independent local communities, where decentralization of all management systems is happening (vertically and horizontally), where productive human capital and effective realization of innovative-information attempt of the country is the development basis.

Formation of the modern economic model amid globalization, internationalization, post-industrialization and uncontrolled network-horizontal chaos, which is caused by those processes and is being spread through information networks and Internet relations, requires change of

governance role and functions in transit conditions to a new model.

Despite war, Ukraine has to leave necrophilic chaos mainstream in government-monopolitic model of entropy transitivity and to shift itself in direction of national capitalism model of creative percolation. Redistribution of political roles in society has to happen for that, also rearrangement of property and wealth in economy.

It is a shame to point this out, but effective model of economy development, which would include national (economical) interests in full and would become theoretical and methodical base of national economical policy, is yet to be formed and implemented.

This monograph is dedicated to precisely those questions - forming such model. Theoretical and methodical grounding and practical projection of national capitalism implementation, which is the most acceptable for Ukraine in author`s opinion, is presented.

Monograph`s structure corresponds to study`s logic.

² Соскін О.І. Модель народного капіталізму: стійкість та адаптивність до будь-яких викликів (на прикладі Австрії) // Науковий економічний журнал «Актуальні проблеми економіки». – 2012. – № 6(132) – С. 16–29.

First chapter of the monograph analyzes theoretical and methodological foundations and essence of economic model; nature of interconnections between such concepts of definitional row as «economic system», «economic model», «economic growth model», «economic transformation model», «economic transformation strategy»; economic development models are characterized, which are distinctive for various social-economic systems; paradigmatic content of national model of transitive economy; objective and subjective factors that influence state decision regarding formation one or another national model of economic development, its transformation or modification.

Reviewing various approaches to “economic model” concept’s determination, it became obvious that this concept requires much elaborate specification, which would be in accordance with modern requirements and certain methodological features. Their revelation provided determination of economic model as abstract-informational description through verbal or logical and mathematical (or their combination) methods real status displaying or interconnections system’s development, which are the economy’s framework on micro, macro, meso and global levels, directed to achieve certain practical result. It is not the model (the concept) or some absolute truth revelation that is important, but practical result, which can be achieved through its implementation.

Through scientific discourse of economic development models, which had critical component in it, we assured ourselves that Austrian economical school’s theories and approaches may act as methodological basis for our study.

Author analyzed various classifications of economic models and groped them according to modern classification factors: state role in market control, ways of national interests realization and global economic direction. On that basis the following global model constructs are defined: neoprotectionism; market socialism; controlled market; neocolonialism; national capitalism; transitivity. Economical models are rather active, elastic things that are able to change depending of influence factors, choosing some alternative among possible scenarios of future development:

- 1) to keep on with the existing economical model;
- 2) to implement partial reforms in bank, budget and fiscal policy periodically;
- 3) to implement essential reforms, which would be directed to national economic development model’s transformation.

In spreading conditions of global tendencies and economic model’s crisis most countries are facing the problem of changing particular development

bases or enhance existing positives, meaning to choose one of the scenarios, mentioned above.

It is worth mentioning that Ukraine is following the scenario #2, which functions in interest of restricted set of people (businessmen in government), and it is a carrier of government-monopolitic capitalism of oligarchic type model. Orientation for enhancing this model led to national economy`s positive dynamics curtailing, permanent decline risk increase and necrophilic transitivity conservation. In Ukraine, it is necessary to change economy`s carcass and choose scenario #3, which involves transformation of the current exterminating economic model. We have substantiated in the presented book that current model must be replaced with national capitalism model. This model involves Ukraine`s way as a natural part of European space, democratic state with market, creative capitalistic economy, widespread and developed efficient private property, actively performing small and medium national business.

Second chapter reveals peculiarities of the current economic model of Ukraine, which is developing within a framework of three models:

– state socialism, state-monopolitic capitalism, national capitalism (they are present in the country`s economy, with some ration); composite, comparative and parametric characteristic of the mentioned models was developed; basic features and indicators of state-monopolitic capitalism model`s exhaustibility, which was establishing itself in Ukraine throughout 20 years and became dominant; it is substantiated and proven that national capitalism model implementation to the utmost serves national economical interests of Ukraine as European state.

Nowadays in Ukraine special triad configuration of the economic model has formed, which is specified by eclectic composition of various models, in particular: state socialism model, which was inherited from Soviet era, and recently it is developing with military socialism elements; state-monopolitic capitalism model of oligarchic type, which is mutating into “state of stationary bandit”; national capitalism model, which is developing in deformed and segmented form.

Various models within the framework of the triad, mentioned above, are on various stages (rise, function, exhaustion, curtailing or transition to underground state) of their life cycle. Life cycle stages of models are usually unclear in evolution mode, but during process influence period and especially systemic-structural crises they contract in time. This requires quick and professional reaction from the state, in order to prevent economy destruction and departing for chaotic situation. Threats enhancement and global challenges, entrance of global economic space in decline phase within large K-cycle was synchronized with national economic model being on third stage

of life cycle during long time, on the exhaustion stage (decay stage). Through analysis of basic social, technical, financial and economical development factors of Ukraine, their dynamics and comparison with appropriate economical indicators of Western countries, it is proven by the author that state socialism model and state-monopolitic capitalism model have exhausted their resource.

Reduction of life cycle third stage of economic model (exhaustion stage, decay stage) brought state closer to necessity of changing strategic vector of further economy development of Ukraine. Author defined implementation paths and mechanisms of two possible perspective/alternatives of economic model development – prolongation or transformation. We are of opinion that current dominant economic model in Ukraine - state-monopolitic capitalism of oligarchic type - must be transformed in order to evolve into national capitalism model through basics of social-economic system reconstruction. A line-up of basic reforms were defined for the purpose, which are to be implemented in short-term period.

Third chapter of the monograph defines essence and peculiarities of national capitalism model implementation in Ukraine; it is proven that this particular model is the most efficient for our country, in a sense of providing competitive development of economy and increasing life quality of citizens; basic parameters, features and mechanisms of national capitalism model implementation into reality of economical transformations in Ukraine were developed; necessity of government control adjustment in economic development model formation was substantiated; government control model in global and national economy transit from determined vertical hierarchic structure to primal controlled chaos system, where four general mainstream are functioning objectively and organically, was studied. Influence of large Kondratiev cycle decline phase on these processes was defined.

In the course of national capitalism model implementation peculiarities in Ukraine, author emphasizes on necessity of change of government control in economic development, which becomes an imperative in the time of new, emerging threats and risks, undetermined (including negative) factors, significant increase of the part of uncontrolled chaos in economy. Researching these pioneering challenges brought author to determination in the space of uncontrolled chaos in various mainstreams, in particular, creative, destructive, necrophilic and floor mainstream³, where active energy resources are being exhausted and subject`s state transitioning to dormant and life activity fading out.

Chaos environment expansion plays in favour to formation of network-horizontal systems instead of determined vertical-hierarchic system. Role of government control, meaning external management of organization, self-

organization and destruction processes, increases in these conditions. Taking this into consideration, government control model of Ukrainian economy must be transformed and conform with generally accepted international standards.

3 Soskin, O. (2013). Role of state regulation in formation of modern economic model: changing imperative in the conditions of chaos. *Economic Annals-XXI*, 1-2(1), 3-7. Retrieved from <http://soskin.info/ea/2013/1-2/20132.html>

Successful experience of national capitalism model realization in several European countries, in Switzerland and Austria in particular, which became stable and adaptive to global economical challenges in the line of developing on basics of this model (taking into consideration national peculiarities and modern interpretation) and proved it to be actual alternative to modern etatism, may be useful in this case.

Also, this chapter analyzes problems and paths of Ukrainian national bourgeoisie evolution as carriers of national capitalism model, measures are proposed, if implemented, shall provide opportunity to activate formation of middle class in our country and its fundament – middle and small national bourgeoisie.

Fourth chapter reveals institutional-structural construction of national capitalism model; methodological approach to analyzing institutional system as a basis of country`s economic model, developed by the author, is proposed; basic institutes of economic model are defined; institutional content and property relations structure that define type of economic model, which is being implemented in a country, is revealed; institutional bases` reforming directions are defined, which shall provide opportunity to make national capitalism model dominant in Ukraine, where 75% of the population will be actual (not formal) private owners, competitive market environment will be evolving; direct connection between economy`s structuring and its development model is substantiated; main macroeconomical disproportions and structural crises, indicative for Ukraine, are studied; it is proven that achievements of relative macroeconomical balance and competitive development in our country are possible with structural reform only, basic approaches for its realization are defined; taxation system model, developed by the author, is presented as important part of institutional system and regulatory policy.

It is common knowledge that country`s economy is a complex system, which consists of interconnected and interdependent various structures assembly – recovery, institutional, managerial, sectorial, industrial, production-technological, regional, foreign trading etc., that act through multi-level social-economic relations. Economical structures build themselves not only according to functional principle, but also to possession and distribution

principles of various resources in particular proportions. These structures transform under influence of several factors – market and administrative (regulative) nature, as well.

Economy's integrity and potential's positive realization are achieved only if mentioned structures are functioning consistently, on the economic development model basis, that corresponds with nation's and states' interests. In case of deficiency or incorrectness of chosen model economy can lose stability, control and predictability and acquire the following conditions: system's (structure) disbalancing, approach to bifurcation point, degradation, destruction, collapse. In other words, if country's economy is developing according to a model, which contradicts interests of the majority of population and directed to support needs of restricted set of people (clans and corporative groups), so appropriate reaction in shape of entropy tendencies that destroy economic system, make stable and effective development impossible, is expected.

So we can state that there is deep interconnection between economy's structuring and its development model. Analysis of character and directions of this interdependence has large meaning from theoretical-methodological point of view and also for developing economy reconstruction directions, especially when there is necessity of country's economic model transformation.

In modern conditions any country's social-economic model's effectiveness is defined (substantially) by state of institutional environment, formed in national scale, the most important parts are formal and informal institutes and institutional structures, which emerged during social revolution and compose complex system of conditions, restrictions and rules of foreign and national markets operation. Sophistication of institutional environment is crucial condition of economic system progress, and weakness – is a reason of economy development containment and its transformation into volatile organism. So we can tell that institutional system is model-creating ground, basis of country's economic model.

Institutional system that is present in Ukraine nowadays, does not provide efficient realization of economy's subjects economic functions, including the state. Our country failed to integrate market mechanisms into national economy adequately, for them to operate in interests of majority of population (national capitalism model), not in interests of restricted set of people, clans

and corporative groups (state-monopolitic capitalism model). Ukrainian economy turned out to be unsteady, vulnerable against modern globalization challenges, information-innovation and technological disruptions, global financial and economical crisis and other transformational processes. So, modern institutional system formation in Ukraine is relevant mission for economic science and practice.

Simultaneously, last global financial and economical crisis actualized problem of economic structures transformation, their correspondence to new requirements, connected with globalization and civilization displacement, emerging of chaos era and fall phase, requested producing unconventional theoretical and methodological approaches to performing structural transformations.

State-monopolitic model of oligarchic type, which prevails in Ukrainian economy nowadays, turned out incapable to provide neither qualitative economic structure transformation nor its integrity, also not its internal balance. On the contrary, this economic model became the basis for deepening of so called structural problem, which appeared as rise of macroeconomical disproportions, distortion and extinction of various economical structures. Dynamics of main macroeconomical indices of Ukrainian economy development in middle-term period specifies mentioned negative structural displacement (as any other economical changes, including cyclic). Author proved through analyzing this dynamics that macroeconomical balance, which is achieved because of supporting several fundamental proportions that shape national economy`s structure, is disrupted in Ukraine. Apart from that, all economy sectors are possessed by structural crises.

Basic macroeconomical proportions deviations from balance causes significant risks of financial loss in all institutional sectors of economy. Apart from that, distortion of GDP distribution proportions leads to state debt increase and containment of national economy development in general. Significant disbalance on macroeconomical level caused price and expenses increase, national budget`s deficit increase also. Similar processes are monitored in Ukraine permanently.

It is necessary to engage state central control leverages and state forecasting of inter-industrial (intersectoral) resource transfer in current situation, also to create extra powerful stimuli for business` active engagement in full-scale

structural transformation. Its realization is impossible through separate measures and initiatives – it is necessary to work out appropriate conception and programme on the basis of new economic model. Apparently, policy of postponing structural transformations and integral technological modernization for future, when economy will possess stable positive dynamics, is unacceptable.

Taxation system is an important structural element of institutional system, which is a reflection and natural component of economic development model of the country. Its purpose is not just about taxes collection and providing revenue for the budget, so the state is capable to operate within its functions, but it is about assisting in achieving strategical development goal of national economy. Majority of developed capitalistic countries this goal is accumulation of wealth and quality of life increase for all the population, that is in accordance with essence of national capitalism model, which is implemented nowadays or aspired to by the most competitive countries of the world.

In Ukraine, present taxation system supports state-monopolistic capitalism model, it is subordinated to interests of large usury and comprador capital, creating its subjects conditions for maximal monopolistic profit and repressing (even destroying) middle class simultaneously as social basis of national capitalism model.

Ukrainian taxation system has exaggerated fiscal and punitive function and is not performing, actually, stimulating, distributing and social functions. It does not entrepreneurial activity and open competition, does not assist economy development on the basis of innovations and investments, does not provide quality of life increase and social stratification level decrease. Domestic taxation system has entropic character, it is complicated, twisted and contradictive, so it requires significant transformation.

After analyzing modern status and Ukrainian taxation system's downsides and tax transformations dialectics starting from 1992, author defines grounds and directions for domestic taxation system transformation in view of implementation necessity of modern, competitive economic model of Ukraine.

Fifth chapter of the monograph, which is dedicated to exterior dimension

studying of national model of Ukrainian economy, defines and analyzes basic vectors of civilizational-globalizational transformations in international environment and their influence on national economies operation; approach to classification and modern civilizations development perspectives, developed by the author, is presented; specific features of Euro-Atlantic civilization are pointed out, and Ukraine`s affiliation is proven; practical mechanisms of economic development domestic model adaptation to modern civilizational-globalizational displacements in international environment.

Economic model of any country has interior environment, as well as exterior. Economic model in its exterior is called geoeconomic model, which is an assembly of directions, principles, mechanisms and instruments of geoeconomic country`s potential realization in international economic environment according to strategy of economic development that is defined on the ground of state`s and community`s national interests. Geoeconomic model of Ukraine is not formed completely yet, because its strategy of economic development is changing constantly (actually, it changes as each new president comes to power). In addition, our country is in recession group of permanently transit countries, but not in key players group in the system of international economic relations, so positioning itself geoeconomically, it is forced to take into account not just general global-regional tendencies of international economic environment, but also interests of international leaders as well.

Ukraine is naturally included in globalization processes and belongs to pioneering Euro-Atlantic civilization, particularly to its European branch, so it has to take into account modern civilizational and globalizational displacements during formation of modern national economic development model that would be in accordance with efficiency and competitiveness criteria in international environment. We have revealed that the most sensitive for global community and specific countries (from the transformation, restructurization and domination point of view) there are several processes that evolve simultaneously:

- 1) globalization increasing with specific hegemony of corporative capital and formation of international, regional, local, transnational integration structures;

2) national self-identification processes and protection of national management system processes intensification;

3) world order transition from bipolar system to multiple system as multiple civilization system, precise outlining of conceptual and spatial limits of civilizational entities, formation of basic civilizational centres;

4) start of the second wave of global economical structural crisis, which is essentially an exertion of large K-cycle decline, and transition from fifth to sixth technological mode is happening along with it;

5) beginning of dividing large quantity of countries (African, Asian, some South-American, especially post-Soviet republics in Eurasian space, which are not defined themselves civilizationally) on two groups – countries that accumulate wealth and countries-recipients, that have unspecified development model, are not capable to perform extended recovery, so their operation is in «entropy vortex» condition.

In the author`s opinion, there are the following macrocommunities/civilizations that are fully defined or on establishing stage:

1) Euro-Atlantic that has two branches – North American and European (Caucasian race civilization, which is shaped around Christianic values, rights, liberties and private property protection);

2) Japanese-Chinese-Korean (Asian race civilization);

3) Islamic (it is on the renovation and strengthening stage);

4) Neoeurasian-hordial (it is trying to be structurized with violent methods and may emerge comprehensively in 21th century; Russian Federation is a central core, and peripheral transitional countries, Kazakhstan, Turkmenistan, Belarus, Tadzhikistan, Kyrgystan, and Uzbekistan to a certain extent; the Customs Union, Eurasian Economic Union is the prototype of **neoeurasian** civilization);

5) Hindu (established);

6) South American (established);

7) African (established).

For the first time in scientific literature, author`s solution about geoeconomical enclaves of countries-leaders in outsider countries. Countries-leaders that have leading positions in globalization connections simultaneously, create transnational network with geoeconomical enclaves as

foundation. They are created in weak entropic outsider countries as mini copies of civilization matrix of metropolitic countries. Global economic interest of the latter is as follows: enclaves are taking over outsider countries` economy, which are supporting geoeconomical civilization centre. Each geoeconomical enclave is specified by the assembly of economical and technological modes that is defined by evolution level of one or another fundamental civilization. Author`s characterisric of several geoeconomical enclaves, which are operational in Ukraine today, is of significant interest.

The idea of Ukraine belonging to European branch of Euro-Atlantic civilization, according to unbiased criteria as geopolitical position and geoeconomical matrix, spiritual, historical and cultural traditions, is promoted throughout the whole study. Euro-Atlantic genome prevails in the fundament of Ukraine as European country, and it must be reinforced in order to ensure the place in Euro-Atlantic civilization. Taking this into account, national capitalism model, which is the only one acceptable for Ukraine (as seen by the autor), has to possess exterior (geoeconomical) dimension in the shape of euroatlanticism model.

Throughout defininf practical mechanisms of external part of economic development of Ukraine, author emphasizes that instruments, which shall provide opportunity to integrate into European Union, must be included in the first place. Recovering economical attempt of “North - South”, where our country is in strategic position, is significant and of great current interest for Ukraine.

In 1993, author of this book began scientific study of Baltic-Black Sea partnership`s potentials and strengths⁴. During second half of 1990-s we developed a creation and operation model of such partnership in econmical sphere. We revealed that powerful transit and transport system, which connects Baltic region with Black Sea region, can be the fundament for Baltic-Black Sea partnership. Essentially, it means recovering systemic transport economical model «from the Varangians to the Greeks. Apart from other things, it will be possible to create oil market, independent from Russian Federation, in Black Seas region, activate European direction of Odesa-Brody transport system. At the same time, in our opinion, oil should be refined on Ukrainian oil refineries, which should be modernized for using oil from

Caspian region and Persian Gulf. This option is good for Ukraine, as well as USA and European Union.

Ukraine is fully valid and large geoeconomical subject of Eurasian space and has necessary grounds for influencing transformation and new power vector formation processes and integration in this region.

Such vector partials of external environment of national capitalism model, as distancing our country from Commonwealth of Independent States (CIS) and Eurasian Economic Space (EES); creation of transborder economic partnership mechanisms; activization of cooperation with NATO, and obtaining partnership in future; considering non-bloc (neutral) status as temporary, because it is rather difficult and dangerous for a country with recently recovered independence and relatively low level of economic development to be neutral and with non-bloc status.

In the sixth chapter of the monograph, where causative connection between national risks rise and actualization of modern economic model of Ukraine formation is studied, the theoretical-methodological approach to macroeconomical risks on the national level is presented; modern financial-economical risks, which emerged in front of Ukraine in 2008-2010 crisis; basic grounds of efficient national risk-management are outlined;

⁴ Соскін О. Балто-Чорноморський економічний альянс: можливості створення і механізми функціонування // Економічний часопис. – 1998. – № 6–7. – С.26; Соскін О. Можливості формування світового ринку нафти в арعалі Балто-Чорномор'я // Економічний часопис-XXI. – 2001. – № 7–8. – С. 21.

certain measures are proposed, that if implemented on state level, shall provide provide possibility to neutralize negative influence of financial risks on development of Ukrainain economy; possibilities of economic model of Ukraine in environment of spreading crisis events and national risks intensification are revelaed.

So, any successful, wealthy, competitive country, where there is stable economic rise, possesses higly developed, structurally defined, with formed paradigm and separate synthetic algorithm, a national economic model. Unfortunately, throughout twenty five years after recovering independence, no modern economic model (which would be capable to provide successful development) was developed or implemented either theoretically and methodologically or experimantally. Only development and integral implementation of modern, competitive national economic model of national capitalism shall empower Ukraine to transform from oudated transitive country of recession type into country with high living standards of majority of the population.

Changing economical and political models in Ukraine is an inevitable and urgent process. It will happen under influence of internal and external economical, social and political factors and must result in defining our country`s development direction.