

**FORMATIO OF SYSTEM OF VOLUNTARY PENSION PROVISION AS THE INDICATOR OF SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGION**

**Yaroshenko Olena, assistant  
Tatiana Shchelynskaia, student  
State Higher Education Institution "Ukrainian Academy of Banking  
of the National Bank of Ukraine"**

*The article highlights the problems of attraction the population to the system of non-governmental pension provision. The aspect considered is active participation by citizens in non-governmental pension provision and their confidence in the system. The article also assesses a tendency for people to form savings in non-governmental pension provision.*  
**Key words:** private pensionary funds, pension activity rates, non-governmental pension provision system.

At the present stage of Ukrainian economic development there is one of the most important aim of reforming of non-governmental pension provision system (NGPPP). It depends on objective factors, one of which is imbalance between population demographic structure and small pensions for most pensioners while the Pension Fund of Ukraine (PFU) deficit is soaring. A unique solution is the development of non-governmental pension provision system (NGPPP).

Basic subjects of this established system of NGPPP are citizens of Ukraine in the part of economically active and economically inactive population. People's attitude to the system of NGPPP is an important factor of its development because functioning of the third level of modern pension system has its own peculiarities. Firstly, private system of pension savings relies on voluntary participation both the working citizens and economically inactive population. Secondly, economic expediency and possibility of participation in the system of NGPPP can be realized among the wealthy population so the development of this system totally depends on the level of populations' wealth. Thirdly, accumulated financial funds are the factor of economic growing and improvement of the wealth of population that is why it plays a very important social function. It is quite obvious that the development of private pensionary funds (further - PPF) depends on the level of people wealth, structure of their incomes and the desire to participate in the system of NGPPP.

Analysis of factors of the development of the system's third level of NGPPP detailed [1] helps to draw the basic ways for attraction the PPF recourses and extract among them the most perspective; population, employers and entrepreneurs play a very important role in cash resources' involment.

It should be drawn attention to each segment of consumers that use the services of pension market. Population refers to the category of individuals that can form payments to their own benefit and to the benefit of the third persons. This segment of pension products' consumer in perspective is the most powerful financial source for the pension market. But for today in the sphere of the development of the system of NGPPP in Ukraine the people trust is on the stage of formation. So this category of consumers nowadays is unstable and faintly forecasted as the basic way of formation of the financial resources for PPF.

Employers refer to the most significant category of consumers of pension product that can accomplish payments in huge amounts. Unfortunately it is also unstable segment because employers can alter the social policy of a firm according to the economic situation inside or outside the firm. But thanks for this segment of consumers the modern system of NGPPP has greatly developed for a short period of

functioning. The potential possibility for increasing financial power by the pension market due to this category of consumers is very considerable. Evidence for this is the analysis of statistics that are mentioned additionally [2].

The third segment of consumers concerns entrepreneurs. Unfortunately with the absence of encouraging stimulus from the state to the private pension structures nowadays it is nearly unattracted category for pension product users. We consider this segment the most perspective because the average amount of payments that are taken of this category is huger in comparison with corporate entity.

But if consider the total quantity of labor resources of country as the potential index of development of the private pension system, it is reasonably to define the appraisal method of account of the level of such development. We offer to calculate the index "level of activity of populations` participation in the system of NGPPP" (or "level of activity of populations` participation", EPA) as the correlation between concluded pension contracts with individuals to the quantity of persons that occupy the sphere of economic activity (1).

$$EPA = \frac{N_{K\Phi}}{EAN_3}, (1)$$

where *EPA* – actual level of pension activity of population or a certain region;

*N<sub>KΦ</sub>* – quantity of concluded pension contracts with individuals;

*EAN<sub>3</sub>* – quantity of persons that occupy the sphere of economic activity.

With the help of formula (1) we can appraise the part of pension market by some pension funds in a certain region. It can be used for internal calculations of PPF with the aim for appraise the modern state and planning the further strategy of the region. Done analysis, the results are in table 1, affirms that the most perspective are the 2d and 3d segments of consumers. Only the positive experience of theirs` participation in the system of non-governmental provision of pension`s influences on the tastes of the 1<sup>st</sup> segment and population can also be actively attracted to the use of services of the pension market.

Table 1. The level of active participation of population in the system of NGPPP in 2008 in different regions

<b>Region</b>	<b>Quantity of participators in PPF,(persons in thousands)</b>	<b>Quantity of labour resources,(in thousands LR)</b>	<b>Actual level of pension activity of population of a certain region, EPA</b>
Crimea	3,894	1525,9	0,003
Dnipropetrovsk	31,927	2641,4	0,012
Donetsk	9,767	3520,7	0,003

<b>Region</b>	<b>Quantity of participators in PPF,(persons in thousands)</b>	<b>Quantity of labour resources,(in thousands LR)</b>	<b>Actual level of pension activity of population of a certain region, EPA</b>
Zytomyr	-	964,5	-
Zaporizhia	0,032	1428,6	0,000
Ivano-Frankivsk	4,167	1014,5	0,004
Kyiv	428,443	2190,9	0,196
Lviv	3,095	1900,6	0,002
Odessa	0,426	1844,6	0,000
Sumy	0,006	915,0	0,000
Kharkiv	0,735	2193,8	0,000
Kherson	0,019	853,0	0,000
<b>In whole in Ukraine</b>	<b>482,511</b>	<b>35382,9</b>	<b>0,014</b>

But pension funds show high tempo in growing according to all parameters. And also it is possible to affirm that need in existence of the third level of pension system exists. Drawing attention that to the services of PPF are attracted employers of the middle and small business and entrepreneurs it testifies that fact that the diversification of market increasing in the amount of clients. And this is the indication of achieving the certain level of development of the system of NGPPP.

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