

Секция. Банковское дело

LESIK V.O.

*postgraduate student of the Department of Banking
Simon Kuznets Kharkiv National University of Economics
Kharkiv, Ukraine*

CONTEMPORARY APPROACHES TO THE DEFINITION OF THE BANKING SYSTEM FINANCIAL STABILITY

The current state of banking system of Ukraine is characterized as a crisis and unstable that requires the sources for overcome the financial destabilization of banks on the macro- and micro levels. It determines the urgency of research for clarify the concept of economic essence of banking system financial stability, providing of which is the immediate necessity and is the priority and important problem for Ukraine's economy. The measures for formation the stabilization mechanism of the national banking system on the legislative level are reflected in the Law of Ukraine "On Amendments to Certain Legislative Acts of Ukraine to prevent negative consequences for the banking system stability " 1586-VII[5].

Problems of ensuring the financial stability of the banking system were studied by such scientists as L.M. Alekseyenko [1], A.I. Baranowskiy [2], I.V. Larionova [9] A.Y. Yudanov [13], V.V. Kovalenko [8], G. Panasenko [10], N.P. Pohorelenko [11], O.M. Sidorenko [11], A.A. Zatvarska [6], L.A. Bondarenko [3], M.V. Tarasenko [3], L.A. Zveruk [7], and others, but it is necessary to clarify economic essence of the term on the base of consideration of all of its key features and characteristics.

The aim of the article is to clarify the definition of financial stability of the banking system on the base of its key features and characteristics.

Studies and generalizations of scientists' interpretations of the term of the banking system financial stability allowed identifying the following theoretical approaches to determine its economic essence.

According to the first approach, the financial stability of the banking system is considered from the point of such opposite terms as instability, panic. Thus, as defined L.M. Alekseyenko [1, p. 211], financial stability in country - it's the absence of macro-financial disproportions, states of shock and panic in the credit and financial sector of the economy that is strongly linked to economic and political stability in the country and in the world.

The second theoretical approach is formed by O.I. Baranovskiy, who reviewed the concept of banking system stability as its ability to withstand the external and internal influences, while maintaining the system's ability to perform its specific functions and operations, subject to its integrity and sustainability of elements that allows the system after the impact of external and internal forces to return to its equilibrium [2, p. 78]. Such interpretation of the banking system stability is based on the need to preserve the functions that are inherent in any systems - integrity, organization, functionality that effect on the stability of the system, i.e. the ability to flawlessly operate, to maintain its structure and to function in conditions of the destructive influence of external factors [4].

I.V. Larionova defines the financial stability of the banking activities as its ability to withstand the external and internal influences, to keep the stable equilibrium and reliability over time [9]. So, A.Y. Yudanov [13, p. 41] considers the stability as the ability to be privileged, relatively less the vulnerable position during the crisis and the ability to overcome them.

Usually the function is defined as the ability of the object to perform actions aimed at achieving the goal. Although, the general concept of function has many meanings in system analysis, it is treated as a mission, purpose, meaning, that is something for which there is a system. The function plays the

role of the system forming factor, because the inclusion of elements in the system occurs on functional grounds. It is causes the appearance of the functional system as the combination of elements, that are united by one goal, and that distinguishes it from the environment [12].

V.V. Kovalenko indicates on the need to carry out its functions by the banking system in adverse environmental conditions, stressing that under the financial stability of the banking system should be understood the completeness of the solution of tasks that are assigned to the banking system, the fulfillment of its mission that achieves the positive financial result [8]. G. Panasenko provides in his work the close essence of the banking system stability [10].

On the other hand, considering the financial stability of the banking system through the stability and sustainability of its elements, scientists associated it with financial sustainability and the stability of banks that correlates with the following theoretical approach.

The third theoretical approach to determine the economic essence of the banking system financial stability focuses on the need to ensure the financial sustainability and the stability of the banking system elements, the banks. N.P. Pohorelenko underlines that for achieving such quality features as the stability of the banking system that determines the stability of the economic environment that surrounds the bank it is impossible to ensure the sustainability individual banks [11].

The fourth approach consists of the banking system financial stability interpretation as a result of the effective impact of the financial and macroeconomic systems. So, A. Zatvarska notes that the stability of the banking system means the balance its components, the presence of interrelated and mutually agreed proportions between them both in industry and in regional terms, and the balance and good relationship with the financial and macroeconomic systems [6].

The fifth theoretical approach is composed from the perspective of the stability of the banking system in terms of stability operations, development and conservation of the structure. So, L.A. Bondarenko, M.V. Tarasenko consider the stability of the banking system as a the stability operation, i.e., the ability of the banking system to fulfill its obligations to its counterparties; a stable development, i.e., the stability of positive dynamics characteristics of the banking system; as the stability of the structure, i.e., the commitment of the banking system elements (banks) of the certain model of functioning and the immutability of commitment over time [3]. L.A. Zveruk also points on the need to consider the time factor, stressing that the financial stability of the banking sector is the concept that determines the development of the banking sector in the long term, it should be understood.

In the author's opinion, the identified theoretical approaches to determining the nature and of essence of the banking system financial stability there are no principal differences; they complement each other and allow to create the following key aspects of the definitions that characterize the banking system financial stability:

- the absence of to the financial instability and panic;
- the system's ability to withstand the external and internal influences;
- the ability to carry out the mission, functions and operations;
- the stable economic environment to ensure the financial stability of banks and financial stability result, sustainability of banks;
- the result of financial and macroeconomic stability systems;
- the stability operation, development and structure over time.

Taking into account the above-mentioned characteristics of the banking system financial stability concept, allowed the author to formulate the following definition of it: financial stability of the banking system is the state of the banking system as a result of financial and macroeconomic stability of the country and the stability of banks, the banking system is able to withstand the

external and internal influences and perform mission, functions and operations provided that the stability of operation, structure and dynamic development in the long run.

Thus, the author has proposed the definition of financial stability of the banking system, based on the complex of its key characteristics:

- Systemic nature, i.e., the stability of the banking system, on the one hand, depends on and is the part of the financial stability of the country and on the other - provides the stability and consists of banks;
- relative nature, i.e., the confrontation to financial instability shocks, panic;
- functional nature, i.e., the performance of functions and operations;
- purposive nature, i.e., the banking system mission is the financial intermediary in the economy;
- dynamic nature, i.e., the need to consider the impact of the time factor in the possibility of positive change to preserve the structure and functionality.

The concept of the banking system financial stability in the current conditions closely related to the concepts financial sustainability of the banking system, financial stability and financial stability of banks, the analysis and correlation of theoretical principles concerning the delineation of these concepts is the task of further research.

References:

1. Алексеєнко Л. М. Ринок фінансового капіталу: становлення, проблеми, перспективи розвитку / Л. М. Алексеєнко. — К.: Вид-во «Максимум»; Тернопіль: Економічна думка, 2004. — 424 с.
2. Барановський О. І. Стійкість банківської системи / О. І. Барановський // Фінанси України. — 2007. — № 9. — С. 75-81.
3. Бондаренко Л. А. Дослідження поняття «стабільність банківської системи» та «стабільність банку» / Л. А. Бондаренко, М. В. Тарасенко //

[Електронний ресурс]. – Режим доступу: http://www.rusnauka.com/16_NPRT_2014/Economics/1_165419.doc.htm

4. Дудник І. М. Вступ до загальної теорії систем / І. М. Дудник // [Електронний ресурс]. – Режим доступу: // <http://infppp.ua/wp-content/uploads/2010/09/wdzts919.pdf>), С. 40.

5. Закон України 1586-VII "Про внесення змін до деяких законодавчих актів України щодо запобігання негативному впливу на стабільність банківської системи" / [Електронний ресурс]. – Режим доступу: <http://zakon4.rada.gov.ua/laws/show/1586-18>.

6. Затварська О. О. Банківська система України та основні напрями її розвитку: автореф. дис. на здоб. наук. ступ. к.е.н. : спец. 08.04.01 «Фінанси, грошовий обіг і кредит» / О. О. Затварська. – К.: Науково-дослідний фінансовий інститут при Міністерстві фінансів України, 2004. – 19 с.

7. Зверук Л. А. Антикризові заходи в забезпеченні стійкості та стабільності банківського сектору економіки / Л. А. Зверук // [Електронний ресурс]. – Режим доступу: // <http://jrn1.nau.edu.ua/index.php/PPEI/article/download/3157/3117>.

8. Коваленко В. В. Науково-методологічні основи фінансової стабільності системи та індикатори її оцінки / В. В. Коваленко // Фінанси України. – 2008. – № 7. – С. 111–122.

9. Ларионова І. В. Реорганизация коммерческих банков [Текст] / Ларионова І. В. – М.: Финансы и статистика, 2000. – 368 с.

10. Панасенко Г. Основні напрями забезпечення стабільності банківської системи України на шляху інтеграції у світовий фінансовий простір / Г. Панасенко // [Електронний ресурс]. – Режим доступу: // <http://experts.in.ua>.

11. Погореленко Н. П. Моніторинг фінансової стабільності банківського сектору / Н. П. Погореленко, О. М. Сидоренко // Фінансово-

кредитна діяльність: проблеми теорії і практики. Збірник наукових праць. – 1(10). Ч. II / 2011. - Харків: ХІБС УБС НБУ. – С. 61-68.

12. Примостка Л. О. Аналіз банківської діяльності : монографія / Л. О. Примостка. – К. : КНЕУ, 2002. – 316 с.

13. Юданов А. Ю. Секреты финансовой устойчивости международных монополий / Юданов А. Ю. — М.: Финансы и статистика, 2001. – 354 с.