

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
V.N. KARAZIN KHARKIV NATIONAL UNIVERSITY
Faculty of Economics
DEPARTMENT OF FINANCE, BANKING AND INSURANCE
MASTER'S QUALIFICATION WORK
ON TOPIC:

“Financial literacy as a key element of sustainable development: the role of banks in the development of financial skills and behaviour of the population.”

Field of knowledge: "Finance, Banking and Insurance”

Specialty:072 «Finance, Banking and Insurance and Stock Market»

Educational qualification level: master`s degree

Qualification: Master's Degree in Finance, Banking and Insurance

Executor:

Pashkova Svitlana Viktorivna

Student of the 2nd course, group EF-61

Supervisor:

Doroshenko Nadiya Olexandrivna

Candidate of Economic Sciences, Associate Professor

Master's qualification work admitted to defense

by the decision of the Department of Finance and Credit

Minutes No _____ dated " ____ " _____ 2024

Head of Department _____ prof. Hlushchenko O.V.

Signature

Kharkiv 2024

АНОТАЦІЯ

Пашкова С.В. Фінансова грамотність як ключовий елемент сталого розвитку: роль банків у формуванні фінансових навичок та поведінки населення. - Рукопис.

Дипломна робота магістра.

Спеціальність 072 - "Фінанси, банківська справа, страхування та фондовий ринок "

Харківський національний університет імені В.Н. Каразіна. - Харків, 2024.

Робота присвячена дослідженню фінансової грамотності як важливого чинника досягнення сталого розвитку та ролі банків у формуванні фінансових навичок і поведінки населення. Проаналізовано теоретичні основи фінансової грамотності та її вплив на соціально-економічну стабільність. Визначено ключові елементи державної політики, спрямованої на підвищення фінансової грамотності та стимулювання фінансово відповідальної поведінки через співпрацю з банками.

Особливу увагу приділено аналізу міжнародного досвіду підвищення фінансової грамотності, зокрема стратегій, реалізованих в Австралії, Великобританії та Новій Зеландії. Оцінено ефективність цих підходів для їх можливого застосування в Україні.

Розроблено рекомендації щодо вдосконалення державної політики для підвищення фінансової грамотності, зокрема впровадження обов'язкових курсів фінансової грамотності у школах, створення онлайн-освітніх платформ для дорослих та активне залучення фінансових установ таких як банки до освітніх ініціатив.

Наукова новизна дослідження полягає у встановленні зв'язку між фінансовою грамотністю та економічною стійкістю, а також у запропонованих

методологіях оцінки ефективності державних стратегій, що в тому числі включають партнерство з банками, у цій сфері. Отримані результати сприяють зменшенню економічної нерівності, підвищенню фінансової безпеки та забезпеченню сталого економічного розвитку України.

Ключові слова: фінансова грамотність, сталий розвиток, державна політика, фінансові навички, банки, соціально-економічна стабільність, міжнародний досвід, освітні програми.

ANNOTATION

Pashkova S.V. Financial literacy as a key element of sustainable development: the role of banks in the development of financial skills and behaviour of the population. -Manuscript.

Thesis of master's degree.

Specialty 072 «Finance, Banking and Insurance and Stock Market»

Kharkiv National University named after V. N. Karazin. - Kharkiv, 2024.

The work is devoted to the study of financial literacy as a critical factor in achieving sustainable development and the role of banks in shaping financial skills and behavior among the population. The theoretical foundations of financial literacy and its impact on socio-economic stability are analyzed. Key elements of state policy aimed at enhancing financial literacy and encouraging financially responsible behavior are identified.

Special attention is given to the analysis of international practices in improving financial literacy, including strategies implemented in Australia, the United Kingdom, and New Zealand. The effectiveness of these approaches is assessed for their potential application in Ukraine.

Recommendations for improving state policy to enhance financial literacy are developed, including the introduction of mandatory financial literacy courses in

schools, the development of online educational platforms for adults, and active involvement of banks such as banks in public education initiatives.

The novelty of the research lies in the establishment of a relationship between financial literacy and economic resilience, as well as in the proposed methodologies for assessing the effectiveness of government strategies including partnership with banks in this area. The findings contribute to addressing economic inequality, increasing financial security, and promoting sustainable economic development in Ukraine.

Keywords: financial literacy, sustainable development, government policy, financial skills, banks, socio-economic stability, international practices, educational programs.

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Introduction

The Essence of the Problem Situation

Modern global challenges, such as increasing economic inequality, environmental threats, and financial market instability, require a comprehensive approach to achieving sustainable development. One of the key aspects of this approach is improving the level of financial literacy among the population, which is a vital tool for making rational financial decisions. Financially literate citizens are better equipped to manage their resources, avoid debt traps, and contribute to stable economic development.

However, in many countries, including developed economies, the level of financial literacy among the population remains insufficiently high. This leads to financial instability at the household level, which, in turn, affects the overall economic situation. A lack of awareness about financial products, the absence of adequate financial skills, and the lack of responsibility for one's own financial decisions complicate the achievement of sustainable economic development.

In this context, the problem arises: how can government institutions effectively influence the improvement of financial literacy among the population, and what educational, regulatory, and policy measures should be implemented to stimulate financially responsible behaviour among citizens? Therefore, the issue lies not only in insufficient financial literacy but also in the absence of coordinated efforts by the government and banks to improve it.

The issue of financial literacy and its impact on sustainable development has been actively researched in academic circles over the past decades, as financial instability and economic crises have highlighted the importance of improving financial knowledge among the population. International organizations such as the Organisation for Economic Co-operation and Development (OECD), the World Bank, and the International Monetary Fund have repeatedly emphasized the importance of financial education as one of the key factors of socio-economic development.

Research has focused on several key aspects of financial literacy: its impact on consumer behaviour, its ability to reduce debt levels, improve household well-being, and increase savings rates. For example, studies by Lucia Clever and Anna-Maria Lusardi have closely examined the relationship between financial education and household economic behaviour in various countries, confirming the positive impact of financial literacy on individual and societal financial stability.

However, we think that several gaps in the study of this topic remain. First, there is insufficient understanding of how exactly government programs with involving of banks can contribute to the development of financial literacy at the national level and which approaches are most effective in different economic and cultural contexts. Second, research often focuses on individual aspects of financial literacy, leaving out the interrelationship between financial knowledge, citizen behaviour, and sustainable development strategies. Thus, there is a need for deeper investigation into the role of the banks as a government's instrument in shaping financial literacy from the perspective of long-term economic development and sustainability.

Therefore, for our opinion, despite significant progress in the study of the problem of financial literacy, there is still a need for further research aimed at identifying effective government strategies to develop financial literacy and financial behaviour among the population that contributes to sustainable development.

Object of scientific research

The object of this research is the financial literacy of the population as a critical factor in economic stability and sustainable development in the context of government programs and policies.

Subject of scientific research

The activities of banking institutions in shaping financial skills and behavior among the population through educational initiatives, products, services, and partnership programs with the state.

Goal of the scientific research

To analyze the role of financial literacy in sustainable development and evaluate the contribution of banking institutions in enhancing financial skills and fostering financially responsible behavior among the population through educational initiatives and collaborative programs.

Tasks of the scientific research

1. To analyze theoretical approaches to defining the concept of "financial literacy" and its role in sustainable development.
2. To identify the role of banking institutions in shaping financial skills and responsible behavior among the population.
3. To study international practices of collaboration between governments and banks in improving financial literacy and evaluate their effectiveness.
4. To assess the impact of banking initiatives and government programs on the financial literacy level in various countries.
5. To develop practical recommendations for enhancing public policy and banking strategies aimed at improving financial literacy and fostering sustainable development.

Research hypothesis

Increasing the level of financial literacy among the population through targeted government programs and strategies with the help of such institutions as banks has a positive impact on citizens' financial behaviour, contributing to economic stability and sustainable development. This assumption is based on several facts and arguments. Research by Anna-Maria Lusardi has shown that financially literate individuals are more inclined to save and invest, which promotes their economic stability and well-being, whereas a low level of financial literacy increases

the likelihood of debt problems. The experience of developed countries, such as Australia and New Zealand, demonstrates that active government financial education programs lead to lower levels of personal debt and higher savings rates, highlighting the effectiveness of state strategies. On the other hand, in low-income countries, according to the World Bank, low levels of financial literacy correlate with financial instability, complicating the achievement of sustainable development goals. Additionally, the experience of countries such as the United Kingdom and Singapore shows that government policies aimed at increasing financial literacy through educational programs help reduce debt levels among the population and improve financial security. Considering these arguments, it can be stated that active government participation in the development and implementation of financial education programs via banks contributes to an increase in financial literacy, positively influencing citizens' behaviour, enhancing their ability for economic self-reliance, and reducing the risks of financial crises.

This study utilized a range of methods that provided both theoretical and practical results.

Method of analysis and synthesis. Through the analysis of scientific literature, official documents, and reports from international organizations, key concepts and theoretical approaches to studying financial literacy and its impact on sustainable development were examined. Synthesis was used to combine the gathered information to form general conclusions.

Method of Analysis and Synthesis Through the analysis of scientific literature, official documents, and reports from international organizations, key concepts and theoretical approaches to understanding financial literacy and its role in sustainable development were explored. Synthesis was employed to integrate the gathered information into cohesive conclusions about the role of banking institutions in shaping financial behavior.

- Comparative Method

This method was applied to compare international experiences in collaborative initiatives between governments and banking institutions aimed at improving financial literacy. The comparison allowed for the evaluation of the effectiveness of strategies and identification of best practices that could be adapted to enhance public-private partnerships.

- System Analysis Method

Government and banking strategies aimed at increasing financial literacy were analyzed in the context of their systemic impact on economic stability and sustainable development. This approach enabled the systematization of factors influencing financial behavior and the identification of interrelations between education initiatives and financial market performance.

- Empirical Methods

Statistical data from open sources, such as reports by international organizations (World Bank, OECD) and government bodies, were analyzed to assess the impact of government programs and banking sector initiatives on financial literacy levels. This provided practical insights into trends and the effectiveness of existing policies.

- Expert Evaluation Method

Expert opinions from professionals in financial literacy, public policy, and banking were analyzed to highlight the key aspects influencing the effectiveness of educational programs and joint initiatives. This method supported the identification of actionable recommendations for improving collaboration between governments and banking institutions.

The information base for this research includes a wide range of sources, encompassing official documents, statistical data, scientific works, and publications from international organizations. One of the primary sources was official reports and recommendations from international organizations such as the Organisation for Economic Co-operation and Development (OECD), the World Bank, and the

International Monetary Fund, which provided up-to-date information on the financial literacy levels of different countries and government initiatives in this area.

Statistical data was sourced from national and international organizations, including government reports and databases from national statistical agencies, allowing for a quantitative analysis of the impact of financial literacy on economic stability. Special attention was paid to the analysis of savings rates, levels of indebtedness, and consumer behaviour.

The scientific literature includes works by leading researchers in the field of financial literacy, particularly Anna-Maria Lusardi and Olivia Mitchell, whose studies on financial literacy and its influence on household financial behaviour were instrumental for this research.

The scientific novelty of this research lies in its comprehensive analysis of the role of banking institutions in collaboration with governments to improve financial literacy as a key factor in achieving sustainable development. The study identifies the relationship between the level of financial literacy and the economic resilience of the population, emphasizing the role of banks in shaping financial behavior and promoting responsible financial decision-making. It proposes innovative approaches to assessing the effectiveness of joint government and banking initiatives through a comparative analysis of international experiences, identifying best practices for enhancing financial skills and behavior. The research also explores the impact of financial literacy on sustainable development, focusing on its economic and social consequences, such as reducing inequality and increasing financial security. Based on these findings, practical recommendations were developed for enhancing public-private collaboration, enabling the creation of effective financial education programs that contribute to economic stability and sustainable development.

The practical significance of the results lies in its potential application for developing collaborative strategies between governments and banking institutions to enhance financial literacy as a tool for sustainable development. The findings

provide a scientific basis for creating new approaches to assessing the financial literacy of the population and exploring the relationship between financial knowledge levels and the economic resilience of financial behavior.

The theoretical conclusions and generalizations obtained can be applied in academic research to deepen understanding of the joint role of government and banks in shaping financial skills and responsible financial behavior. Additionally, the proposed models and recommendations can serve as a foundation for designing educational programs and public policies that enhance financial awareness. These initiatives, implemented through public-private partnerships, can effectively address economic inequality, strengthen financial security, and support the achievement of sustainable development goals in different countries.

Structure and volume of the qualification work.

The master's qualification work consists of an introduction, three chapters, conclusions, a list of references with 161 sources on 11 pages. The work includes 13 pictures on 6 pages and 9 tables on 7 pages. The total volume of the work is 107 pages, with the main content presented on 82 pages.

Chapter 1

Theoretical foundation of financial literacy and its formation since the period of Ukrainian Independence

1.1. Definitions and concepts of financial literacy

Financial literacy is a set of knowledge, skills, and attitudes necessary for making informed financial decisions, managing personal finances, and effectively using financial resources. It includes understanding aspects such as budgeting, saving, investing, debt management, understanding financial products and services, and the ability to assess risks and opportunities to make rational financial decisions. Financially literate individuals are better equipped to navigate financial matters, which allows them to ensure personal economic stability and contribute to the overall economic development of society.

Financial literacy is defined as an individual's ability to understand and effectively use various financial skills, including personal financial management, budgeting, and investing. It also involves the ability to make informed decisions regarding the use of financial resources, understanding risks and opportunities. According to the definition provided by the Organisation for Economic Co-operation and Development (OECD), financial literacy is "a combination of awareness, knowledge, skills, attitudes, and behaviours necessary to make sound financial decisions and ultimately achieve individual financial well-being" [9].

Lusardi and Mitchell also define financial literacy as "the ability of individuals to understand and use basic financial concepts for saving, investing, and managing debt" [2 t.10(4), p.497-508].

Huston defines financial literacy as "an individual's ability to understand and use basic financial concepts to manage their money, make informed decisions, and achieve financial goals" [36].

The OECD (Organization for Economic Co-operation and Development) offers the following definition: "Financial literacy is the combination of awareness, knowledge, skills, attitudes and behaviors necessary to make sound financial decisions and achieve financial well-being" [3].

Remund defines financial literacy as "the level of understanding of key financial concepts and possessing the skills necessary to manage one's finances" [36, t.44(2), p.276–295].

Atkinson and Messy proposed the following definition: "Financial literacy is a person's ability to make informed decisions about the use and management of financial resources throughout their lives" [1].

Worthington: Financial literacy is seen as "the consumer's ability to understand and effectively use financial products and services to make decisions about cash flow management." [37, t.15(1), p.59–79].

Global financial literacy refers to the level of financial knowledge and skills among populations in different countries, enabling people to make informed financial decisions on a global scale, particularly in the context of international economies and financial systems. According to World Bank research, the overall level of financial literacy worldwide remains insufficient, affecting the economic stability of countries and contributing to financial crises [5]. The Organisation for Economic Co-operation and Development (OECD) also points out that financial literacy is a key factor in achieving global economic goals, such as reducing inequality and promoting sustainable development [3].

Individual financial literacy pertains to the knowledge, skills, and attitudes of individuals that help them manage their personal finances, budget, save, and invest. It also includes the ability to understand and assess financial risks and opportunities, as well as to make responsible financial decisions to achieve financial security and well-being. Individual financial literacy enables people to better navigate financial matters and avoid debt traps [2].

Therefore, we can make conclusion that basics of financial literacy encompass key knowledge, skills, and abilities necessary for effective financial management and making informed financial decisions. The main elements of financial literacy include:

1. Budgeting: The ability to create, plan, and monitor a personal or family budget. This involves allocating income to various needs (savings, expenses, investments, etc.) [1].
2. Debt management: Understanding credit obligations, interest rates, credit scores, and the principles of responsible borrowing [9].
3. Saving and investing: The importance of saving for unexpected circumstances, retirement, and knowledge of investment basics to grow capital [10].
4. Risk and insurance: Awareness of financial risks and methods to mitigate them through insurance [11].
5. Financial planning for the future: Planning long-term financial goals, such as buying a home, retirement savings, or education [12].

Concept is a general idea or abstract understanding of a phenomenon that outlines its main characteristics and interconnections. It serves as the foundation for understanding or formulating strategies in a particular field of knowledge or practice. A concept can be applied to various fields, such as science, philosophy, economics, and others [8].

The concept of financial literacy is a combination of knowledge, skills, and behavioural attitudes necessary for making informed financial decisions. Financial literacy encompasses understanding topics such as personal budget management, credit, savings, investments, and retirement planning. The main goal of the concept of financial literacy is to provide the population with the knowledge and skills that help improve financial well-being and enhance the quality of life [7].

The concept of financial literacy is defined as a set of knowledge, skills, and behavioural attitudes that enable individuals to effectively manage their finances and

make informed decisions regarding the use of financial products and services. According to the Organisation for Economic Co-operation and Development (OECD), financial literacy is “a combination of awareness, knowledge, skills, attitudes, and behaviour necessary to make sound financial decisions and achieve individual financial well-being [4].

In this regards we can assume that the main goal of the financial literacy concept is to equip individuals with the tools to effectively manage their personal finances, including budgeting, saving, investing, and managing debt. Lusardi and Mitchell define financial literacy as the ability of individuals to understand and use basic financial concepts to make decisions related to saving, investing, and managing financial risks.

Financially literate citizens can more effectively plan their financial future, make better-informed decisions, and increase financial resilience at both the individual and societal levels [3].

The concept of financial literacy encompasses a wide range of knowledge, skills, and attitudes that enable individuals to make informed financial decisions and effectively manage their finances. According to the definition by the Organisation for Economic Co-operation and Development (OECD), financial literacy is “a combination of financial knowledge, skills, motivation, and confidence necessary to make effective decisions regarding finances, aimed at improving financial well-being” [15].

Bellow we want to outline the key elements of financial literacy that includes the ability to:

- understand basic financial concepts such as income, expenses, savings, and investments ;
- create and follow a budget ;
- assess financial risks ;

- use financial services (bank accounts, loans, insurance) to achieve financial stability.

In those concerns we can emphasize that financial literacy is closely linked to the level of education, access to financial information, and the economic environment. It is a key factor in the economic stability and well-being of both individuals and society. Studies show that financially literate citizens are more likely to make rational financial decisions, which reduces the risk of excessive debt and increases savings levels [7].

There are various approaches and types of financial literacy concepts, reflecting different aspects of an individual's interaction with the financial system and financial management. Below we can consider the most important concepts for author's opinion:

- Cognitive concept of financial literacy. This approach focuses on the knowledge and understanding of basic financial concepts such as income, expenses, savings, and investments. The main emphasis is on developing intellectual abilities that allow individuals to make rational financial decisions [1].
- Behavioural concept of financial literacy. This concept highlights the importance of behavioural aspects of financial management, particularly the ability to apply acquired knowledge in practice, plan budgets, avoid unnecessary expenses, and make responsible decisions regarding savings and investments [2].
- Functional concept of financial literacy. This concept emphasizes individuals' ability to use financial products and services, such as bank accounts, loans, insurance, etc. It underscores the importance of understanding how to choose and use these tools correctly to improve personal financial well-being [3].
- Social concept of financial literacy. This approach considers financial literacy not only as an individual set of knowledge but also as a social phenomenon that impacts societal well-being. A financially literate population

can contribute to economic stability and societal development by reducing debt levels and promoting savings growth [4].

The history of the concept of financial literacy in the world and in Ukraine has deep roots and has actively evolved in response to economic challenges and global financial crises. The evolution of this concept reflects the importance of financial knowledge for ensuring stability both on an individual level and within national economies. Therefore, we are finding it is important to have a close look at those concepts.

1. Early Development Stages. The idea of financial literacy emerged in the 20th century when the governments of developed countries began to recognize the need to educate citizens on basic financial skills. However, a systematic approach to this issue only formed in the second half of the century, especially after World War II, as economies developed, and financial products became more accessible to the general population. Banks also began offering more complex financial products, increasing the risks for citizens who lacked sufficient knowledge about money management [13 t.9(2), p. 65-78].

The Era of Globalization and Financial Crises. The globalization of the economy and the expanding access to financial markets acted as a catalyst for the development of financial literacy. The issue of financial illiteracy came to the forefront during the 2008 financial crisis, which revealed that many households lacked basic knowledge about debt management, investments, and risks. This contributed to excessive debt and bankruptcies in many countries.

Initiatives of International Organizations. After the crisis, the OECD (Organization for Economic Co-operation and Development) actively promoted financial literacy programs on a global scale. In 2005, it launched the Principles of Financial Literacy for Youth and Adults, which became an important guide for many countries. The International Network on Financial Education (INFE) was also established to help countries develop national strategies [39]. The OECD identified financial literacy as one of the key skills necessary for stable economic development and an important tool for consumer protection.

National Strategies. Governments, especially those of G20 countries, began developing national financial literacy strategies, realizing its importance for economic stability and citizens' well-being. For instance, in the United States, special programs were created for youth, adults, and retirees to teach financial planning and personal finance management [2].

In those time Ukraine had formation of its own history in the finance literacy field. Author tried to reflect main points for his opinion in the listening below.

The Transitional Economy of the 1990s.

In Ukraine, after gaining independence, the economy underwent significant transformations, shifting from a planned to a market economy. This period was marked by high inflation, economic crises, and instability. Most of the population lacked basic knowledge about the market economy and financial tools. The first attempts to improve financial literacy emerged in response to the need for citizens to adapt to the new economic conditions [16].

The 2008 Financial Crisis.

As in many other countries, the global financial crisis of 2008 became a major impetus for the development of financial literacy in Ukraine. Many Ukrainians faced problems with excessive debt and bankruptcies. This prompted the government and banks to pay more attention to enhancing financial education among the population.

National Initiatives.

In 2012, the National Bank of Ukraine (NBU), together with international organizations, including the International Finance Corporation (IFC), developed the Strategy for Improving Financial Literacy of the Population of Ukraine. This strategy became the first step towards a systematic approach to building financial literacy among citizens. It included educating young people about basic financial principles, as well as implementing educational programs for adults [15].

Financial Literacy in Schools and Universities.

Starting in 2013, financial literacy topics were introduced into school curricula. Today, financial education programs, training, and workshops are becoming increasingly common in Ukrainian schools and universities. Private initiatives and projects aimed at promoting financial knowledge among young people have also emerged.

Modern Challenges and Prospects.

In modern conditions, financial literacy in Ukraine continues to develop as an important element of economic well-being. Given the changes in the financial sector and the digitization of financial services, educating citizens on new financial tools, particularly in the digital economy, is becoming a priority [17].

1.2. Factors contributing to the formation of financial literacy and its natural deformation stages

Formation of financial literacy is the process of acquiring the knowledge, skills, and attitudes necessary to effectively manage personal finances. It includes learning the basics of financial concepts, such as saving, investing, managing debt, budgeting, and understanding financial products. The formation of financial literacy takes place at different stages of a person's life through formal (school, university) and informal sources (family, society, mass media).

The formation of global and individual financial literacy both have a common goal - to increase the level of knowledge and skills necessary for effective financial management. However, they differ in scale, approaches, and factors influencing their development.

Global Financial Literacy is a generalized indicator of the level of financial knowledge and skills of the population of different countries of the world. It depends on many global factors, such as government policies, economic conditions, and cultural characteristics, and aims to increase the financial awareness of large populations internationally.

Key aspects of the formation of global financial literacy encompass a range of factors that influence the development of financial knowledge and skills across different countries. Education is one of the most important elements of this process. Integrating financial topics into school curricula helps form basic knowledge among young people. The Organization for Economic Co-operation and Development (OECD) recommends including financial education at early stages of learning, which is an important step toward raising citizens' awareness of financial issues [40].

Another key aspect is government policy. The governments of many countries have developed national strategies to enhance financial literacy. For example, G20 countries consider financial literacy a vital component of their economic policies aimed at ensuring sustainable development and consumer protection [4].

Thus, access to financial services also plays an important role in shaping financial literacy. In countries with developed financial markets, the population has broader access to financial products, creating additional incentives to learn about financial tools. This enables citizens to better understand financial management and improve their level of financial awareness [2].

Social and cultural factors also significantly influence the development of financial skills. Different countries have cultural differences in their approaches to savings and investing. For author's opinion this means that methods for improving financial literacy must consider the social and cultural characteristics of each country.

Digital technologies are another important factor. The rise of financial technologies (FinTech) contributes to increased financial literacy, as digital platforms make it easier to access financial tools and educational resources. This promotes self-education in financial matters and the development of skills among citizens in various countries [17].

Individual financial literacy is a person's specific knowledge, skills, and behavior in managing their finances. It is formed on the basis of personal experience, access to education, family values and environment, and can differ even for people living in the same country.

Key aspects of the formation of individual financial literacy include several important factors that contribute to the development of financial knowledge and skills in each person. One of the most significant aspects is education. Formal education in schools and universities, where the basics of economics and finance are taught, provides fundamental knowledge about budgeting, saving, credit, and investments. Informal learning, such as family discussions or self-study of financial issues, also plays an important role [7].

Financial literacy is often formed within the family. Parents are the first examples for children in managing money. Family habits regarding spending,

saving, and investing have a significant impact on an individual's financial behaviour [22, p.129-143.].

Socioeconomic status also has a major influence. People with higher incomes generally have more opportunities to access financial services and products, which contributes to their financial literacy. Conversely, individuals with lower incomes often have limited access to financial resources, which can hinder their development in this area [4].

Experience in managing finances is another important factor. Practical activities such as budgeting or interacting with banks and credit institutions help individuals better understand financial matters and develop necessary skills [1].

Digital technologies significantly affect financial literacy by simplifying access to financial tools and information. Mobile apps and online banking allow individuals to better understand their finances and make informed decisions [17].

Additionally, psychological factors such as self-control, attitudes toward money, and risk tolerance play a significant role in financial decision-making. Being aware of one's financial habits helps individuals better manage their finances and avoid problems related to debt [9].

The main differences between global and individual financial literacy are author has analyzed in table 1.1.

Table 1.1.

Differences between global and individual financial literacy (compiled by author on base of analyzation information from resources [4;1;17;9]).

Aspect	Global Financial Literacy	Individual Financial Literacy
Coverage	Encompasses global trends and national strategies aimed at developing financial	Focuses on the financial knowledge and skills of an individual to manage their personal finances [7].

	literacy among large population groups [39].	
Goals	Enhancing economic stability and financial resilience on a global level; reducing risks for economies and protecting consumer rights [4].	Improving personal well-being and financial resilience; helping individuals make informed financial decisions [7].
Influencing Factors	Depends on government policies, international organizations (OECD, World Bank), and global economic trends [4].	Determined by family, social, economic, and psychological factors; access to financial resources and education [22].
Means of Improving Literacy	National strategies, educational programs, international initiatives, and policies to raise awareness on financial matters [39].	Education through formal learning, family environment, personal experience, and the use of digital technologies for self-education [17].

There are also global trends in financial literacy which influence both sides and reflect the collective efforts of international organizations, governments, and the private sector to enhance financial awareness across populations worldwide. A key trend is the implementation of national strategies, where governments in many countries introduce comprehensive plans to improve financial literacy. The Organization for Economic Co-operation and Development (OECD), through initiatives like the International Network on Financial Education (INFE), encourages the development of these strategies to educate citizens about financial products and services [39].

Another significant trend is the digitalization of financial literacy. The growth of digital financial technologies (FinTech) has shifted much of financial education online, with mobile platforms and apps providing easy access to tools for better financial management. We can also assume that this trend holds great potential for broadening financial literacy globally, especially among younger generations who are more adept at using digital tools.

Governments and international organizations are also focusing on vulnerable population groups, including youth, women, the elderly, and low-income individuals. Countries like those in the G20 are actively supporting initiatives that target these groups, aiming to reduce financial inequality and increase financial inclusion through specialized programs [15].

Another important trend is the integration of financial literacy into school curricula. Many countries are now incorporating financial education into their standard educational systems, ensuring that young people acquire essential financial skills early in life. This approach is aimed at preparing future generations to manage personal finances effectively [20, p.155].

With aging populations in many parts of the world, there is growing attention to retirement literacy. International organizations such as the World Bank and the International Monetary Fund (IMF) are advocating for programs that raise awareness about the importance of pension savings and planning for financial security in old age [19].

Finally, there is increasing collaboration between the public and private sectors to promote financial literacy. Governments, banks, and educational organizations are working together to implement programs and initiatives that offer broader access to financial education, leveraging shared resources to reach a larger audience [3].

These global trends highlight the importance of enhancing financial literacy to promote economic stability and individual financial well-being.

Factors affecting the formation of financial literacy include various social, economic, educational, and cultural aspects that influence an individual's ability to acquire financial knowledge and skills. The main factors for our opinion can be highlighted as follows:

- Formal education is one of the key factors in the formation of financial literacy. School and university programs that include topics such as financial management, budgeting, savings, and investments provide basic financial knowledge [8]. Additionally, informal education, such as adult training or courses, plays an important role in increasing financial literacy among the adult population [4].
- The influence of the family is a significant factor in developing financial skills. Growing up in a family where children observe their parents' financial behaviour, such as spending, saving, and borrowing, greatly impacts financial habits in adulthood [22, p.129-143].
- The socioeconomic conditions in which a person grows up and lives directly affect their financial literacy. People with higher incomes generally have more access to financial tools and consultations, contributing to a better understanding of financial matters. On the other hand, lower income levels often limit opportunities to acquire financial knowledge [4].
- Access to banking and other financial services is an important factor. In countries with developed financial markets, people have more opportunities to engage with financial tools, which helps improve financial literacy. Access to such services encourages people to learn how to use them to their advantage [14].
- Modern digital technologies play a crucial role in shaping financial literacy. Through online banking, mobile apps, and digital financial platforms, people have easier access to financial information and tools, contributing to faster development of financial knowledge [24].
- National governments and international organizations, such as the OECD and the World Bank, actively work on developing policies and programs to

improve financial literacy among populations. These programs include educational campaigns, training, and the creation of self-learning resources that help form financial knowledge among the population [25]. These factors are the main elements that influence the level of financial literacy among different population groups, providing the foundation for making informed financial decisions. But as well we can observe the processes that are being directly opposite the process of formation. One of them is deformation.

Natural deformations of financial literacy refer to processes through which people gradually lose or reduce their financial skills and knowledge due to various external and internal factors. These deformations can be caused by changes in life circumstances, economic crises, aging, technological innovations, or passive attitudes towards using financial knowledge.

One of the key factors is changes in life circumstances, such as job loss, retirement, or significant financial shocks. In such situations, people often face new challenges for which they are unprepared, leading to the loss of budgeting and financial management skills [7].

Declining cognitive abilities with age is another important factor. As people age, they may lose the ability to make complex financial decisions due to a decline in cognitive functions. Research shows that older individuals are more likely to make financial mistakes and lose confidence in their financial knowledge [18, p. 51-117].

Economic crises or rapid changes in markets can also cause deformation in financial literacy. During crises like the 2008 financial crisis, many people found that their financial knowledge was outdated or insufficient to adapt to new economic conditions [4].

Technological changes, especially in the financial sector, can lead to a loss of financial literacy, particularly among older populations. The introduction of digital platforms for managing finances requires new knowledge, which is not always easy to acquire for those accustomed to traditional financial tools [19].

Additionally, passivity in using financial knowledge can contribute to deformation. People who do not regularly apply their financial knowledge may eventually forget the basic principles of money management, such as budgeting, investing, or managing credit, which leads to a decline in financial behaviour [9]. These natural deformations can affect various population groups depending on their age, access to financial resources, and ability to adapt to new economic or technological conditions.

1.3. The role of banks in increasing financial literacy in society

Banks are organizations that provide a wide range of financial services such as storing funds, granting loans, investing, insuring, and facilitating financial transactions. They play a key role in the functioning of the economy by ensuring the circulation of financial resources between households, businesses, and governments.

The history of the formation of banks is closely tied to the development of economies and social systems over millennia. Banks have evolved alongside society, transforming from simple methods of exchange and wealth storage to complex systems that manage lending, investing, and insurance. Here are the key stages in their development:

In ancient times, banks existed as early as in Babylon and Ancient Egypt, where records of loans and trade transactions were kept. In Ancient Greece and Rome, early prototypes of banks appeared, providing deposit services and issuing loans [26]. These early institutions facilitated trade and contributed to capital accumulation.

During the Middle Ages, more organized banks emerged, particularly in Italy. One of the most notable was the Bank of St. George in Genoa, founded in 1407. Venetian and Florentine banks also played significant roles in financing trade and providing credit [32]. These institutions laid the foundation for modern banking systems.

The creation of central banks marked a significant milestone in financial history. The first central bank, the Bank of England, was established in 1694 to stabilize the currency and finance government debt [33]. Later, other countries followed suit, establishing central banks to regulate monetary policy and ensure financial stability.

In the 19th century, the rise of investment companies and insurance firms became prominent. Investment firms specialized in managing capital and offering

investment services, while insurance companies provided protection against risks. These institutions became crucial parts of the financial system, enabling investment opportunities and reducing risks [34].

In the 20th and 21st centuries, banks have grown into global economic players. The advent of technology and globalization led to new forms of banks such as investment funds, hedge funds, financial exchanges, and credit unions. The rise of financial technologies (FinTech) has also transformed how people interact with banks, making services more accessible and efficient [19].

Also, it is important to mention some other banks that also play role in global finance system.

The main types of banks include:

1.Banks: Commercial banks are involved in storing deposits, granting loans, and making payments. Central banks, in turn, regulate the money supply and maintain the stability of the national currency [31].

2.Investment companies: These institutions provide investment services, such as asset management, securities trading, and investment consulting [28].

3.Insurance companies: Insurance institutions provide insurance services to protect against various risks, such as illness, accidents, or property loss. They are an important part of the financial system because they reduce uncertainty and risks [35].

4.Pension funds: Pension funds accumulate retirement savings for employees by investing contributions to ensure future payouts [29].

5.Financial markets: These are structures where the buying and selling of financial assets such as stocks, bonds, and currency instruments take place. They help channel savings to investors and promote economic development [30].

The role of banks in shaping financial literacy is crucial, as they help spread knowledge about financial products, personal finance management, and making

informed financial decisions. Banks such as banks, credit unions, and investment companies provide access to a wide range of financial services, including savings, investments, and loans, which allows individuals to interact with these products and gain practical financial knowledge [7].

Many banks also implement educational programs aimed at improving financial literacy. These programs often include seminars, workshops, and online courses on budgeting, savings, investing, and credit management. Through these initiatives, citizens acquire the knowledge necessary to make sound financial decisions [4].

In the era of financial technology (FinTech), banks are promoting digital financial literacy. By offering digital tools like online banking and mobile apps, they simplify access to financial services and help people understand how to use modern financial instruments effectively [19].

Additionally, banks focus on supporting vulnerable groups, including youth, retirees, women, and low-income individuals. This effort aims to enhance financial inclusion and reduce inequality in access to financial resources [4].

Finally, banks play a key role in building public trust in financial systems. By offering transparent services and products, they foster confidence in the financial system, encouraging individuals to engage more actively with financial tools and make informed decisions [9].

Banks have several important levers to influence the improvement of financial literacy among the population. These tools contribute to the development of citizens' financial knowledge, skills, and behaviours, enabling them to make informed financial decisions. The author refers to the following main levers of influence that banks hold is:

- Educational programs and initiatives:

Banks and investment companies, often organize educational programs and initiatives aimed at increasing financial literacy. They may offer free seminars,

workshops, online courses on budgeting, savings, investments, and credit management. This helps citizens better understand financial products and services, enabling them to make more informed decisions [7].

- Access to financial services and products:

Banks provide the population with access to financial products such as deposits, loans, investment funds, and pension programs. This creates opportunities for citizens to gain practical experience interacting with financial instruments, which contributes to improving their financial literacy [4].

- Digital financial literacy:

With the growth of financial technologies (FinTech), banks actively implement digital platforms for managing finances, such as online banking, mobile apps, and investment platforms. This helps citizens access information and services while learning how to use modern financial tools [19].

- Consultations and support:

Many banks offer individual consultations on financial management. These services allow citizens to receive personalized advice, helping them better understand financial markets, reduce risks, and avoid debt problems [9].

- Financial inclusion:

Banks focus on ensuring access to financial services for vulnerable groups such as youth, retirees, and low-income individuals. This provides equal opportunities for all citizens to access financial resources, contributing to the overall improvement of financial literacy in society [4].

Thus, for our opinion these levers help banks promote financial literacy among the population, which is an important component of economic stability and well-being. This chapter examined the theoretical foundations of financial literacy, its main components, and the process of its formation. Financial literacy is a combination of knowledge, skills, and behavioural attitudes that help individuals manage their finances effectively, make informed decisions, and minimize financial

risks. Theoretical approaches to defining financial literacy emphasize its importance not only at the individual level but also for the overall economic stability of society. One of the key elements in the formation of financial literacy is education, both formal (through schools and universities) and informal (through banks, government programs, and self-learning). Research shows that engagement with financial services and interaction with financial products contribute to a better understanding of financial processes. Additionally, factors such as family environment, socioeconomic status, and access to financial resources play a crucial role in shaping financial literacy.

In this context, the section also discussed the natural deformations of financial literacy, where individuals can lose financial skills due to life changes, economic crises, or technological shifts. This indicates that financial literacy is a dynamic process that requires constant updating and improvement.

Thus, this section provides a solid theoretical foundation for further research into the role of financial literacy in economic development and social well-being. It confirms the need for a systematic approach to the development of financial knowledge among the population, particularly through the active role of the state and banks.

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In this context, the section also discussed the natural deformations of financial literacy, where individuals can lose financial skills due to life changes, economic crises, or technological shifts. This indicates that financial literacy is a dynamic process that requires constant updating and improvement to remain relevant in a changing financial environment.

Moreover, author makes conclusion that the analysis highlighted the growing importance of financial technologies (FinTech) in shaping modern financial literacy. With the rapid development of digital platforms, mobile banking, and online investment tools, individuals must continuously adapt their financial skills to new technologies. Financial literacy now not only includes traditional skills like budgeting and saving but also the ability to navigate the complex landscape of digital financial services. Thus, this section provides a solid theoretical foundation for further research into the role of financial literacy in economic development and social well-being. It confirms the need for a systematic approach to the development of financial knowledge among the population, particularly through the active role of the state and banks. Additionally, there is a clear need for ongoing efforts to integrate digital financial education, ensuring that individuals are well-prepared to meet the challenges of the modern financial world.

Chapter 2.

Evaluation of the economic challenges in 21st century and its impact on growth of financial literacy

2.1. Analysis of impact of a full-scale war and current consequences of the transition to martial economy for financial awareness and literacy of society

In this chapter author examines the impact of the consequences of the armed aggression by the Russian Federation on the transformations in Ukrainian society in the context of financial literacy.

Also has been formulated: the potential influence of historical and cultural factors, as well as gender aspects, on the low level of financial awareness among the population. The issue of the importance of teaching the basics of financial literacy has been examined in the context of the emergence of globalization processes on the one hand, and the regressive global trends that directly affected Ukrainian society (the fact of Russian armed aggression) on the other hand. The article highlights and traces the changes in society caused by the country's state of war, which, as a result, led to changes in the public's mental perception of their role in influencing and shaping statehood through improving their own education. The most challenging obstacles to overcoming the acquisition and implementation of financial literacy knowledge and tools in the lives of Ukrainians have been analysed. Additionally, have been analyzed projects implemented by the state and partner countries to improve financial literacy among the population, and thereby enhance society's tolerance for democratic values in the process of integrating into the European economic community. Based on the acquired and analysed information, tools are proposed to improve financial literacy in Ukraine, considering the support of global communities. Key words: financial literacy, gender aspect of finance, finance, financial awareness.

In addition to facing military and geopolitical challenges, Ukraine is confronting significant difficulties on the economic front. The current situation raises critical questions not only about how to maintain the economy at a sustainable level but also about how to develop long-term economic plans for the country's future reconstruction. Flexibility and time play a very important role in Ukraine's modern economy. The ability to adapt and adjust, and the capacity to absorb new knowledge and acquire skills are crucial. The path to democratic values, which Ukraine was supposed to follow at a measured pace, now needs to be traversed much more quickly. Against the backdrop of demographic decline and migratory processes, it is crucial to accumulate and cultivate social capital. Promoting the development and education of the population will enable the state to effectively manage and coordinate the behaviour of economic agents. As a result, this will create a favourable foundation for tackling with labour shortages problem, unemployment, and danger of provision security, which brings both immediate and delayed effects for the further stabilization of the key components of sustainable development: economic, environmental, and social.

The issues related to enhancing financial literacy and its significant impact on the stability of the financial sector have been explored by the following scholars: "Modern Methods of Forming Financial Literacy" by Dobrovska S.O., "Financial Literacy of the Population in the Dialectic of Contemporary Educational Trends" by Yurii S.I., Kizyma T.O., and "Financial Literacy" by Smovzhenko T.S. However, the situation has undergone significant changes since the fact of Russia's full-scale armed aggression. Amid the period of martial law and the constantly evolving of key situations, it is challenging to conduct comprehensive scientific research on recent changes in the financial and social sectors. However, several works can be noted: the collective monograph "The Impact of War on Socio-Economic Systems: The Security Aspect" by Vysotska I.B., Shevchenko I.V., Pushak Y.Y., Vinichuk M.V., Kopytko M.I., Kuzio O.B., Lialyuk H.H., Borysum O.M., Shidelko A.V., Kozyra P.V.; "Financial Policy and Its Impact on Strengthening Ukraine's Budget Security"

by Marinov D.; “Educational Analytics Through the Prism of War: Challenges and Opportunities for Higher Education in Ukraine. Economics and Society” by Shevchuk I.B., Shevchuk A.V.; and the collective monograph “Ukrainian Society in Wartime” by Dembitsky S., Zlobina O., Kostenko N.

The purpose of this article is to highlight the issue of the low level of financial literacy among the population and examination of cause-and-effect relationships of this socio-economic phenomenon, with the aim of drawing the attention of the scientific community to the importance of educational processes and the enhancement of financial literacy in the context of an active economic front.

Economic literacy, encompassing both general economic understanding and specific financial literacy, constitutes a critically important determinant of a country’s success. In the context of Ukraine, which exhibits a cultural inclination toward resisting authoritarianism, these factors are even more essential than familiarity with formal democratic institutions. In this research, we are constrained by the framework of financial literacy, which imposes certain boundaries on our work. To explore the causes and historical prerequisites of the current situation, we refer to the works of scholars who have studied the subject of this topic in depth or examined specific aspects in their works. However, we do not resort to empirical statistical data and do not engage in quantitative comparative analysis of the topic, as it is not the primary focus of this research. Instead, it serves as a litmus test that will help us conduct a deeper analysis of the main subject. For over 30 years, Ukraine became dependent on a system that did not aim for development and stability, did not prioritize state interests, but rather continued to build corrupt mechanisms. This system successfully adapted to the destructive legacy that Ukraine inherited after the collapse of the Soviet Union. An additional burden was the citizens’ realization of their powerless role and their inability to influence the economy or state affairs as members of society. A significant factor in this was the long-term systematic indoctrination by the Soviet authorities, which shaped the Soviet citizen. A valuable study is the dissertation dated 2007 by a researcher from Chernivtsi University, V.

Zemliuk, which focuses on the political identity of USSR citizens during the 1960s-1980s. In his work, Zemliuk noted that as a result of the state's ideological policies aimed at instilling communist values, the dominant traits of USSR citizens became: "an almost complete lack of awareness of oneself as a subject of history, master of one's own fate; political nihilism; inferiority complex; conformity; marginalization; indifference to one's civic and political rights; ambivalence (split personality, duality); unquestioning obedience to authority and superiors; living by the principles of 'my house is on the edge, paternalism; skeptical-distrustful attitude towards authorities and leaders; low level of political culture, political limitations. A significant part of the population was characterized by social apathy, passivity, adaptability, attitude to political actions as formal rituals, legal nihilism." [46, p.93-110]. This is the portrait of the average Ukrainian citizen as depicted and substantiated by the author in his dissertation, leading us to conclude that the historical context serves as the starting point for the regressive development of the population in terms of educational processes in general and financial literacy in particular.

The difficult times following the collapse of the Soviet Union, the prolonged economic and industrial crisis, the decline of budgetary institutions, and the inability to meet basic needs led to a lack of interest and motivation among citizens for real science and education in post-Soviet Ukraine. "During this time, hundreds of universities and thousands of schools were issuing certificates and diplomas, which concealed a severe void in the fields of economic and financial knowledge." - Dean of the Faculty of Applied Sciences of UCU, Professor of Quantitative Methods for Business Decision-Making and Economics of the UCU Business School, sees this period as destructive in terms of its impact on financial awareness. [50]. The shift in Ukraine's trajectory from an autocratic direction towards democratic values, which occurred in several stages starting in 2013 (the Revolution of Dignity), opened numerous opportunities for society as well as serious challenges.

A successful and lawful Ukraine will only be possible with the initiation of a conscious and profound reformation of Ukrainians' knowledge in the fields of economics and finance. It is evident that most Ukrainians know how to use tools such as internet banking, "Diia," and other technologies to simplify their daily lives in household matters. Unfortunately, the situation is quite different when it comes to understanding the nature of money, the causes of inflation, and the parameters of financial market operations. Ukrainians often become easy prey for various types of political manipulators, populists, fraudsters, and powerful figures. The situation is even worse when it comes to understanding the functions and powers of the state. The severe consequences of totalitarianism and repression have laid a solid foundation for the creation of a typical pattern of social behaviour. Nowadays Ukrainian users of financial instruments and services are using them intuitively. They have mastered only basic knowledge and skills, which enable them to use mainly the simplest services, primarily for everyday purposes. Below are statistical data and charts based on empirical data presented in the 2017 report on the study of financial literacy and inclusion in Ukraine as part of the regional economic development project. [48].

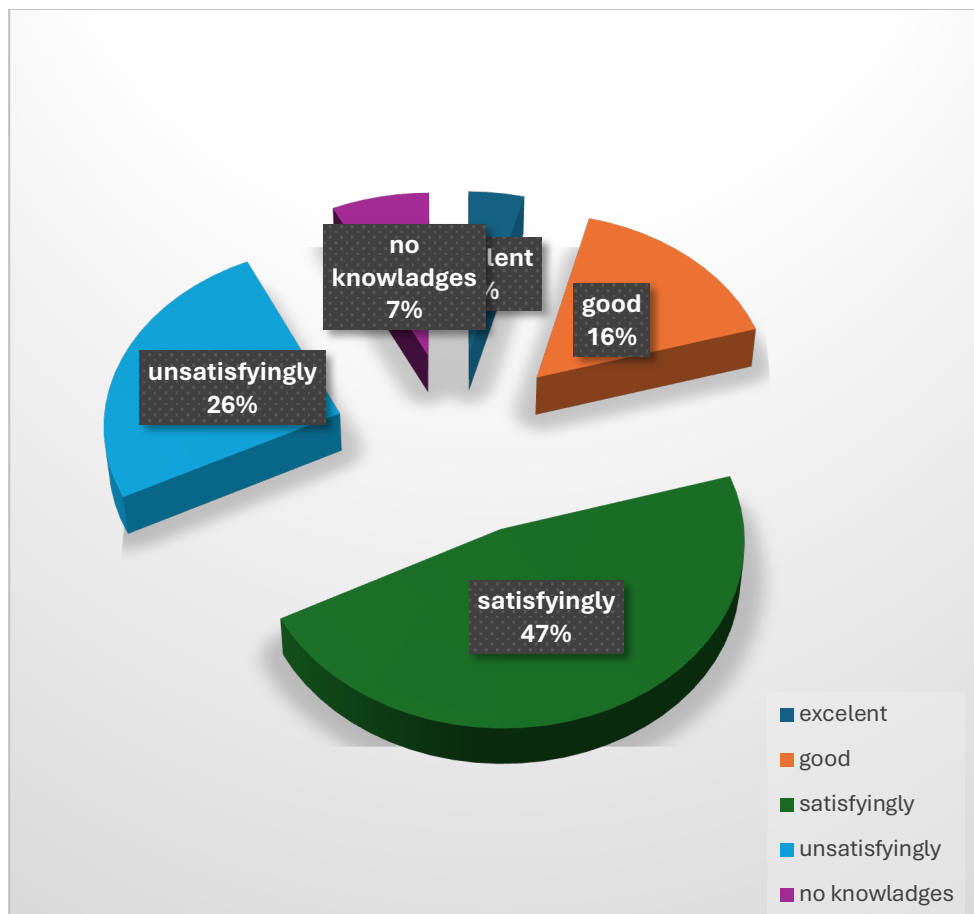
The indicator of financial service penetration in Ukraine is significantly lower than global standards: on average, one Ukrainian holds only one bank card and one current account in a bank. Other services are either used in cases of urgent need (such as credit cards), more like habit / tradition (e.g., deposits, which are held by less than 10% of the population), or without a full understanding of the service's nature (e.g., compulsory third-party liability insurance for vehicle owners). Ukrainians do not feel comfortable while using financial services or interacting with banks, however they do a few to learn more about them. The only exceptions are life and health insurance services, which will form the basis for long-awaited pension and healthcare reforms. It is clear that Ukrainians are interested only in financial topics that have personal significance for them. Below have been represented two diagrams that reflected information in percentage regarding finance literacy of Ukrainian society. The first

chart reflects respondents' subjective opinions about their self-assessment of financial knowledge. The second and third charts depict the actual level of financial knowledge among respondents. Charts developed by the author based on data OECD/INFE International Survey of Adult Financial Literacy Competencies.

Table 2.1.

Level of finance self-asesstmcne of Ukrainian society in 2017 year.

Description	Level of finance self-asesstmcne
Excelent	4%
Good	16%
Satisfyingly	46%
Unsatisfyingly	25%
No knowladges	7%

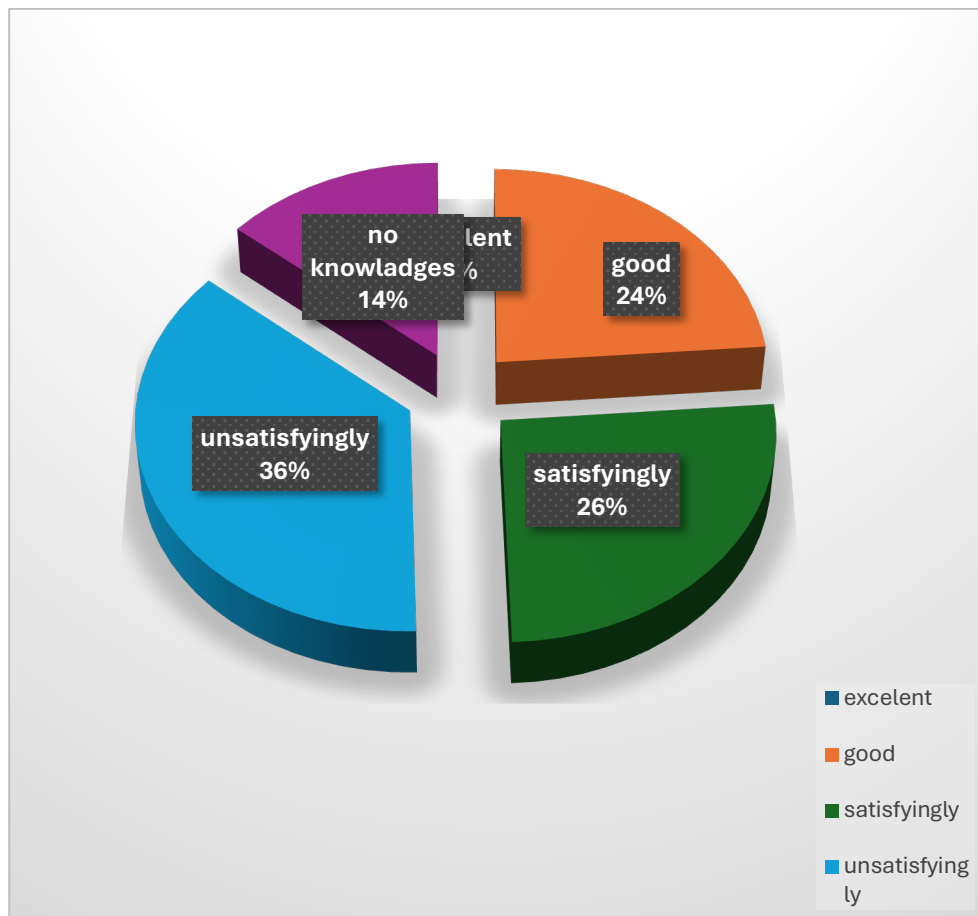


Pic. 2.1. Level of finance self-assesstment, 2017 year (complied by author on base of data OECD/INFE International Survey of Adult Financial Literacy Competencies).

Table 2.2.

Level of finance mathematics knowladges.

Description	Level of finance math. knowladges
Excelent	0%
Good	24%
Satisfyingly	26%
Unsatisfyingly	37%
No knowladges	14%

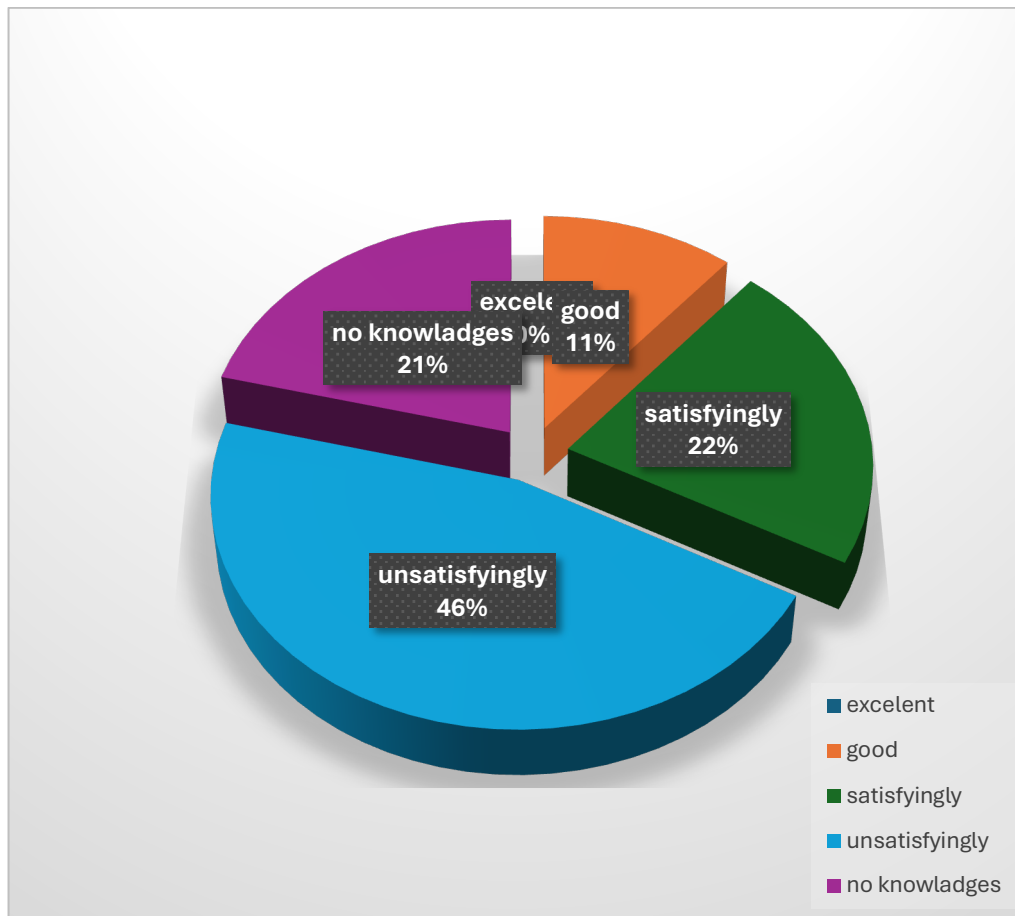


Pic.2.2. Level of finance mathematics knowledge, 2017 year (compiled by author on base of data OECD/INFE International Survey of Adult Financial Literacy Competencies).

Table 2.3.

Level of finance terminology, 2017 year (compiled by author).

Description	Level of finance terminalogy
Excelent	0.1%
Good	11%
Satisfyingly	22%
Unsatisfyingly	46%
No knowladges	21%



Pic.2.3. Level of finance terminology, 2017 year (compiled by author on base of data OECD/INFE International Survey of Adult Financial Literacy Competencies).

This data indicates not only the low level of financial literacy among the population but also about the low level of awareness regarding this fact of deficiency. This may point to a certain insularity and detachment of the population from global processes of globalization and digitalization. This study also provides data on the relationship between the level of financial literacy of the population and factors such as the type of settlement and age. To accelerate the growth of public awareness, a thorough analysis of the causes and consequences is needed, as well as a clear action plan to deal with the issue. It is also important to accurately identify which segments of the population need assistance and what kind of assistance is required. The type of settlement and the region in which Ukrainians live lead to a much greater diversification in financial behaviour, habits, and attitudes. Overall, the rural population shows less interest in financial matters and demonstrates more biased and negative attitude toward financial services. This is due to the lower penetration of financial services in rural areas and, consequently, the reduced interaction of rural residents with the financial system. Each macroregion of Ukraine has its own specific features regarding financial literacy and inclusion, so each state initiative aimed at improving financial literacy must be tailored to the specific region or even community.

The largest determinant of financial behaviour, inclusion, and literacy in Ukraine is the age and financial status of respondents. Young people (aged 18-34) feel the most confident in the financial world. The consciousness of this generation was shaped during Ukraine's independence, and these individuals are more open to information and innovation. Middle-aged Ukrainians (aged 34-45) are the most experienced users of financial services. They are a socially active group and are accustomed to overcoming various challenges.

They are the target audience for promoting financial products aimed at long-term planning. Ultimately, for the older generation (45-60 years) and the elderly (over 60 years), financial services, unfortunately, are more of a source of concern than an opportunity to ensure a decent quality of life. It is also interesting to look at the statistics that show the percentage distribution of forced migrants abroad by age, education, and gender criteria. 95% of the forced migrants currently in EU countries are women and children. 71% of them are in their most active age group: 30-49 years. 83% have higher or incomplete higher education, 14% are entrepreneurs, and another 14% hold leadership positions in enterprises or departments. Additionally, 30% of displaced persons are highly qualified professionals. These statistics are provided in the 2024 study on the gender specificity of forced migration from Ukraine to the EU during the military conflict. [47]. The statistics may indicate that people in their most active age group are more likely to relocate, especially in life-threatening situations. Data on education levels may indicate that educated people find it easier to leave the country because they are confident in their ability to adapt to the new environments based on their knowledge and skills. Another important factor is that this category of refugees is in demand and welcomed in EU countries due to the shortage of specialists and workers on the labour market. Between 5.6 million and 6.7 million Ukrainians remain abroad, according to a study by the Center for Economic Strategy (CES). [51].

It is still difficult to predict how many displaced persons will return to Ukraine. But we can predict or outline the benefits and "social dividends" of migration as the added value of migration experience in the form of individual intangible accumulations of migrants — knowledge, skills, abilities, and quality habits that society can acquire. It is still too early to assess the extent to which migrants' individual social and cultural accumulations in the form of new life values, behavioural norms, stereotypes, perspectives, relationships, and standards, acquired through European experience, can be applied upon their return to homeland. The response to the question of how living in another country affects worldview and

value systems shows that the perception of values is not gender-neutral, although it is differentiated depending on many factors. The study revealed that women are significantly more sensitive to existing societal norms, traditions, and stereotypes. These factors affect women to a greater extent than men, as highlighted in the gender-specific research on forced migration conducted by the O. Razumkov Institute.[47].

If we break down women's responses, the nearly universal theme is that people have begun to value and love Ukraine more, to appreciate the time spent with family, to cherish what they have, and to recognize how good life was in Ukraine before the war. Respondents also noted that a new experience for them is living with a sense of security, trusting to each other and representatives of the police. Incidentally, distrust of others is one of the fundamental characteristics of Ukrainian society, as noted by sociologists. Sociological studies traditionally show that nearly half of Ukrainians do not trust those around them or are uncertain about it [49]. As has been repeatedly noted, Ukrainian migrants represent valuable human capital for recipient countries.

A significant portion of Ukrainian migrants are of working age, ready to adapt, find employment, and are willing to accept lower wages and difficult or unfavourable working conditions. For these reasons, European countries create favourable conditions for migrants to stay, encouraging them to remain by offering social benefits, free or affordable social housing, free language courses, vocational training, or professional qualifications, youth adaptation programs, and assistance in entering higher educational institutions. Accordingly, by analysing experts' reflections on the benefits Ukrainian citizens may acquire during forced migration in EU countries and later apply upon their return to Ukraine, the following factors can be identified:

- knowledge of a foreign language;

- obtaining European education, acquiring a new profession, or gaining new professional skills ;
- awareness of the value and advantages of official employment and diligent tax payment ;
- a change in worldview, exposure to a different culture, acquisition of new values and lifestyle;
- implementation of gender equality standards: fair distribution of family responsibilities, the practice of paternity leave, and combating domestic violence;
- gaining experience in solving everyday problems and interacting with various government, municipal, medical, educational, and other institutions without the need for bribery, which can strengthen the rejection of corruption in all its forms in Ukrainian realities;
- experience in starting and running a business according to European rules in an environment of economic freedom, with state support;
- lawfulness, adherence to European social rules and norms of behaviour;
- tolerance toward one another, respect for the individual from both society and the state;
- the habit of being friendly, polite, and smiling, even at strangers;
- a responsible attitude from society and the state toward certain categories of citizens, particularly the disabled and those with congenital disabilities;
- implementation of foreign practices in civic engagement: exercising active citizenship at the community level, interacting with local authorities, and using civilized methods to apply pressure on local executive authorities;
- new criteria and standards for quality, a shift toward European living standards, comfort, and services that do not yet exist in Ukraine.

We can already identify certain emerging trends in the changing financial habits of the population during the war. These trends may be driven by intuitive factors or fear, as well as, potentially, an increased sense of responsibility for one's

financial situation and financial literacy. In any case, these trends are positive. According to data from the National Bank as of the end of 2023, Ukrainians have accumulated more money, that can be evidence of building a new social habit under martial law influence. One of the key factors in the stability of Ukraine's banking system is its hyperliquidity. Over the past two years, Ukrainians have been saving an additional UAH 303.2 billion in non-cash national currency compared to the period before Russia's full-scale invasion. Individuals and private entrepreneurs have increased their holdings in banks by UAH 289.1 billion more in hryvnia funds: balances on current accounts grew by UAH 212.7 billion (+69.2%), while deposits increased by UAH 76.4 billion (+38.3%). An additional UAH 14.1 billion growth came from investments in government bonds (OVDPs) (+119.2%), which became a more profitable alternative to bank deposits.

In total, Ukrainians hold UAH 822 billion in liquid hryvnia assets (+58.4%). The situation with Ukrainians' foreign currency savings also turned positive (+\$1.1 billion). The outflow of funds from the banking system halted at the end of July 2022, and the volume of foreign currency deposits exceeded pre-war levels by early 2023. During the second year of the war, this amount increased by nearly \$1 billion. Over the past two years, total growth in current accounts amounted to \$0.99 billion, while foreign currency increased by \$0.23 billion. Ukrainians still hold \$0.12 billion less in deposits compared to pre-war levels.

Ukrainians are also accumulating more money in cash form, though the rate of growth is slowing. In 2022, the amount of cash increased by UAH 85.1 billion, while in 2023, it grew by UAH 50.1 billion. The growth rate slowed from 14.6% to 7.5%. In January 2024, after the Christmas and New Year holidays, the volume of cash decreased by UAH 12.1 billion (-1.7%). It is also worth noting that the state expresses concern about the issue of financial literacy among the population and sees a significant amount of work to be done in this direction. Thus, in 2024, Ukraine approved the National Strategy for Financial Literacy Development through 2030. Its goal is to enhance citizens' financial awareness. The National Strategy for

Financial Literacy Development through 2030 was developed by the National Bank of Ukraine. Representatives from the Ministry of Education and Science of Ukraine, the Deposit Guarantee Fund, the National Securities and Stock Market Commission, the Ministry of Economy of Ukraine, the Ministry of Digital Transformation of Ukraine, and the state institution “Office for Entrepreneurship and Export Development” joined the interagency working group.

Among the key objectives of the Strategy:

- Quality basic financial education. Measures are planned to improve financial literacy for preschoolers, schoolchildren, and students.
 - This includes the creation of educational resources, the modernization of curricula, and the introduction of a new mandatory course, “Entrepreneurship and Financial Literacy,” starting in 2025 for 8th graders and in 2026 for 9th graders in all schools in Ukraine.
 - Responsible financial life. Improving the financial literacy of the adult population through educational resources aimed at developing financial management skills during crises and raising awareness about the economy and financial products.
 - Financially literate entrepreneurs. For the first time in Ukraine, a comprehensive approach will be introduced to enhance the financial literacy of entrepreneurs.
 - A framework for entrepreneurs’ financial competencies will be created. Additionally, measures are planned to raise awareness among aspiring entrepreneurs and small business owners about financial services. Advanced digital financial literacy. Educational materials on digital financial services, payment security, and protection against cybercrime are planned to be developed.
 - Special attention will be paid to the development of interactive digital tools to improve financial skills.

- A favourable ecosystem for financial literacy development. The development of a financial literacy ecosystem in Ukraine, establishing cooperation both within the country and with representatives of international organizations and other countries.

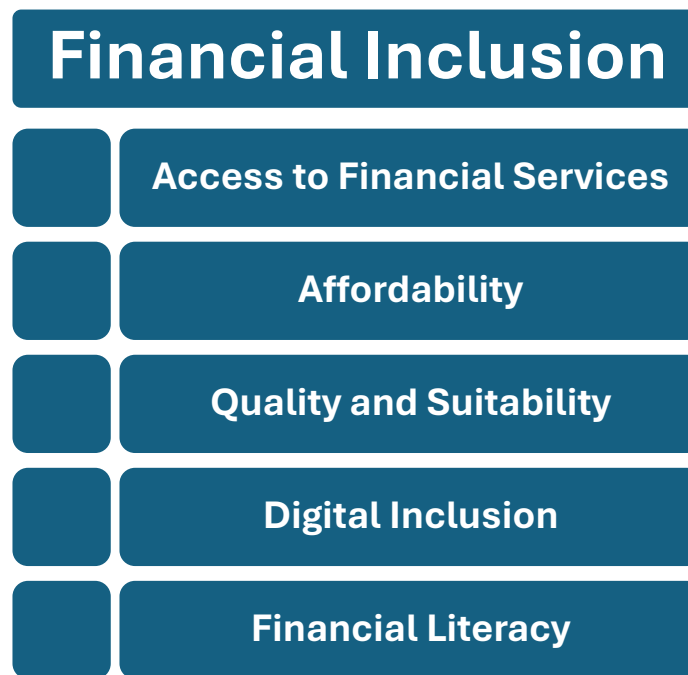
In conclusion, summarizing the information presented and analysed in the article, it should be noted: Ukraine, like the other post-Soviet countries, became hostages of communist propaganda and education, which left a lasting impact for many years and generations. The process of eradicating such mechanisms takes time and must be built based on systemic state initiatives. Financial literacy is one of the key areas of focus. Unfortunately, the real severity of the situation is not fully apparent to the population due to an inability to perceive it objectively. The lack of experience in close cooperation with developed countries, the long-standing “iron curtain,” and the low demand for digitalization processes among the population have contributed to the weak inclusion of the population and the country in global economic processes. The social and economic processes initiated by the full-scale armed aggression by the Russian Federation have altered Ukrainians’ perception of social responsibility and statehood in general. Thus, human capital in Ukraine has the potential to become a driving force for economic recovery and for bringing the economy to a qualitatively new level.

2.2. The role of digital competence in financial inclusion as a catalyst for economic progress and Ukraine's integration policy

Digital competence in the context of financial inclusion is the ability of individuals to effectively use digital technologies to access, understand, manage, and utilize financial services and products. It is a critical component of the modern financial environment, increasingly integrated with digital technologies such as online banking, mobile payments, cryptocurrencies, and financial apps.

Digital competence plays a crucial role in promoting financial inclusion by enhancing access to modern financial tools and services. Studies indicate that improving digital literacy significantly increases the adoption of digital financial services, particularly among socially excluded groups such as rural residents and low-income populations [66]. The proliferation of digital financial platforms, including mobile payments and online banking, provides opportunities for integrating a larger segment of the population into the financial system, thereby contributing to economic growth [51].

Financial inclusion is the process of ensuring that individuals and businesses, particularly those in underserved and marginalized communities, have access to affordable, useful, and sustainable financial products and services. These services include payments, savings, credit, insurance, and investments. Financial inclusion aims to address and eliminate barriers that exclude people from participating in the financial sector, promoting economic and social development.



Pic.2.4. Reconciliation of finance inclusion with other financial competences (compiled by author on base of analyzation information from resources [66;51]).

In this regards we can follow-up that financial inclusion itself profoundly impacts economic development by enabling access to financial resources for entrepreneurs, fostering the mobilization of savings, and expanding credit opportunities. In Ukraine, the implementation of digital financial services has reduced transaction costs, increased transparency, and improved the efficiency of financial operations. According to research by the National Bank of Ukraine, the level of financial inclusion in the country has risen by 15% due to digital innovations [53]. Also, In its annual report of 2023 NBU states “Another important achievement in 2023 was the migration to a new generation of the NBU’s System of Electronic Payments (SEP). On 1 April 2023, the system started operating on the basis of the international standard ISO 20022 and is available for interbank payments 24/7. Considering the future integration of the Ukrainian and European financial markets, this and other measures laid the groundwork for our country to join the Single Euro Payments Area (SEPA).”

Thus, we can see that government is continuing to follow policy of EU’s integration also by implementing system in financial sector.

In addition, we can analyze the strategy that has been disclosed in annual report in which one of the points sounds following: “Continuing to reform the financial sector in line with the country’s European integration vector.” [53].

Thus, we can assume that one of the pivotal goals for Ukrainian economic today is meeting requirements for integration to EU, which is continuing to be pretty much challenging in terms of financial and digital inclusion of Ukrainian population.

Digital Financial Inclusion (DFI) has emerged as a transformative force in modern economies. By leveraging innovative technologies, DFI aims to ensure that all individuals and businesses, regardless of their economic status or geographic location, can access and utilize financial services effectively. This inclusion is particularly crucial for underserved populations, including those in rural areas, low-income groups, and marginalized communities [59, p.234-266; 65, p.14]. The adoption of digital financial services has gained momentum in recent years, with significant advancements in mobile banking, blockchain, and digital payment systems [9]. However, achieving comprehensive financial inclusion requires addressing various challenges, including the digital divide, cybersecurity risks, and disparities in digital literacy levels [60, t.2(33), p.500-512].

Digital financial literacy is not merely an enabler of inclusion but a cornerstone of economic empowerment in the digital era. It encompasses a broad spectrum of competencies, including understanding digital tools, managing financial data securely, and making informed financial decisions [62]. For example, countries like Estonia and Singapore have pioneered digital literacy initiatives that integrate financial education into school curricula, ensuring early exposure to essential skills.

Moreover, digital financial literacy is critical for fostering trust in digital ecosystems. Studies show that individuals with higher digital competence are more likely to adopt mobile banking and online payment platforms, contributing to a growing cashless economy [57].



Pic. 2.5. Key points of digital competence in financial inclusion (compiled by author on base of analyzation information from resources [62;57]).

For author opinion it would be reasonable to consider closely also the concept of fintech since its contribution in the development of finance sector is unmeasurable.

Fintech (financial technology) refers to a set of innovative technologies, solutions, and software products used to automate, optimize, and expand financial services. Fintech encompasses all aspects of finance, including banking, payments, lending, insurance, investment, and financial analytics. It serves as a bridge between traditional financial systems and modern digital advancements, offering improved accessibility, efficiency, and personalization of financial products and services.

The reconciliation of fintech and digital competence in financial inclusion involves aligning technological advancements with users' ability to access and effectively use these innovations. Fintech has transformed financial inclusion by providing digital tools such as mobile banking, peer-to-peer lending, and microloans, allowing underserved populations to access financial services previously out of reach [66]. However, digital competence is critical to ensure individuals can navigate these platforms confidently and securely. It encompasses

skills such as using smartphones, understanding digital interfaces, and applying cybersecurity practices, which are essential to safely interact with financial technologies [67].

One of the main challenges is the digital literacy gap, particularly in rural areas and among the elderly. For example, many users lack basic skills like downloading apps or recognizing phishing attempts, which limits their ability to benefit from fintech solutions [68]. Additionally, barriers such as limited access to reliable internet, lack of trust in digital services, and concerns about cybersecurity further hinder fintech adoption [69]. To overcome these challenges, governments and organizations have implemented programs aimed at building digital and financial literacy. For instance, mobile operators in Africa offer simplified fintech apps with educational features tailored to low-literacy users [70].

Fintech providers are also contributing by designing user-friendly interfaces and incorporating local languages to enhance accessibility. Regulatory frameworks play a crucial role, as they encourage inclusive fintech innovation and establish cybersecurity standards to protect users [71]. Moreover, partnerships between fintech companies and community organizations help bridge trust gaps and provide localized support for technology adoption.

When effectively reconciled, fintech and digital competence empower individuals to fully utilize digital financial tools, increasing economic participation and reducing poverty and inequality. For instance, M-Pesa in Kenya demonstrates how mobile money platforms, combined with basic digital education, have transformed financial inclusion and improved livelihoods across socioeconomic groups [73]. This alignment is essential to achieving sustainable and inclusive growth in the global economy.

Fintech innovations have redefined the landscape of financial services by addressing barriers such as cost, accessibility, and speed. Mobile payment systems,

blockchain technologies, and peer-to-peer lending platforms are among the key innovations driving DFI [56, p. 403–427].

For considering examples of changes that have been raised in economic by implementation of fintech project, author is offering below to learn the case.

M-Pesa is a mobile phone-based money transfer system in Kenya which grew at a blistering pace following its inception in 2007. We examine how M-Pesa is used as well as its economic impacts. Analyzing data from two waves of individual data on financial access in Kenya, we find that increased use of M-Pesa lowers the propensity of people to use informal savings mechanisms such as ROSCAS but raises the probability of their being banked. Using aggregate data, we calculate the velocity of M-Pesa at roughly four person-to-person transfers per month. In addition, we find that M-Pesa causes decreases in the prices of competing money transfer services such as Western Union. While we find little evidence that people use their M-Pesa accounts as a place to store wealth, our results suggest that M-Pesa improves individual outcomes by promoting banking and increasing transfers [74].

Table 2.4.

Analyze of impact M-PESA in Kenya (compiled by author on base of analyzation information from resources [71; 73]).

1	Key Success Factors	Impact of M-Pesa	Challenges and Lessons Learned
2	User-Friendly Interface: M-Pesa was designed with simplicity in mind, making it accessible even to individuals with limited technological literacy. Transactions can be performed via basic feature phones using SMS-based systems.	Financial Inclusion: As of 2023, over 90% of Kenyan households use mobile money, with M-Pesa dominating the market. It brought millions of unbanked individuals into the financial ecosystem.	Infrastructure Needs: Expanding M-Pesa required significant investment in mobile network coverage, particularly in remote areas.

Continuation of table 2.4. **Analyze of impact M-PESA in Kenya (compiled by**

3	<p>Targeted Educational Campaigns: Safaricom invested in educating users through community outreach, demonstrations, and partnerships with local organizations to build trust and teach the basics of using the platform. Educational initiatives were crucial in overcoming skepticism and resistance to adopting digital financial solutions.</p>	<p>Economic Growth: M-Pesa facilitated access to credit, savings, and insurance, empowering small businesses and fostering entrepreneurship.</p>	<p>Regulatory Support: Collaboration with the Central Bank of Kenya ensured that M-Pesa operated within a supportive yet secure regulatory framework.</p>
4	<p>Wide Agent Network: M-Pesa established a vast network of agents, including local shops and kiosks, where users could deposit and withdraw cash, bridging the gap between digital and physical money.</p>	<p>Social Empowerment: Women, who traditionally faced greater barriers to financial access, benefitted significantly from M-Pesa, using it for savings and as a tool for economic independence.</p>	<p>Trust Building: The success of M-Pesa relied heavily on trust, which Safaricom built through transparency and reliability.</p>
5	<p>Focus on Rural Populations: By targeting underserved rural areas, M-Pesa provided a lifeline for communities that previously had limited or no access to traditional banking services.</p>	<p>Global Leadership: Kenya became a global leader in mobile money innovation, with M-Pesa serving as a model for similar platforms in other countries, including Tanzania, India, and Afghanistan.</p>	
6	<p>Focus on Rural Populations: By targeting underserved rural areas, M-Pesa provided a lifeline for communities that previously had limited or no access to traditional banking services.</p>		
7	<p>Affordable and Secure Services: Low transaction costs and robust security measures (e.g., PIN-protected transactions) made M-Pesa a trusted platform for millions.</p>		

author on base of analyzation information from resources [71; 73]).

As we see apparent success of M-Pesa demonstrates the power of combining innovative technology with targeted education and accessibility strategies. It highlights how digital financial services can drive financial inclusion, improve livelihoods, and foster economic development, particularly in underserved regions. M-Pesa remains a benchmark for mobile money platforms worldwide [61].

Blockchain technology has gained prominence for its ability to enhance transparency and security in financial transactions. Platforms like Ripple and Stellar have facilitated cross-border payments, significantly reducing transaction times and costs [62].

In addition, author would fair emphasis that generational differences play a pivotal role in shaping the adoption of digital financial tools. Millennials and Generation Z, who are often referred to as digital natives, exhibit a natural affinity for technology. These groups prioritize convenience and accessibility, making mobile-first banking solutions particularly appealing [64].

Conversely, older generations face unique challenges in adapting to digital platforms. Lack of familiarity with technology, coupled with concerns over cybersecurity, often hinders adoption among these groups. Initiatives such as digital literacy workshops and simplified interfaces can help bridge this generational divide [57].

Cultural and social factors also play a important role. In some communities, traditional norms and lack of trust in digital systems hinder the adoption of digital financial tools [57]. And making conclusion from 2.1. chapter we can conclude Ukraine with its Soviet in heritage has it in complete.

The advantages of DFI extend beyond individual empowerment to broader economic and social benefits. Enhanced access to financial services enables individuals to save, invest, and manage risks more effectively, contributing to poverty alleviation and economic resilience [65].

Additionally, DFI supports the achievement of several Sustainable Development Goals (SDGs are a set of 17 global objectives established by the United Nations in 2015 as part of the 2030 Agenda for Sustainable Development). These goals aim to address the world's most pressing social, economic, and environmental challenges. including reducing inequalities (SDG 10), promoting gender equality (SDG 5), and fostering innovation and infrastructure development (SDG 9) [63, t.2(33), p.500-512].

Despite its transformative potential, several challenges impede the progress of DFI. The digital divide remains a significant barrier, with millions lacking access to reliable internet connectivity and affordable digital devices. For example, rural areas in low-income countries often suffer from inadequate infrastructure, limiting the reach of digital financial services [62].

Author wants also to refer to less optimistic sides of concept that also should be taken to account and considered as the field of further improvements. Cybersecurity is another critical concern. The rapid proliferation of digital platforms has exposed users to risks such as identity theft, phishing attacks, and financial fraud. Strengthening cybersecurity measures and raising user awareness are essential steps in mitigating these risks [61].

To overcome these challenges and maximize the benefits of DFI, a multi-pronged approach is necessary. Governments should prioritize investments in digital infrastructure, ensuring that rural and underserved areas have access to high-speed internet and affordable devices [61].

For author opinion efforts to improve digital literacy should include individuals of all ages, with particular attention given to supporting vulnerable groups such as older adults, rural populations, and low-income households. By fostering collaborations among banks, technology providers, and non-governmental organizations, these initiatives can provide comprehensive training, build trust, and empower individuals to confidently use digital financial platforms.

Moreover, at the same time, policy frameworks need to adapt to the challenges presented by digital financial systems. Regulators should focus on enhancing data security to protect personal information, implementing measures to detect and prevent cyber threats and fraud, and ensuring transparency by requiring clear communication of service terms. Collaborative efforts among policymakers, industry stakeholders, and consumer advocacy groups are essential to create a secure and inclusive digital financial environment that benefits users and supports the sustainable growth of digital financial services.

Digital Financial Inclusion is not merely a technological advancement but a catalyst for economic and social transformation. By addressing barriers such as the digital divide, cybersecurity risks, and generational gaps, policymakers and stakeholders can create an inclusive financial ecosystem that benefits all members of society. The journey toward comprehensive inclusion requires a concerted effort, but the potential rewards—economic growth, poverty alleviation, and social equity—make it an endeavor worth pursuing [65].

Ukraine is undergoing a major digital transformation, which is a key step in its efforts to align with European Union standards. By adopting the European Digital Economy and Society Index (DESI) framework, the country has established a system to monitor its progress in digitalization and compare its achievements with those of EU member states.

Ukraine is undergoing a significant digital transformation, a strategic priority for its integration into the European Union. The adoption of the European Digital Economy and Society Index (DESI) framework enables the assessment of digitalization progress and benchmarking against EU countries [55]. Notably, the launch of the "Diia" platform has not only provided citizens with access to public services online but also facilitated financial inclusion by integrating digital payments and services [55].

In conclusion, digital competence is a cornerstone of financial inclusion, acting as a catalyst for economic progress and Ukraine's integration into the European community. Investments in digital education, infrastructure, and the implementation of innovations in the financial sector are essential for achieving these objectives. Future research should focus on measuring the effectiveness of implemented digital solutions in the context of the national economy.

Ukraine's integration policy prioritizes digital transformation as a pathway to align with EU standards. Initiatives such as adopting the European Digital Economy and Society Index (DESI) framework allow Ukraine to benchmark its digitalization efforts against EU countries. Programs like the "Diia" platform exemplify this approach, offering digital public services while integrating financial tools that promote inclusion. These steps underline the country's commitment to building a digitally inclusive society as a foundation for sustainable development and European integration.

Digital competence is not only essential for advancing financial inclusion but also serves as a catalyst for economic progress and integration into the European Union. By fostering these skills and expanding access to digital financial tools, Ukraine is creating opportunities for economic empowerment and aligning its policies with global standards. This dual focus on digital skills and inclusion positions Ukraine to achieve meaningful economic and social advancement.

2.3. Aiming sustainable economic development: the synergy between government and society

Sustainable economic development requires a balanced approach that integrates economic growth with environmental protection and social equity. A critical driver of this balance is the synergistic interaction between banks and society. Banks play a facilitating role by providing financial resources and expertise, while society, encompassing individuals, communities, and organizations, contributes local knowledge, innovation, and participation. This section explores the mechanisms of this synergy, its potential to achieve sustainable development goals (SDGs), and the challenges that must be addressed to optimize this collaboration.

Synergy refers to the concept that the combined effect of two or more entities, actions, or forces working together is greater than the sum of their individual effects. This is particularly relevant in the financial sector, where collaboration between banks and communities can enhance outcomes in economic, social, and environmental spheres [78]. For example, participatory approaches to financial product design enable alignment with local needs and values, creating more sustainable and impactful outcomes.

In the context of sustainable development, such synergy supports participatory governance, where banking initiatives backed by community insights enhance the legitimacy and efficiency of financial solutions [85]. This model reflects broader SDG principles, emphasizing inclusivity and collaboration as foundations for long-term progress.

Banks can foster economic growth by partnering with communities on green projects, providing microloans for small businesses, or co-developing innovative financial solutions. At the same time, challenges such as mistrust, limited access to resources, and systemic inefficiencies must be addressed to optimize these synergies (77). By adopting inclusive approaches, such as decentralized financial services and educational programs, banks can further empower communities and promote resilience.

The Nordic model provides a successful case study of collaborative mechanisms, including decentralized decision-making and financial inclusion strategies, which have led to notable achievements in economic stability and social equity. However, even these systems face challenges like resource dependency and balancing interests among stakeholders [82, 80].

In conclusion, the synergy between banks and society is integral to achieving sustainable economic development. By fostering collaboration, transparency, and inclusivity, banks can align financial services with societal goals, ensuring prosperity for current and future generations. These efforts must prioritize participatory frameworks to overcome systemic challenges and realize the full potential of this partnership.

Table 2.5.

Sources of synergy between banks and society (compiled by author on base of analyzation information from resources [77;84]).

Value from Synergies	Key Areas	Examples of Collaboration
Economic Growth	Increase investments	Banks provide loans for green energy projects, while communities implement localized solutions.
	Expand employment	Joint efforts in financial literacy and skill development programs tailored to local economic needs.
	Boost innovation	Banks fund research and provide venture capital, while communities contribute with grassroots knowledge.
	Reduce redundancies	Collaboration between banks and local

		organizations to avoid duplication in financial services.
Cost Efficiency	Optimize resource use	Banks and local communities co-develop efficient financial solutions, such as shared digital platforms for services.
	Lower administrative costs	Digital banking platforms streamline financial operations and enhance accessibility for underserved populations.
Social Capital	Enhance trust	Transparent banking practices and regular community engagement foster trust in financial institutions.
	Empower communities	Banks support local entrepreneurship through microloans and community-led financial initiatives.
Environmental Benefits	Improve sustainability	Banks finance community-driven projects like renewable energy or eco-friendly infrastructure development.
	Reduce emissions	Banks provide green financing solutions, while communities adopt renewable energy practices.
	Protect natural resources	Joint funding for reforestation, biodiversity conservation, and sustainable resource management projects.

The author emphasizes the importance of mechanisms that enable synergy between banks and society, facilitated by government involvement, as these mechanisms directly influence the outcomes of their collaboration. Based on an analysis of several resources, the following key features are identified as successful mechanisms for achieving synergy:

1. Policy Co-Creation

Engaging civil society in policymaking ensures that banking initiatives and government decisions align with societal needs and values. Participatory platforms, such as public consultations or town hall meetings, allow governments and banks to gather diverse perspectives and build consensus. This approach has proven effective in urban planning across Europe, where community input has resulted in more sustainable and equitable outcomes [82].

2. Public-Private Partnerships (PPPs)

Banks and private organizations collaborate with community-based entities to drive economic growth while addressing social and environmental challenges. Notable examples include renewable energy initiatives in Scandinavia, where banks, governments, and local cooperatives work together to achieve carbon neutrality and economic resilience [79].

3. Decentralized Governance

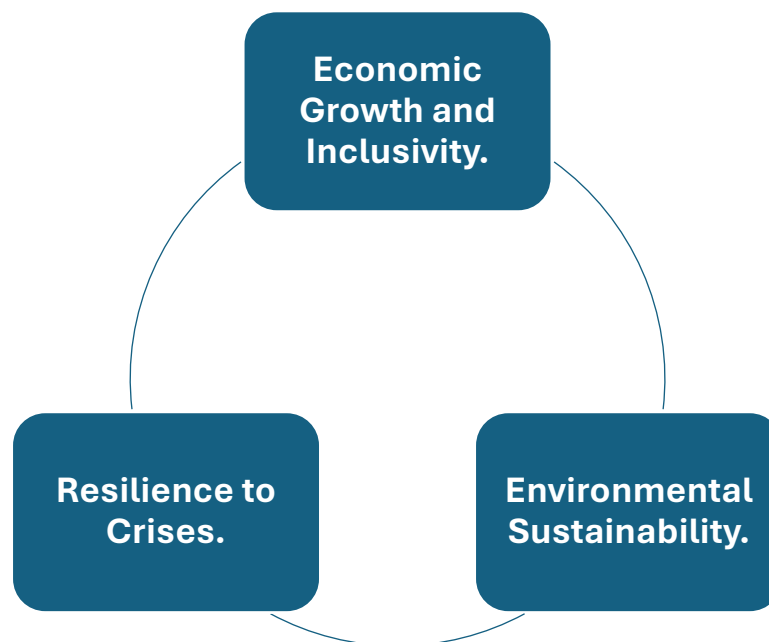
Decentralization empowers local communities and governments to manage development projects, enhancing their ownership and accountability. For instance, India's Panchayati Raj system demonstrates how local governance structures, supported by financial institutions, can drive rural development and leverage community participation effectively [80].

4. Capacity Building and Education

Governments and banks invest in capacity-building programs to enable communities to actively participate in sustainable economic development. For example, training programs in sustainable agriculture have empowered farmers in

Sub-Saharan Africa to adopt eco-friendly practices, boosting productivity and ecological balance [88].

The primary pillar of a successful synergetic mechanism between banks, society, and governments is open communication. This process is effective only within a democratic framework characterized by political stability and a strong commitment to human rights protection. The correct integration of these mechanisms enhances the collaboration's outcomes, fostering sustainable economic development and societal resilience.

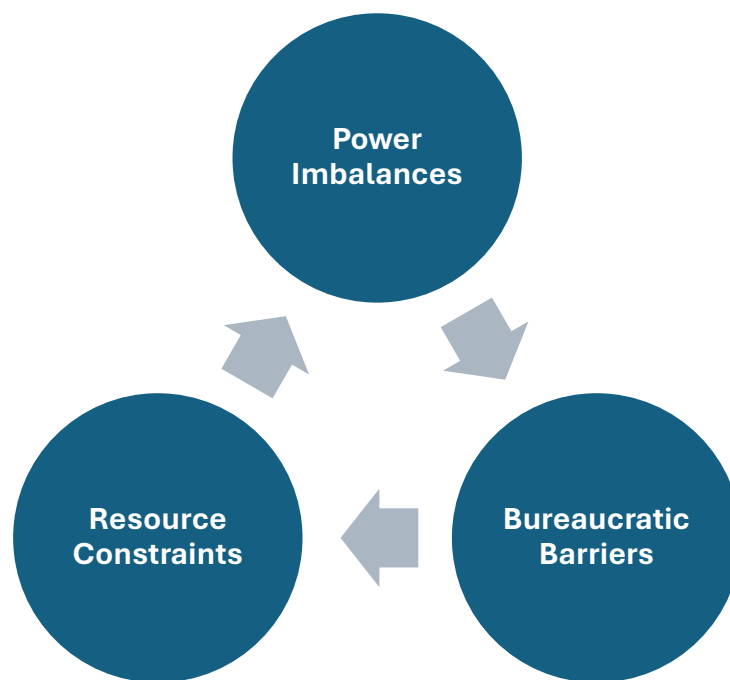


Pic.2.6. The impact of government-society synergy on sustainable development (compiled by author on base of analyzation information from resources [79;87]).

Collaborative efforts promote economic growth that benefits all segments of society. By involving marginalized communities in decision-making, governments can reduce inequality and foster inclusive development (Sen, 1999). Participatory budgeting in Brazil, for example, has led to more equitable resource allocation and improved public services in underserved areas [83]. Synergistic actions enable the integration of environmental considerations into economic policies. Community-led conservation programs, supported by government frameworks, have successfully protected biodiversity hotspots in countries like Kenya and Costa Rica [82].

Collaboration between governments and communities enhances societal resilience to economic and environmental crises. For example, during the COVID-19 pandemic, community health initiatives backed by governments in countries like New Zealand demonstrated the power of cooperation in managing public health and economic recovery [76].

We also cannot avoid mentioning challenges that potentially can arise on the way.



Pic 2.7. Potential challenges on the way to synergetic between government and society (compiled by author on base of analyzation information from resources [82;76]).

Inefficiencies within government institutions can slow down collaborative processes [77].

Disparities in decision-making authority between governments and communities often lead to unequal partnerships [80].

Limited financial and technical resources pose significant challenges to implementing collaborative initiatives, particularly in low-income countries, where partnerships between banks and society are most crucial [86]. Examining successful models, such as those in the Nordic countries, provides valuable

insights into fostering synergy between financial institutions and communities, supported by government policies.

The Nordic region, including countries like Norway, Sweden, and Finland, exemplifies effective collaboration between banks and society. In Norway, innovative financial policies and participatory approaches have resulted in inclusive economic strategies, such as equitable access to financial services and sustainable urban development [81]. The "Nordic Model" is widely recognized for its welfare systems, high public trust, and efficient governance, all of which contribute to sustainable development.

Key features of this synergy include policy innovation, where banks and governments collaborate to ensure financial inclusion for marginalized groups, enabling access to credit and fostering economic stability (Kvist, 2015) [126]. Public-private partnerships (PPPs) in the region fund renewable energy projects and green infrastructure, demonstrating the alignment of economic and environmental objectives [79]. Decentralized banking services empower local communities to allocate resources effectively, as seen in Sweden's governance model, which supports environmental sustainability and reduces carbon emissions [82]. Furthermore, Nordic banks maintain societal resilience by offering tailored financial products and managing reserve funds, which strengthen economic stability and foster social trust [96].

Despite its strengths, the Nordic model also faces challenges. High taxation, bureaucracy, and integration into global financial systems create complexities. The 2008 financial crisis highlighted vulnerabilities in Iceland's banking sector, emphasizing the need for adaptable solutions [91]. Moreover, disparities in performance across sectors underscore the importance of tailoring approaches to specific contexts [109].

The Nordic countries provide a robust case study of successful synergy between banks and society, supported by proactive government policies. Their model highlights the value of inclusive financial policies, collaborative financing,

and decentralized banking services in achieving sustainable development goals. For low-income countries facing financial constraints, adopting elements of the Nordic approach—such as community engagement, public-private partnerships, and policy co-creation—can enhance their capacity to implement effective initiatives. This demonstrates the transformative potential of bank-society collaboration in driving sustainable economic development.

The Nordics have been widely praised for their remarkable stability and resilience in their equality-focused universalistic social programs and their stimulating labor market policies across three decades of economic upheaval [104, 89, 98]. In spite of this, the Nordic countries were unable to avoid the tidal waves of political instability, populism, polarization, and radicalization that have swept across Europe in the past two decades [100, 102]. Likewise, despite their consistently high scores on effective government, happiness, quality of life, and a range of other global indicators, the Nordic nations have not been spared their share of wicked challenges such as environmental destruction, disengaged youths, criminal gangs, human smuggling, hate-based crimes, domestic terrorist attacks, and cross-border issues like the global financial downturn of 2008–2009 (which hit Iceland especially hard) and the COVID-19 pandemic.

In these policy areas and in response to shared problems, there is little proof of a "Nordic approach" or even regional cooperation in the ways the various Nordic administrations operate - though each government in their own way showed agile and effective strategies to the financial crisis, for example [98].

In addition, research has suggested that since the 1990s, the corporatist governance style, defined by consensual democratic processes and a strong, active involvement of interest groups in policymaking and execution, that was long entrenched in the region has been under increasing pressure. Some studies [92] note a steady shift in the Scandinavian policymaking style toward greater informal engagement between the government and organized interests, more ad-

hoc lobbying and advocacy, heightened disputes, and the increasing prominence of new actors such as policy professionals, think tanks, and other creators of policy concepts.

Notwithstanding these limitations, there is little room for debate that students of good governance and effective public policy have much to study in Northern Europe. It is all the more notable, therefore, that as yet, there are few in-depth, detailed case-studies of some of the most extraordinary policy achievements within the Nordic region [120, 116].

In fact, detailed academic investigations of public policy successes have been relatively rare globally. This has started to shift very recently [113, 107, 96], as academics begin to acknowledge the importance of not just counting but understanding government's positive achievements at a time when public discontent with politics and democracy is spreading like wildfire and eroding social trust, social media dynamics, political views, and electoral choices.

Contributing to this emerging trend in "positive" public governance research, the objectives of this book are to observe, describe, highlight, and promote insights from past and present examples of highly successful and highly valued public policymaking in Finland, Denmark, Sweden, Norway, and Iceland.

This book project is embedded in a broader initiative led by 't Hart exploring policy successes globally and regionally. It is designed as a partner volume to OUP's 2019 publication *Great Policy Successes* (Compton and 't Hart, 2019) and to a parallel volume project on policy successes in Canada, which is also being submitted to OUP. Bringing together 21 focused case studies of notable public policies from five Nordic countries, this volume offers rich material for drawing comparisons within and across countries and sectors, also to examine the myths and realities of the "Nordic model."

Achievements, collaboration mechanisms, and disadvantages of the Nordic Model. (compiled by author on base of analyzation information from resources [95;106;112]).

Category	Achievements	Collaboration mechanisms between government and society	Disadvantages
Social Equality	Equal access to social benefits, reduction of inequality.	Inclusive social programs, policy consensus, support for low-income groups.	Increased tax burden, risk of abuse of social benefits.
Labor Market	Low unemployment, workforce upskilling.	Government retraining programs, partnerships with businesses, active involvement of trade unions.	High program costs, difficulty integrating migrants into the labour market.
Good Governance	Transparency and efficiency in public institutions.	Regular dialogue with civil society, decentralized decision-making.	Excessive bureaucracy, delays in decision-making processes.

Continuation of table 2.6. **Achievements, collaboration mechanisms, and disadvantages of the Nordic Model. (compiled by author on base of analyzation information from resources [95;106;112]).**

Happiness and Well-Being	High levels of life satisfaction.	Investments in social services, healthcare, education, and citizen well-being.	Alienation of specific groups, particularly the youth.
Economic Resilience	Successful navigation of economic crises (e.g., 2008–2009 financial crisis).	Public financial oversight, creation of reserve funds, consultations with expert groups.	Dependence on global economic conditions, risk of inflexibility.
Social Cohesion	High levels of trust among citizens, active civic engagement.	Joint initiatives between citizens and the government, promotion of volunteerism.	Division over migration issues, influence of populist movements.
Environmental Sustainability	Efficient resource use, reduction in CO2 emissions.	Local initiatives for environmental responsibility, government subsidies for green technologies.	Dependence on fossil fuels in some countries, such as Norway.
Education System	Innovative and inclusive education models.	Collaboration with educational institutions, public participation in setting education priorities.	High funding costs, challenges in adapting the system to new conditions.
Gender Equality	Equal workforce participation, progressive parental leave policies.	Inclusion of women in political and economic processes, legislative initiatives.	Challenges for businesses due to additional compliance costs.
Pension System	Stable pension provision.	Management of state funds, expert consultations, transparency in decision-making.	Risk from global financial market fluctuations, reliance on stock investments.
Trust in Institutions	High levels of public trust in government and state institutions.	Regular reporting to citizens, public involvement in policymaking.	Risk of losing trust due to political crises or scandals.

Thus, we can conclude that the synergy between banks and society is a cornerstone of sustainable economic development. By fostering collaboration, banks and communities can create resilient financial ecosystems that balance economic growth with environmental sustainability and social well-being. To realize this potential, banks must address systemic barriers, engage in participatory mechanisms, and prioritize transparency and inclusivity in financial decision-making processes. Through these efforts, the goals of sustainable development can be achieved, ensuring financial stability and prosperity for present and future generations.

Chapter 3.

Enhancing financial literacy as foundation for sustainable development of the Ukrainian economy

3.1. Strategies and tools for developing financial literacy in the Ukrainian society

Financial inclusion, recognized as a cornerstone of inclusive economic development and a reflection of societal and business alignment within a country, was identified in the early 2020s as a strategic priority by the National Bank of Ukraine (NBU) in its roadmap until 2025. This initiative aimed to establish a strong platform for sustainable economic growth [152].

However, the ongoing Russian aggression against Ukraine, described by the International Crisis Group as one of the largest armed conflicts in modern history, has posed unprecedented geopolitical, social, financial, and security challenges in Europe. This conflict has reshaped global paradigms, yet Ukraine's dedication to advancing financial inclusion remains steadfast. This commitment is demonstrated by the revision of the NBU Strategy on May 22, 2023, which replaced the original framework with a new open-ended institutional strategy titled "Ukraine's Financial Fortress." This updated strategy emphasizes "unifying key participants of the financial ecosystem to maintain financial stability, enhance Ukraine's resilience, and ensure financial inclusion for its citizens" [153].

The priority of ensuring equitable access to financial products, services, and processes for all citizens, even amid the uncertainty and volatility of wartime, is crucial for the further development and adoption of best practices in the financial sector. These efforts should focus on enhancing societal well-being, fostering economic growth, and reducing inequality [154].

In this context, it is essential to assess the state of Ukraine's financial sector at the outset of the full-scale invasion, evaluate the effects of martial law on the operations of banking, currency, and credit markets, and consider the development of the "economic front" as a vital component of the national vision and a key element of national security.

Ukraine has made significant strides in recent years toward adopting the highest European Union standards, focusing on an open economy, trade cooperation, barrier-free access, and inclusive financial practices. The nation's achievements include extensive digitalization, streamlined online processing in financial and related sectors, the implementation of remote identification through the NBU's BankID system, and the growing popularity of contactless payments and online transactions across various population groups. These measures had already improved Ukraine's financial inclusion indicators before the full-scale invasion [152].

For instance, a joint study conducted by the USAID Project "Financial Sector Transformation" and the National Bank of Ukraine under the OECD International Network on Financial Education methodology reported a rise in Ukraine's financial literacy index from 11.6 in 2018 to 12.3 in 2021 (on a scale of 21). The improvements across all primary components—financial knowledge, financial behavior, and attitudes toward financial matters—validated the effectiveness of the digitalization and online service initiatives introduced by state banks. These advancements not only bolstered the domestic financial sector during the pandemic but also contributed significantly to post-pandemic recovery efforts [155]. Despite these positive trends and the strong potential for further improvement demonstrated by pre-war financial inclusion indicators, the full-scale Russian invasion has drastically altered existing programs and frameworks. The active phase of the war led to the occupation of substantial parts of Ukrainian territory, severely disrupting the centralized operations of banks, banks, insurance companies, and investment and credit organizations. Additionally, widespread population displacement, large-scale

damage to infrastructure, and energy supply interruptions have further constrained access to financial services and created significant challenges for the implementation of financial inclusion programs [153]. Thus, the author identified and analyzed the main challenges to financial inclusion of the population in Ukraine during wartime.

1. **Limited Access to Financial Services.** A significant obstacle is the physical inability of many citizens, particularly those in conflict-affected or temporarily occupied territories, to access a comprehensive range of financial services under acceptable conditions. This issue is especially pronounced in the realm of public finance, where disrupted infrastructure and limited financial operations hinder accessibility for those most in need [154].

2. **Constraints on Digital and Economic Development.** The war has imposed severe limitations on the development of Ukraine's digital economy, further exacerbated by inflationary instability and imbalances in centralized financial resources. These factors collectively threaten the stability of the domestic financial system, increase poverty, and jeopardize long-term economic growth driven by financial inclusion. Without immediate interventions to stabilize the economy, the risks of systemic turbulence and socioeconomic disparities will intensify [154].

While the resolution of the first group of challenges relies heavily on the success of Ukraine's Defense Forces in liberating occupied territories, the second group demands immediate attention. Addressing these issues necessitates adherence to the G20 principles for financial inclusion, which emphasize accessibility, innovation, and resilience within the financial ecosystem.

To achieve this, Ukraine must adopt an intensive transformational approach aimed at developing its financial services market and ensuring its accessibility to a broader range of consumers. This strategy will not only support the nation's recovery efforts but also accelerate the implementation of pro-European reforms. Furthermore, it will facilitate Ukraine's rapid progression toward digital

advancement and greater inclusivity within the national financial sector, even amidst ongoing wartime disruptions [154].

Table 3.1.

Urgent Measures to Address Threats to Financial Inclusion (compiled by author on base of analyzation information from resources EU Directive PSD2 (2020); NBU (2023); USAID (2021))

Key Initiative	Actions Required	References
Ensure Transparency and Robust Regulation	<ul style="list-style-type: none"> • Develop and enforce legal frameworks for digital financial products. • Regulate software tools. • Foster open banking. Protect consumer rights. • Align efforts with EU Payment Services Directive (PSD2) to ensure compliance with international standards. 	EU Directive PSD2 (2020); NBU (2023)
Promote Diversity and Integration	<ul style="list-style-type: none"> • Simplify user identification procedures. • Minimize risks. • Enhance cybersecurity measures. • Foster an inclusive and interconnected digital financial ecosystem. 	OECD (2021); G20 Principles (2020)
Strengthen Digital and Financial Literacy	<ul style="list-style-type: none"> • Implement nationwide educational campaigns. • Empower citizens with knowledge and skills to navigate digital financial systems safely. • Promote informed economic decision-making. 	NBU (2023); USAID (2021)

To mitigate the current challenges and strengthen financial inclusion in Ukraine, several immediate actions discussed above must be prioritized. Below we want to disclose widely its meanings:

- **Ensure Transparency and Robust Regulation.** Develop and enforce legal and legislative frameworks that support the digitalization of the financial product environment. This includes regulating software tools, fostering open banking, and protecting the rights of consumers using digital financial services. These efforts should align with the European Union's Payment Services Directive (PSD2), ensuring compliance with international standards [154; 157].
- **Promote Diversity and Integration of Digital Financial Services.** Encourage a diverse and interconnected financial system by simplifying user identification procedures, minimizing risks, and enhancing cybersecurity measures. This approach aims to create an inclusivity-oriented digital financial ecosystem that is both secure and accessible to a wide range of consumers [131;160]
- **Strengthen Digital and Financial Literacy.** Position digital and financial literacy as a cornerstone of national security. This involves implementing nationwide educational campaigns to empower citizens with the knowledge and skills necessary to safely navigate the digital financial landscape and make informed economic decisions [155; 154].

It is worth emphasizing that the consolidation of Ukrainian society, which began with the full-scale Russian invasion and continues to this day, allows for optimistic projections regarding Ukrainians' readiness to support and further develop the country's financial sector. This can be achieved through greater personal involvement in progressive, inclusive financial systems and by contributing to a robust economic front both during the war and in the post-war years.

Despite the current challenges and risks to the development of financial inclusion, Ukrainian institutions have managed, even during the war, to quickly and effectively integrate progressive and efficient tools into the financial practices of centralized and decentralized funding for critical wartime programs, projects, and socially significant initiatives.

The urgent need to address financial deficits for the government, businesses, and households has prompted the accumulation of free circulating capital through innovative means. Rather than relying on traditional principles of term and payment obligations, the focus has shifted toward socially oriented business projects. This shift has enabled domestic companies, volunteers, and charitable organizations to rapidly popularize crowdfunding as a viable investment avenue since the onset of full-scale aggression [159, p.45-56].

As highlighted by Doctor of Economics and Professor Anatolii Mazuraki, crowdfunding has emerged as one of the most accessible and effective tools for mobilizing resources to support Ukraine's resistance against Russian aggression. This method has seen unprecedented participation from both Ukrainian and foreign citizens, aiming to fund humanitarian and military needs.

While crowdfunding in developed countries is predominantly used to finance high-value technological startups, Ukraine's wartime experience demonstrates its broader applicability. Crowdfunding has successfully united public efforts around diverse projects, including those with humanitarian and social objectives. According to data from "Hromadske Prostir," over 2,000 nonprofit organizations and charitable funds were registered in Ukraine during the first seven months of the war. These entities have been instrumental in channeling financial resources toward various wartime necessities, including medical aid, logistical support for the Armed Forces, evacuation initiatives, and humanitarian relief for affected populations [156].

The unique strength of crowdfunding lies in its transparent and community-driven approach. It mobilizes financial donors not based on traditional contractual terms but through open public motivation to fund socially significant projects. Crowdfunding is not merely a mechanism for financial assistance; it also provides moral support to entrepreneurs and recipients in need. Trust in such projects is built not on financial indicators but on the moral and social impact of the funds raised.

A critical factor in crowdfunding's success in Ukraine during the war is the effective communication of project goals and needs. Recipient projects are widely publicized on specialized platforms, ensuring transparency and accessibility for a broad audience, thereby fostering trust and participation in this innovative financial tool [156; 159]

Crowdfunding technology has demonstrated its effectiveness as a tool for financial inclusion during wartime and is likely to remain a vital resource for domestic businesses during the post-war reconstruction period. This success underscores the importance of implementing further measures to overcome barriers to crowdfunding development in Ukraine and creating a seamless digital financial ecosystem. We are offering to follow its key steps that includes:

- **Enhancing Public Awareness:** Educate the population on investment opportunities and processes associated with crowdfunding platforms to encourage broader participation and understanding of their benefits.
- **Developing Legislative and Regulatory Frameworks:** Establish clear and comprehensive laws to govern crowdfunding procedures, ensuring legal security and reliability for all stakeholders.
- **Improving Communication Channels:** Strengthen the interaction between investors (donors) and crowdfunding project developers to foster trust and transparency in the funding process.
- **Ensuring Transparency and Ease of Fund Transfers:** Implement mechanisms that guarantee openness in fund collection and simplify the transfer of financial resources to enhance donor confidence and project efficiency.
- **Providing Specialized Advisory Services:** Create dedicated support systems to offer essential information and technological assistance for project registration, enabling entrepreneurs and organizations to navigate crowdfunding platforms effectively.

The proposed measures will establish the necessary organizational, legal, informational, technical, and economic conditions to further develop crowdfunding as a reliable investment mechanism in Ukraine. This, in turn, will significantly contribute to financial inclusion.

Equally impactful during wartime has been the adoption of alternative financial mechanisms that engage a broad spectrum of citizens. These mechanisms aim to accumulate resources for critical government-targeted programs, particularly those supporting Ukraine's Armed Forces. Among these, one of the most promising state investment instruments is the issuance of military domestic government bonds (DGBs), introduced under Resolution No. 156 of the Cabinet of Ministers of Ukraine on February 25, 2022.

Military bonds, issued by the Ministry of Finance of Ukraine, enable the government to raise funds from individuals and legal entities. These bonds are sold both on the primary market—directly from the issuer to dealers (including governmental institutions like the NBU, as well as commercial banks, investment funds, and other financial entities)—and on the secondary market, where dealers offer bonds to individual and corporate investors. Notably, even a single bond can be purchased for a nominal value of 1,000 hryvnias or its equivalent in U.S. dollars or euros.

By incorporating principles of financial inclusion, the Ukrainian government has observed a positive shift in the composition and structure of DGB buyers. Before the full-scale war, bond purchases were primarily dominated by banks and legal entities. However, since February 24, 2022, public interest in this type of investment has surged. As of March 1, 2023, individual investors' portfolios of military DGBs had grown to 32 billion hryvnias, according to the national analytical portal Finance.ua.

Military bonds have become highly accessible to all citizen categories, thanks to the ability to purchase them electronically. Platforms such as online banking and

the unified government service portal "Diia" have simplified the process. Buyers can bypass additional authorizations or requirements to verify the origin of funds. Furthermore, no additional costs are incurred for opening securities accounts, purchasing or storing bonds, or involving intermediaries like banks or consultants. This makes military DGBs fully accessible even via smartphones. Unlike other investment or deposit instruments, income from military bonds is exempt from taxes, and the government guarantees full repayment of the nominal bond value, along with any accrued interest, as per the placement terms.

In conclusion, military domestic government bonds exemplify successful financial inclusion and a mutually beneficial collaboration between the state and society. These bonds serve as a vital mechanism for targeted financial engagement, enabling individuals and businesses to safeguard and grow their savings under wartime conditions. Moreover, they address the government's centralized funding needs for national defense and, through collective efforts, contribute to achieving the goal—securing victory.

Developing financial literacy in Ukrainian society is vital for enhancing economic stability and personal financial security. To achieve this, several strategies and tools can be employed. One effective approach is the integration of financial literacy into the educational system by introducing dedicated courses in primary, secondary, and higher education, complemented by training programs for educators. Community-based initiatives also play a crucial role, involving collaborations with local governments, NGOs, and businesses to organize workshops and seminars tailored to marginalized groups such as rural populations, elderly citizens, and low-income families.

Government-led campaigns can further support financial literacy by launching nationwide programs that utilize mass media, including TV, radio, and social media platforms, to promote financial awareness. Public-private partnerships

with banks and banks can provide free or affordable training programs and foster the development of accessible digital platforms for financial education.

A variety of tools can be employed to enhance financial literacy. Digital applications and e-learning platforms with user-friendly interfaces and gamified content offer engaging ways to learn about finance. Printed and multimedia resources, such as guides, brochures, and videos in Ukrainian, can address common financial challenges and be distributed through libraries, schools, and community centers. Interactive tools, including financial simulators and budgeting tools, allow individuals to practice financial management, while technologies like augmented reality (AR) and virtual reality (VR) offer immersive learning experiences. Social media campaigns, leveraging influencers and platforms like Facebook, Instagram, and TikTok, can effectively reach younger audiences with short, engaging financial tips. Additionally, financial advisory services, including free or subsidized counseling and hotlines, can provide support for financial queries and crisis management.

The implementation of these strategies and tools is expected to increase financial awareness and decision-making skills among Ukrainian citizens, enhance trust in banks, and reduce economic vulnerabilities. Together, these efforts aim to foster a culture of financial responsibility and resilience, contributing to the sustainable development of Ukrainian society.

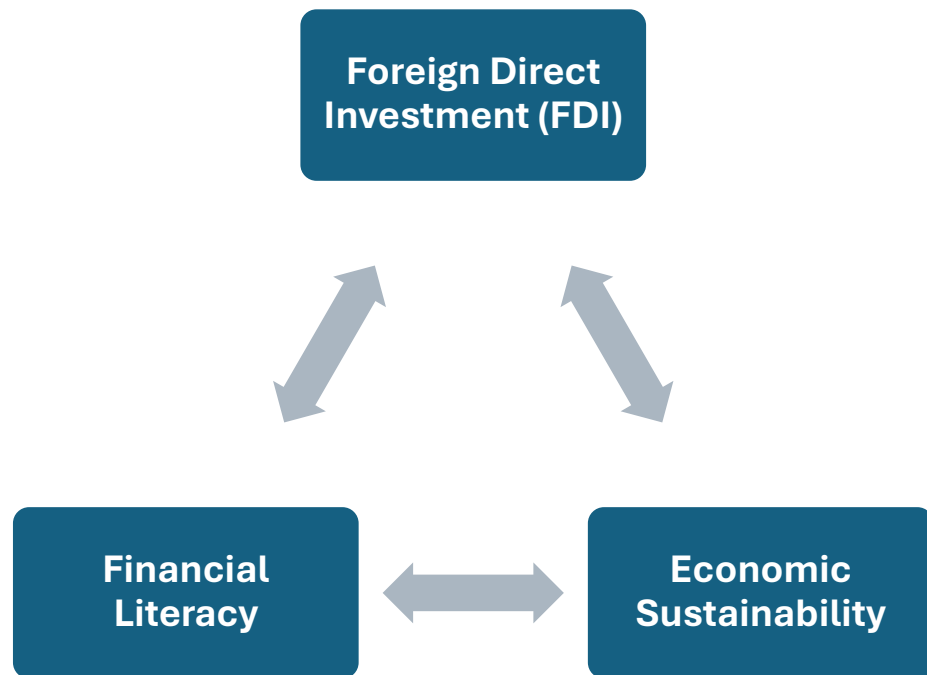
3.2. Establishing a favorable environment and a robust legislative framework as the basis for societal development

As analyzed in the previous sections, all processes within a state are interconnected. State, social, economic, educational, and financial processes form a unified system, where changes in one element inevitably affect the others. This systemic approach demonstrates that it is impossible to separate the cyclicity of these processes or isolate their individual components.

Financial literacy is one such key element directly linked to the functioning of the economy. Its importance extends beyond educational programs and touches upon all aspects of economic development. According to the Organization for Economic Cooperation and Development [131] the level of financial literacy among citizens is directly correlated with overall economic indicators such as Gross Domestic Product (GDP) and household savings levels.

Thus, it is impossible to envision an improvement in financial literacy as a separate process disconnected from the simultaneous enhancement of the economic, legal, and social systems.

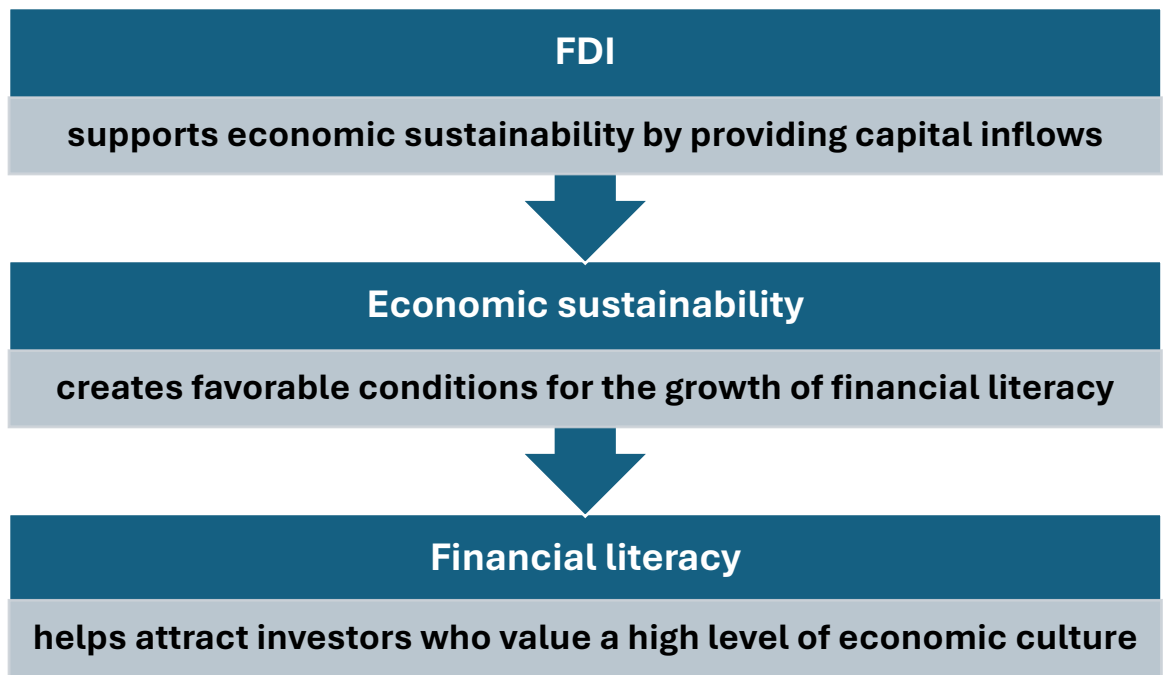
We can observe that the process of improving financial literacy is directly linked to the state of the economy. Currently, the economy is in a vulnerable condition, heavily dependent on foreign investments.



Pic. 3.1. "The Interplay Between Investment, Literacy, and Sustainability" (compiled by author on base of analyzation information from resources [131;132]).

The diagram 3.1. emphasizes the key interconnection between three crucial components of economic development:

1. **Foreign Direct Investment (FDI):** Foreign direct investments serve as a major source of financial resources, driving economic growth through support for infrastructure projects, job creation, and innovation.
2. **Financial Literacy:** The population's level of financial literacy affects their ability to manage finances effectively, promote entrepreneurship, and boost economic activity, creating a favorable environment for attracting investments.
3. **Economic Sustainability:** Economic sustainability refers to the long-term stability and adaptability of the economy to changes. It depends on attracting investments and maintaining a financially literate population.



Pic.3.2. Impact Flow of Foreign Direct Investment (compiled by author on base of analyzation information from resources [131;132;133]).

The cyclical nature of this interaction demonstrates that all three elements are interdependent and collectively contribute to the sustainable development of the economy.

The author shares the view of many world leaders regarding the importance of foreign investments and considers them a key tool for Ukraine to achieve sustainable economic growth and post-war recovery. Specifically:

- At the ReBuild Ukraine conference in Warsaw, representatives of the Ukrainian government, the EU, international companies, and businesses discussed the country's post-war recovery, emphasizing the role of investments in this process [132].
- Experts from EY, in their 2021 study, emphasized that investments are a crucial factor in socio-economic development, influencing both short- and long-term prospects [133]

- Ursula von der Leyen, President of the European Commission, announced that the EU will create a platform to coordinate Ukraine's recovery, which will promote investments and reforms [132].
- Canadian Prime Minister Justin Trudeau announced additional funding to support Ukraine, including investments in economic development and infrastructure [133]
- UK Prime Minister Rishi Sunak emphasized the importance of investments in rebuilding Ukraine's energy infrastructure [132]

Investments play a key role in socio-economic development, significantly influencing both short-term and long-term prospects for the growth of micro- and macroeconomic entities. Investment activity, as an economic phenomenon, has a multifaceted nature shaped by the interaction of numerous exogenous and endogenous factors.

Considering the specific impact of these factors at various levels—regional, national, and global—unified under the concept of "investment climate," investment activity in Ukraine faces numerous risks and limitations. These circumstances determine the volumes, dynamics of investments, and influence the structural characteristics of investment activity in the country.

The EY (2021) study, which examined the national strategy in the field of investment, identified the main risks and constraints for foreign direct investments (FDI) in Ukraine from the investors' perspective. Among the key obstacles to FDI growth, experts highlighted the following factors (on a scale of a maximum of 10 points):

- high level of corruption (8.8);
- low efficiency of the judicial system and issues with the rule of law (8.6);
- excessive influence of regulatory authorities (8.2);

- risk of restrictions on free capital movement (7.6);
- threat of nationalization of private companies (7.5).

Accordingly, the outlined investor-related constraints should become a priority within Ukraine's state policy in the field of investment activities. This applies to all stakeholder groups, including not only central executive authorities and parliament but also the expert community, advisory and analytical centers in the field of investments, the financial sector, professional investors, and enterprises in the real sector of Ukraine's economy [126, p.320].

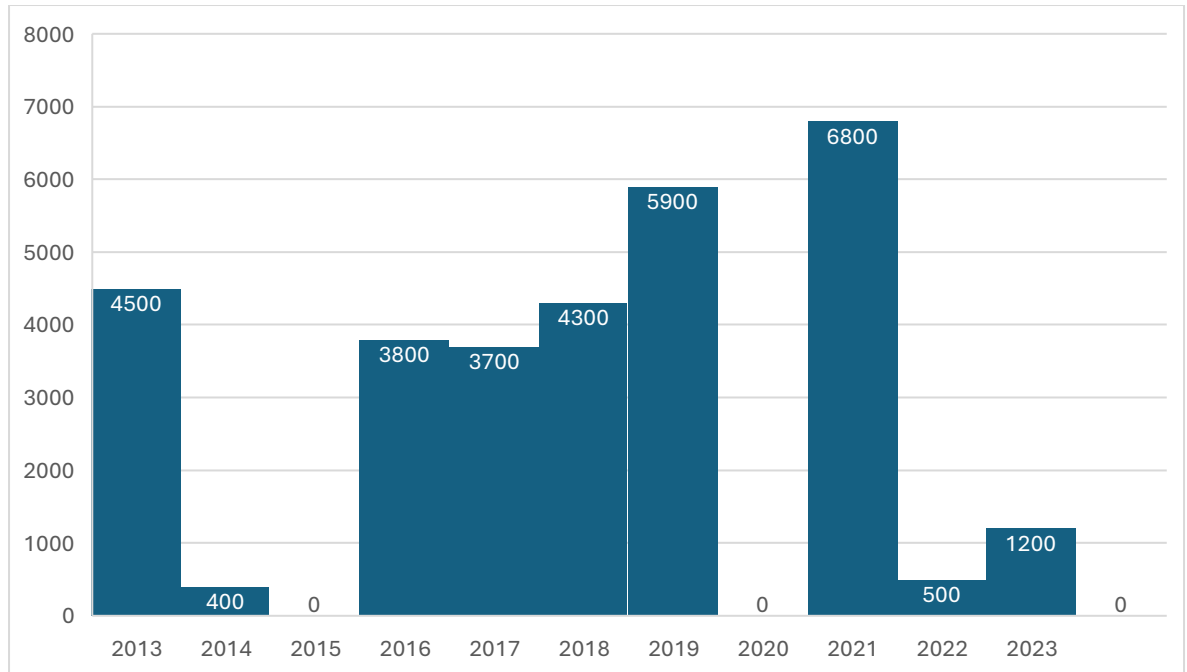
These risks and restrictive factors affect investment activities both directly and indirectly. Based on the comparative analysis conducted by EY experts, the total volume of foreign direct investment (FDI) and its per capita distribution were assessed in a sample of countries from Eastern Europe, the Middle East, North Africa, and Central Asia [128, p.275].

The results indicate that Ukraine significantly lags behind benchmark countries in terms of FDI per capita. This highlights significant challenges in the sphere of investment activities, especially in a systemic-structural aspect.

In terms of sectoral distribution, foreign direct investments (FDI) in Ukraine are predominantly allocated to industrial enterprises (44% of the total volume as of 2021) and wholesale and retail trade organizations (15% during the same period). This indicates that FDI tends to target well-established sectors of the national economy, a trend observed in both developed and developing countries [126, p.320].

To accurately assess the current state of FDI in Ukraine, it is essential to consider two key factors: the ongoing war and conflict with Russia, and the presence of a shadow economy. Understanding these aspects is vital for identifying the reasons behind the decline in FDI inflows into Ukraine and explaining why they have not increased. A clear distinction must be made between FDI dynamics before and after the onset of the full-scale war with Russia.

The dynamics of foreign direct investment inflows into Ukraine during the period from 2013 to 2023 are illustrated in Pic.3.3.



Pic.3.3. Dynamics of Foreign Direct Investment in Ukraine in 2013–2023 (USD million). (Compiled by the author based on data from the Ministry of Economy of Ukraine).

Due to the political crisis and military actions in eastern Ukraine during 2014–2015, the country experienced a significant outflow of capital. With the introduction of stabilization measures and relative calm in the eastern regions between 2016 and 2020, investment flows into Ukraine began to recover gradually. However, in 2020, global foreign direct investment (FDI) flows significantly declined due to the COVID-19 pandemic, which adversely affected the economies of almost all countries [126, p.320].

In 2021, foreign direct investment in Ukraine increased by 113%, indicating a return of foreign investor confidence. However, in 2022, due to the full-scale Russian invasion, the investment climate in Ukraine deteriorated significantly, leading to a decline in investment flows. In 2023, the situation improved slightly,

with international investments rising from USD 500 million to USD 1.2 billion [128, p.275].

Before the war, most FDI inflows were conducted through special-purpose entities (offshore companies). A notable aspect of FDI inflows (especially pre-war investments) is that a significant portion originated from Ukraine or Russia. This phenomenon, known as "round-tripping," refers to Ukrainian residents transferring their capital offshore to avoid taxation or ensure asset security [127, p.310].

Offshore accounts are typically opened in the name of specific companies that offer favorable tax conditions. Subsequently, the capital is reinvested in Ukraine as foreign direct investment. Such offshore schemes are often used for illicit purposes, including tax evasion and money laundering [126, p.320].

Investors utilize special-purpose (offshore) companies in countries such as Cyprus and the Netherlands to reduce taxes, gain special status, and reinvest capital in Ukraine. Cyprus and the Netherlands are key jurisdictions in Europe for such FDI flows. Cyprus attracts investors as a member of the European Union (EU), offering low tax rates for companies and foreign retirees, simplified bureaucratic procedures, and double taxation avoidance agreements with over 40 countries, including Ukraine, with which a protocol was signed in 2012 [128, p.275].

The Netherlands, as a member of the EU, offers a legal framework that provides advantageous opportunities for international tax planning. Dutch companies are frequently involved in structuring global operations. Among the key benefits of the Netherlands are its well-developed legal infrastructure and robust investment protection mechanisms. Moreover, the Netherlands has established double taxation avoidance agreements with over 78 countries, including Ukraine, with which a protocol was signed in 2012 [126, p.320].

As noted in Dutch Trade in Facts and Figures, in 2018, the largest FDI inflows were directed to Germany, the United States, France, China, and Poland. A

prominent example of a special-purpose (offshore) company is the Dutch entity VimpelCom [128, p.275].

The second significant challenge for foreign direct investment (FDI) in Ukraine is the lack of security, military risks, and infrastructure destruction, which have caused a substantial decline in both FDI inflows and outflows. For instance, the outflow of FDI from Ukraine reached \$436 million in 2021, \$621 million in 2019, and \$980 million in 2012, before the onset of the conflict with Russia. According to the UNCTAD World Investment Report (2021), the lowest levels of FDI in Ukraine were observed in 2020, with a sharp decline of approximately \$7 billion, resulting in net negative investment flows of -\$868 million [129, p.240].

The concept of balanced investment, which involves aligning risks with returns, is critical. In this context, foreign investors are increasingly focused on stable and straightforward returns on capital while seeking strong guarantees for capital preservation.

The volatility of net inflows and outflows of foreign direct investment (FDI), as shown in the data below, underscores the unstable business and investment climate in Ukraine. One of the key issues is the lack of a military risk insurance system, which remains a significant challenge that must be addressed at the national level to improve Ukraine's appeal to foreign investors [126, p.320].

When assessing the investment attractiveness of a project, potential investors consider several essential factors. These include the absence of corruption and corruption-related risks, the availability of strategic regional development plans, the willingness and readiness of local authorities to support new projects, the quality of investment project preparation, and a supportive regulatory framework. These factors are crucial in influencing investment decisions, particularly in the context of the anticipated political and socio-economic conditions in the country.

At the same time, Ukraine is facing new global and regional challenges, including the Covid-19 pandemic and Russia's large-scale invasion. These factors

have created additional obstacles, leading to substantial economic losses and significantly impacting the country's ability to attract investments for economic development [129, p.240].

The military aggression by Russia has severely impacted Ukraine's economy and social sphere. After the war, Ukraine will face numerous challenges, including rebuilding infrastructure, restoring economic potential, and maintaining social welfare. A key factor in stimulating economic growth and recovery will be the state's investment policy [126].

Ukraine's post-war investment policy is focused on building a sustainable and competitive economy, supporting social welfare, and strengthening national development. This strategy is vital for ensuring a better future for all citizens of Ukraine and enhancing the country's influence in the global context [127].

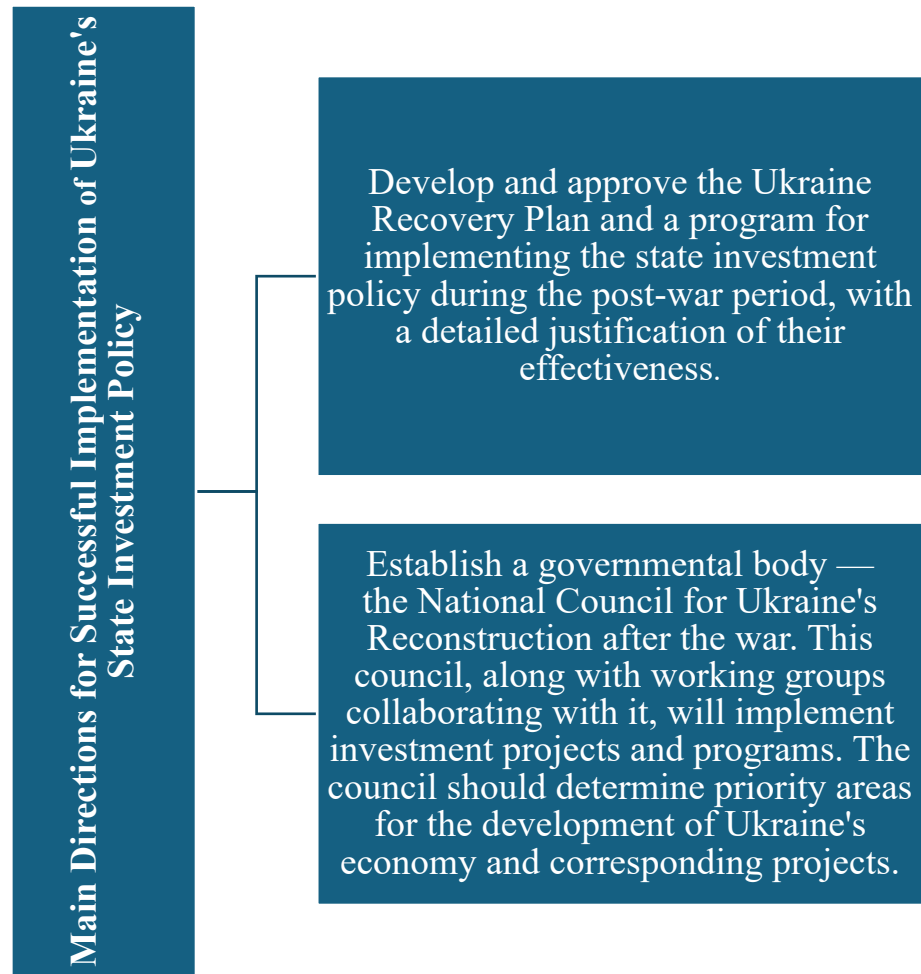
The main concepts and directions for the successful implementation of Ukraine's state investment policy during the post-war period are illustrated in Figure 2.11. A central aspect of this policy is the implementation of Ukraine's Post-War Recovery Plan—a strategic document outlining the restoration of the economy, infrastructure, social sphere, and international relations. Its key components include [128].

- Economic revival: Attracting investments and financial support from international organizations and partner countries, developing the export sector and exploring new markets, reforming the financial system, and stimulating the banking sector [126].
- Infrastructure restoration: Repairing damaged or destroyed roads, bridges, railways, and airports; modernizing the energy infrastructure; rebuilding housing and infrastructure in conflict zones; and advancing modern telecommunications networks and Internet infrastructure [127].

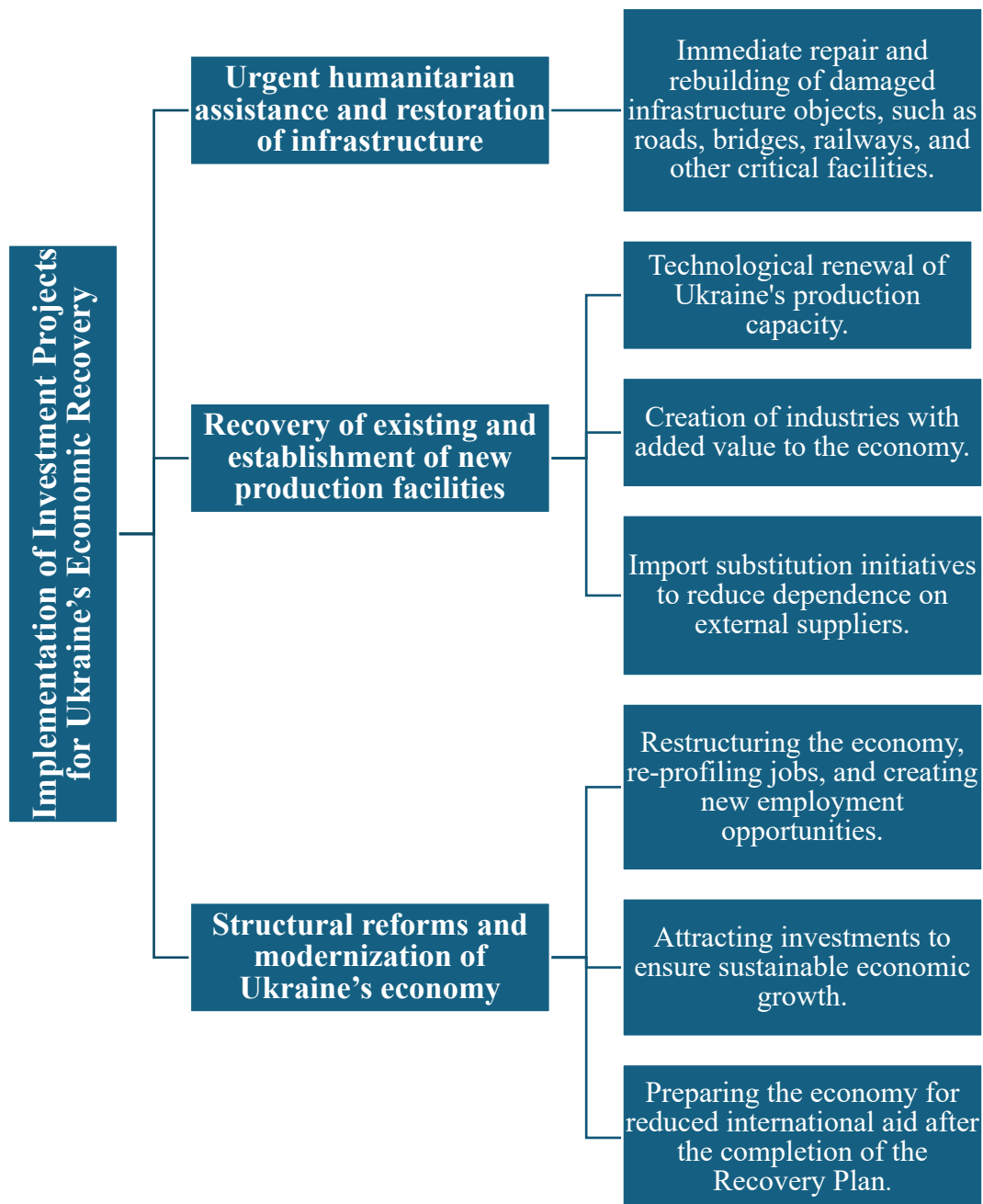
- Social sphere recovery: Rehabilitating and modernizing educational institutions, ensuring access to quality education for all citizens, improving healthcare services, reforming the healthcare system to provide better medical care, and offering social support to vulnerable population groups [128].
- Strengthening international relations: Enhancing diplomatic ties with international partners, expanding cooperation across various sectors, restoring international trade, encouraging foreign investments, and participating in international organizations and initiatives to address global challenges collectively [126].
- Anti-corruption measures and reforms: Implementing anti-corruption reforms to ensure transparent governance, judicial reform to uphold the independence of courts, political reforms to promote democratic principles, and strengthening human rights and civil society development [127].



Pic.3.4. Key Concepts for implementing Ukraine's State Investment Policy (compiled by author on base of Project of the Recovery Plan of Ukraine. Available at:<http://surl.li/gnykv> [134]).



Pic. 3.5. Main directions for successful Implementation of Ukraine's State Investment Policy (compiled by author on base of Project of the Recovery Plan of Ukraine. Available at:<http://surl.li/gnykv> [134]).



Pic.3.6. Implementation of investment projects for Ukraine's Economic Recovery (compiled by author on base of Project of the Recovery Plan of Ukraine. Available at: <http://surl.li/gnykv> [134]).

This strategy aims to rebuild Ukraine's economy efficiently and sustainably while laying a foundation for long-term growth and resilience.

Thus, author examined the key concepts and directions for implementing Ukraine's state investment policy in the post-war period. Effective management of investment activities has been identified as a critical factor in restoring the country's economy, social sphere, and infrastructure. Particular attention was given to

developing a clear program for state investment policy, ensuring a secure investment environment, and fostering national leadership in the recovery process.

The main stages of implementing investment projects were outlined, ranging from urgent humanitarian aid to long-term structural reforms and economic modernization. The importance of attracting international investments, financial support from partner countries and institutions, and stimulating the domestic market was emphasized.

Therefore, we wanted that special focus was placed on the relationship between financial literacy among the population and the successful implementation of investment policy. Financial literacy fosters entrepreneurial skills, promotes rational financial management, and increases citizens' economic activity. In turn, this creates favorable conditions for attracting investments, stimulates the domestic market, and ensures economic stability. Moreover, improving citizens' financial awareness enhances trust in institutions, simplifies the introduction of reforms, and reduces corruption risks.

Among the key challenges, the need to combat corruption, ensure transparency in governance, and implement judicial and political reforms were highlighted. These efforts will contribute to forming a competitive economy and enhancing Ukraine's international standing.

Thus, the implementation of strategic directions in state investment policy, combined with the development of financial literacy among the population, forms the foundation for Ukraine's sustainable development, economic growth, and improved citizen well-being.

3.3. Integrating international financial expertise with Ukraine's historical and cultural background

The integration of international financial expertise with Ukraine's historical and cultural context represents a strategic approach to achieving sustainable development. By adopting global financial practices while preserving national identity, Ukraine can foster balanced economic growth that respects its cultural heritage and aligns with international standards.

The adoption of international financial expertise from institutions such as the European Union (EU), the International Monetary Fund (IMF), and the World Bank provides a pathway for Ukraine to modernize its economic infrastructure. Advanced banking systems, regulatory frameworks, and sustainable financial practices can enhance financial stability while reflecting the cultural and historical nuances of Ukraine's socio-economic environment [161].

Ukraine's rich cultural heritage, including UNESCO World Heritage Sites like Kyiv Pechersk Lavra and Lviv's historic center, offers vast potential for heritage-driven economic growth. International funding mechanisms, such as EU grants under the Creative Europe program, can support the restoration and promotion of historical landmarks, fostering economic diversification and sustainable tourism development. This approach not only contributes to regional economic resilience but also reinforces Ukraine's cultural identity as an asset in its economic strategies [161].

The global shift toward sustainability provides further opportunities for Ukraine to align with international green finance initiatives. Through collaboration with banks such as the European Investment Bank (EIB), Ukraine can rebuild war-damaged infrastructure and develop renewable energy projects while incorporating eco-friendly urban designs. These efforts, informed by the European Green Deal, ensure that economic modernization integrates sustainable practices and preserves Ukraine's traditional architectural styles and materials.

Capacity building and knowledge transfer facilitated by programs like Erasmus+ and the European Bank for Reconstruction and Development (EBRD) are essential for advancing financial literacy and aligning Ukraine's financial sector with global standards. These initiatives not only strengthen the professional skills of Ukrainian specialists but also ensure that cultural and historical awareness is embedded in economic strategies, fostering a holistic approach to modernization [161].

Moreover, promoting Ukraine's cultural identity through economic collaboration highlights the power of cultural diplomacy. By integrating cultural preservation into financial initiatives, Ukraine can strengthen international partnerships and create a narrative where economic progress and cultural resilience mutually reinforce one another. This alignment positions Ukraine as a model for how economic modernization can respect and celebrate national heritage.

Ukraine's current state of war and its unique cultural characteristics, there is a pressing need to develop a tailored approach to reconstruction. The primary objective for Ukraine is to ensure the fastest possible recovery while minimizing errors.

In this context, analyzing the experience of other nations that have successfully overcome the aftermath of wars, integrated into international systems, or built effective state institutions is of exceptional value. Ukraine is in a unique situation, as it must address two major challenges simultaneously: integrating into the European community and overcoming the consequences of war. This dual challenge demands not only the adaptation of best practices but also the development of its own strategic approach, considering its historical, socio-cultural, and economic context.

Drawing on international experiences, such as the recovery of Germany after World War II or economic reforms in Georgia, can help establish effective mechanisms for quickly adapting to new realities and integrating into the European

value system. This will enable Ukraine to build resilient state systems capable of responding to contemporary challenges while laying the foundation for long-term development.

The author suggests examining a table that outlines the actions taken by various countries to address the negative consequences of war.

Table 3.1.

Actions Taken by Various Countries to Overcome Negative Consequences of War (compiled by author based on resources [136-149]).

Country	Years of War/Conflict	Financial Recovery Tools	Financial Literacy Tools	Results	Impact of Financial Inclusion on Economic Stabilization
Germany	1939–1945 (World War II)	<ul style="list-style-type: none"> - Marshall Plan - Investments in education and infrastructure - Social market economy reforms 	<ul style="list-style-type: none"> - Program "Wirtschaftsbildung" (Economic Education) - Campaigns on personal finance management - Programs for youth 	- "Economic Miracle": rapid economic recovery, low unemployment	<ul style="list-style-type: none"> - Increased trust in the banking system - Active lending to small businesses
Japan	1937–1945 (World War II)	<ul style="list-style-type: none"> - American aid - Focus on technology - Investments in education 	<ul style="list-style-type: none"> - Program "Financial Education at School" - School economics lessons - Courses for company employees 	- Economic growth, global leadership in the technology sector	<ul style="list-style-type: none"> - Encouraged savings and investments - Restored trust in the economy through education

Continuation table 3.1. **Actions Taken by Various Countries to Overcome Negative Consequences of War (compiled by author based on resources [136-149]).**

Netherlands	1939–1945 (World War II)	<ul style="list-style-type: none"> - Marshall Plan - Reconstruction of agriculture and industry - Focus on export-oriented economy - Investments in education and infrastructure 	<ul style="list-style-type: none"> - "Budget for Better Living" campaigns - Financial education programs in schools - Initiatives for household financial management 	<ul style="list-style-type: none"> - Rapid post-war recovery - Leadership in agriculture and trade - Founding member of the EU and Eurozone 	<ul style="list-style-type: none"> - Increased household savings and investments - Strengthened trust in the banking sector - Enhanced economic resilience through export-driven growth
Israel	1948 (War of Independence)	<ul style="list-style-type: none"> - Investments in agriculture and technology - Involvement of the diaspora in the economy 	<ul style="list-style-type: none"> - Program "Financial Education for Immigrants" - Courses for new immigrants - Youth educational initiatives 	<ul style="list-style-type: none"> - Steady economic growth, leadership in technology 	<ul style="list-style-type: none"> - Adaptation of newcomers to the financial system - Expanded tax base
Georgia	1991–1993, 2008	<ul style="list-style-type: none"> - Economic liberalization - Attracting international investors - Governance reforms 	<ul style="list-style-type: none"> - Program "Investor Education Program" - Educational programs on investments - Financial security campaigns 	<ul style="list-style-type: none"> - Stabilized economy, growth of small and medium businesses 	<ul style="list-style-type: none"> - Engaged population in the official financial sector - Increased investment activity
Croatia	1991–1995 (War of Independence)	<ul style="list-style-type: none"> - Tourism sector recovery - Attracting foreign capital - Infrastructure investments 	<ul style="list-style-type: none"> - Program "Croatia Financial Literacy Initiative" - Debt management campaigns - Educational programs for entrepreneurs 	<ul style="list-style-type: none"> - Restored tourism, economic stabilization, EU integration 	<ul style="list-style-type: none"> - Increased employment through business development - Expanded access to credit

Given that the author had the opportunity to gain practical experience working within the financial system of the Netherlands and considering the outcomes the country achieved by applying its tailored set of tools to attain economic stability, we propose examining the Kingdom of the Netherlands as a detailed case study. As noted in Chapter 3, financial literacy is not an autonomous phenomenon existing independently of the socio-economic and legal environment. Its functioning is possible only as a component of stable economic development, which depends on such fundamental conditions as transparency of economic processes, cooperation between the state and society, the absence of corruption, and adherence to the principles of the rule of law. Only under these conditions can financial literacy become an effective tool for building an economically stable society.

Within the framework of our topic, it is essential to analyze the levers influencing on the transparency of the economic and financial space in which the state seeks to cultivate a healthy, financially literate society, considering democratic values. One such lever is the system of financial control within the state, which plays a critical role in ensuring transparency, accountability, and effective resource management. A robust financial control system establishes clear rules for managing public funds, reduces opportunities for corruption, and promotes the efficient allocation of resources. When combined with financial literacy, it creates a synergistic effect, empowering citizens to monitor public expenditures, demand accountability, and actively participate in economic decision-making.

Moreover, an effective financial control system supports the implementation of democratic principles by fostering trust between the government and society. By regularly auditing and disclosing financial activities, the state can demonstrate its commitment to transparency and fair governance. This, in turn, encourages citizens to adopt responsible financial behaviors, reinforcing a culture of accountability at all levels.

In this context, the interplay between financial control and financial literacy becomes essential for achieving sustainable economic growth and building a society that values integrity, fairness, and shared prosperity.

Therefore, author considering for analyze financial control system of The Kingdom of the Netherlands.

The Kingdom of the Netherlands has extensive historical experience in state internal financial control. Its control system operates on three levels:

1. First level – Over 9,000 managers responsible for maintaining an effective internal control system within government agencies.
2. Second level – Approximately 600 internal auditors from the Central Government Audit Service (CGAS).
3. Third level – Around 300 auditors from the Court of Audit, tasked with conducting external audits.

In the Netherlands, financial control functions are defined within the state governance system and then distributed among the appropriate institutions. This ensures clear separation of powers and responsibilities [149].

The system's effectiveness is demonstrated by the low error rate in budget implementation, which was only 0.3% of all expenditures in 2015. Even in cases of procedural violations, transparency and accountability are maintained, reflecting the high quality of control mechanisms [150, p.46-50].

Thus, we want to check closely the process of adaptation of internal financial control:

- The theory of state internal financial control (IFC) establishes standardized rules, regulations, and procedures. However, Dutch practice highlights that a "pure" IFC model may not always be effective, leading to adjustments for national circumstances.
- The implementation of internal control systems in Dutch institutions follows a three-stage process:
 1. Accounting and financial reporting.

2. Business activities and processes.
3. IT systems.

The Central Government Audit Service (CGAS) is responsible for internal auditing. Unlike decentralized approaches, the Netherlands opted for centralized internal auditing to enhance independence and objectivity. This restructuring was implemented gradually and voluntarily, leading to improved efficiency, transparency, and effectiveness [150].

The Kingdom of the Netherlands has developed a robust and centralized system of financial control and audit, ensuring efficiency, transparency, and independence. The Central Government Audit Service (CGAS) performs key functions that include mandatory audits of ministries' financial statements, performance audits (operational audits), IT systems audits, and oversight of EU funds. It also conducts preliminary assessments of innovative and investment projects and investigates cases of corruption or misconduct based on specific requests. These audits are classified as mandatory, planned (based on risk assessments), or initiated through special legal procedures [149].

The CGAS structure consists of 26 sectoral working groups embedded within ministries, five departments directly within CGAS, and two independent units. These units oversee quality control, innovation, and organizational management. Approximately 60% of CGAS auditors conduct financial audits, while 40% focus on performance and IT systems audits. The service's centralization process, completed in 2012, aimed to strengthen audit independence by reducing the influence of ministry leadership, thereby enhancing efficiency and transparency. This reform followed the 2007 initiative "Towards a Better and More Compact Government" [150].

In addition to CGAS, the Netherlands' Court of Audit plays a vital role in external financial control. Established in 1814, it is an independent body responsible for auditing central government institutions, state-owned enterprises, and private entities managing public funds. Although the Court of Audit lacks judicial powers,

it reports its findings to Parliament, which decides on necessary corrective actions. This structure supports accountability and transparency in public finance management [149].

The Dutch system of financial control, with its centralized approach and emphasis on cooperation among institutions, serves as a model for ensuring effective management and oversight of public resources. This experience offers valuable insights for countries seeking to enhance their financial control frameworks, including Ukraine, as it aligns its practices with European standards.

In the Netherlands, the responsibilities of the Court of Audit and the Central Government Audit Service (CGAS) overlap in some areas due to the similar scope of their control activities. However, their functions are largely distinct and complementary. The CGAS primarily focuses on ensuring the legality and efficiency of operations by evaluating operational goals, while the Court of Audit emphasizes assessing strategic objectives and the overall effectiveness of government policies. This dual oversight enhances transparency, objectivity, and accountability in public financial management.

To strengthen coordination, the CGAS and the Court of Audit engage in active collaboration. They share information and databases, ensuring a comprehensive approach to financial control. Additionally, a consultative committee facilitates regular communication and coordination between these bodies. This committee, composed of representatives from both institutions, provides recommendations on internal control and audit issues, which are subsequently implemented at the ministry level [150].

The CGAS also partners with professional organizations, such as the Institute of Internal Auditors and the Netherlands Accountants Organization, which develop methodologies and best practices for audits. These collaborations, alongside the exchange of expertise, contribute to improving governance and financial oversight [149].

Thus, after analyzing we can make deduction in term of relevance the system to Ukraine.

On author opinion the Dutch model of financial control provides valuable insights for improving public finance management in Ukraine. Adopting similar practices, including clear delineation of audit responsibilities, collaborative frameworks, and engagement with professional bodies, could enhance transparency and efficiency in financial governance, aligning with European standards. The clear delineation of responsibilities between the Central Government Audit Service (CGAS) and the Court of Audit in the Netherlands minimizes redundancy while ensuring comprehensive oversight. Ukraine can adopt a similar approach by clearly specifying the functions of its financial control bodies, thus enhancing accountability and reducing inefficiencies [149].

Centralizing internal audit functions, as demonstrated by the CGAS, ensures greater independence from ministry leadership, fostering objectivity and transparency. For Ukraine, such centralization could mitigate undue influence and improve the quality of financial oversight. Additionally, the Netherlands' collaborative framework, involving the CGAS, Court of Audit, and professional organizations, enhances information-sharing and methodological consistency. Ukraine could replicate this model by fostering partnerships among its state audit institutions and professional bodies to strengthen coordination [150].

The dual focus of the Dutch system—operational efficiency overseen by CGAS and strategic policy effectiveness assessed by the Court of Audit—ensures balanced evaluations. Ukraine can benefit from this approach by tailoring its financial audits to address both operational and strategic objectives, thereby achieving better socio-economic outcomes. Furthermore, the Netherlands' use of consultative committees to facilitate dialogue and collaboration among financial oversight bodies is a valuable practice Ukraine could implement to improve inter-agency coordination.

Finally, the Netherlands' adherence to European financial control standards serves as a benchmark for Ukraine. By adopting these principles, Ukraine can enhance transparency, efficiency, and public trust in its financial governance, while strengthening its integration into the European Union.

Incorporating these elements of the Dutch experience into Ukraine's financial control reforms will improve resource management, accountability, and the effectiveness of public policy, supporting long-term economic stability and development.

CONCLUSIONS

This master's qualification work presents a comprehensive analysis of the theoretical, practical, and methodological aspects of financial literacy as a fundamental element of sustainable development. The research has demonstrated the pivotal role of financial literacy in shaping economic stability at both individual and societal levels. Financial literacy equips individuals with the knowledge, skills, and behaviors necessary for effective financial management, rational decision-making, and mitigation of financial risks. These competencies contribute to personal economic well-being and collectively foster a foundation for sustainable socio-economic growth.

The study highlights that financial literacy in Ukraine is influenced by a range of modern challenges, including the ongoing war, economic transformation, and the transition to a martial economy. These challenges have revealed both opportunities and gaps. While crises can act as catalysts for financial awareness by prompting individuals to reassess their financial behavior, they have also exposed the low levels of preparedness within the population to utilize modern financial tools effectively. The findings underscore the urgency of implementing systematic and targeted initiatives to enhance financial literacy across diverse demographic groups, considering regional, age-related, and cultural factors.

A significant emphasis was placed on the role of digital technologies in advancing financial inclusion and fostering financial literacy. Digital tools such as online banking, mobile applications, and educational platforms have become integral to modern financial ecosystems. Their widespread adoption can facilitate access to financial services, empower underserved populations, and promote economic participation. However, the successful implementation of digital financial tools requires a parallel focus on improving digital competence to ensure that users can confidently and securely navigate these technologies.

Drawing on international experiences, the research analyzed successful financial literacy programs from other countries, offering valuable insights for Ukraine. Countries such as Estonia, Singapore, and Kenya have demonstrated the transformative impact of integrating financial education into school curricula, leveraging FinTech solutions, and fostering collaboration between governments, banks and educational institutions. These examples informed the development of practical recommendations for Ukraine, including the introduction of mandatory financial literacy courses in schools, specialized programs for entrepreneurs, and public campaigns to raise awareness about financial products and services.

One of the key contributions of this research is its exploration of the relationship between financial literacy and sustainable development. The study highlighted how improved financial literacy can enhance economic resilience, reduce poverty, and support the achievement of global sustainable development goals. For Ukraine, this connection is particularly relevant, given the country's aspirations for European integration and its ongoing efforts to rebuild its economy amidst external challenges.

The scientific novelty of this research lies in its comprehensive analysis of the collaboration between governments and banking institutions in enhancing financial literacy as a fundamental driver of sustainable development. The study developed innovative frameworks for assessing the effectiveness of joint initiatives, incorporating a comparative analysis of international best practices in public-private partnerships. It introduced new perspectives on the interplay between financial literacy, responsible financial behavior, and economic resilience. A significant contribution of the research is the establishment of the link between financial literacy levels and the population's ability to adapt to economic challenges, as well as the identification of key socio-economic consequences of financial behavior on sustainable development.

Practical recommendations include the development of a national financial literacy strategy that emphasizes collaboration between governments and banks, the

introduction of mandatory financial education courses in schools, the creation of digital platforms to enhance financial skills for diverse age groups, and active participation of banking institutions in public educational initiatives. These measures aim to increase financial awareness, reduce economic inequality, and promote sustainable economic development in Ukraine. By implementing these recommendations, the country can strengthen the financial resilience of its population, enhance public-private cooperation, and align its financial literacy efforts with global sustainability goals.

The practical significance of the research results lies in their potential application to policy development and educational practices, particularly in fostering collaboration between the government and banking institutions to enhance financial literacy in Ukraine. The proposed recommendations provide a foundation for designing national strategies that include modernizing educational programs, promoting digital financial education, and establishing public-private partnerships to implement large-scale initiatives. Additionally, the findings can support further scientific research on the long-term socio-economic impacts of financial literacy, focusing on its role in fostering sustainable development and economic resilience.

In conclusion, this master's qualification work highlights the critical role of financial literacy in achieving sustainable socio-economic development. The research emphasizes the necessity of coordinated efforts by the government, banks, and international partners to address existing gaps and promote financial awareness. Implementing the proposed strategies will enable Ukraine to enhance the financial literacy of its population, strengthen economic stability, and improve its integration into the global economy. These measures will not only empower individuals but also contribute to the country's overall resilience and growth in an increasingly interconnected world.

The research successfully accomplished its objectives. It analyzed theoretical approaches to defining "financial literacy" and its impact on sustainable development, clarifying its key characteristics and significance for socio-economic

well-being. Key elements of government policy aimed at fostering financial skills and behavior were identified, including educational programs, regulatory measures, and collaboration with banks. International experiences, such as those of Australia, the United Kingdom, and New Zealand, were examined, providing valuable insights into effective practices that could be adapted to Ukraine's context. The evaluation of government programs and strategies confirmed the need for improvements to enhance their impact on the population's financial literacy and, ultimately, contribute to sustainable economic development.

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