

BEHAVIORAL APPROACH TO MONITORING THE FINANCIAL SECURITY OF STATE

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Monitoring of financial security of the state in the current dynamic conditions of increasing financial globalization occurs with the growing role of the human factor, which occupies a central place in the behavioral approach and substantiates the relevance of this study. The purpose of the article is to formulate the relationship between the behavior of participants in financial relations, their gender balance, the introducing a behavioral approach for monitoring the state of financial security and its level. The methodic of work is based on the usage of the expert estimation method, which made it possible to analyze gender differences in the views of economists of financial security and politics, the scientific positions of male and female economists who work in institutions of higher education and have academic degrees. The results of the study indicate a largest average statistically significant difference between the points of view of women and men is fixed on the following issues: the issue of taxation; attitude towards risk; distribution of budget funds; gender gaps; behavioral aspects. The degree of dependence between the behavior of participants in financial relations, their gender balance and level of financial security, which confirms the need to introduce a behavioral approach for monitoring of financial security of the state, is established.

Keywords: behavioral approach; behavioral finances; gender-based approach; gender budgeting; financial security; economic security.

JEL Codes: G02, P43, F65.

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1. Introduction

Monitoring financial security of the state is a system of permanent monitoring of processes and phenomena occurring in the system of financial security, as well as factors influencing change in its state. In modern conditions, monitoring of financial security of the state takes place with the growing role of the human factor, which occupies a central place in the gender-oriented approach.

Within the framework of the theory of behavioral finance, the influence of psychological and behavioral factors on certain financial relations and solutions in the area of financial security is being studied and taken into account. Thus, a behavioral approach, which in our opinion includes gender-based and behavioral aspects, may supplement a systemic approach to monitoring financial security of the state.

The behavioral direction of financial theory is illustrated in the writings of Becker (1962), Kahneman and Tversky (1979; 1992), Barber and Odean (2001; 2013), Stiglitz (2000), Akerlof and Shiller (2010), Korol and Poltorak (2018), Chauhan and Huseynov (2018), Ramiah, Xu and Moosa (2015), Statman (2014), Allen, Wood (2006), Chant (2003), Crockett (2002), Mishkin (1999), Chant, Lai, Illing and Daniel (2003) and other researchers. Note that the problem of financial security of the state, taking into account the behavioral approach, is not considered adequate, although, as many economists note, among them Frey, Eichenberger (1993), May, McGarvey, Whaples, Kucera (2014; 2018), the effect of the human factor in the financial system environment is increasing.

At this stage in the development of economic theory, the scientific paradigm of behavioral finance and the application of a behavioral approach to monitoring financial security is at the formation stage.

Kahneman and Tversky (1979; 1992) presented "the theory of perspectives" to the scientific world, in which it is noted that the expectations of investors are due to psychological factors. The substantiated theory describes the specific behavior of people in the process of making risky decisions, the processes of choosing between existing alternatives, and also emphasizes the abnormal mechanisms of subjective definition of values in the process of making such decisions.

Akerlof and Shiller (2010) investigated the specifics of human behavior, which, according to scientists, has a significant impact on macroeconomic processes and forms "Animal Spirits", taking into account the impact of which can avoid future economic upheaval. Among the manifestations of "irrational impulse" (Animal Spirits), scientists highlighted: excessive confidence; confidence in the fairness of economic processes; money illusion; misconduct and abuse.

As a result of the study of scientific views of female and male doctorates in economics from the universities of 18 countries in the European Union, conducted by May, McGarvey, Kucera (2018), it has been shown that female economists, less than their

male counterparts, have confidence in the market to solve problems in society and in the economy, are more likely to seek solutions through the state.

Thus, applying the behavioral aspect as part of a systematic approach to the study of financial security of the state, suppose that the change in the representation of women in social groups responsible for monitoring the financial security of the state, as well as controlling the behavioral dimension in such social groups, may affect not only the selection of measures for strengthening the state financial security, but also on the general methodology under investigation, the formation of the system of investigated indicators of the state of financial security, that is, the complex of issues, which are the subject of research.

The research uses general scientific and applied methods: dialectical cognition, deduction and induction; the abstract-logical approach; functional synthesis; the expert estimation method and the systemic and synergistic approach.

Purpose. The purpose of the article is to formulate the relationship between the behavior of participants in financial relations, their gender balance, the introducing a behavioral approach for monitoring the state of financial security and its level.

Research methods. The methodic of work is based on the usage of the expert estimation method, which made it possible to analyze gender differences in the views of economists of financial security and politics, the scientific positions of male and female economists who work in institutions of higher education and have academic degrees.

Research object / subject. The object of research is a behavioral approach to monitoring the state of financial security. The subject of the study is theoretical and methodological principles and practical approaches for the introduction of a behavioral approach to monitor the state of financial security.

2. Research results and discussion

In our opinion, the financial security of the state is a combination of conditions in which the financial system of the state functions, and the effect of internal and external threats does not cause negative processes in this complex system and does not interfere with the creation of favorable financial conditions for its sustainable development. The state of the aggregate of these conditions is quantified by generalizing indicators of the state of monetary, currency, banking, budget, tax, debt security and security of the non-bank financial sector.

In general, behavior is a certain reaction of subjects of research and monitoring the state of national financial security on changes in the external environment in order to adapt to them, leveling the negative effects of their actions or being an active influence on them.

Thus, the type of behavior from financial security decision-makers and monitoring can have significant consequences, including violations of planned actions, the creation of financial security crises, adverse disparities, or vice versa, a rapid increase in financial security due to non-standard, innovative solutions.

Note that "behavior" can be analyzed and investigated in the projection of decision-makers in the process of ensuring financial security, groups of such individuals, organizations and teams. An aggregate of such persons or groups of persons should be analyzed as a social organism, which, accordingly, can develop and change under the influence of internal circumstances and external factors.

The use of a behavioral approach provides an opportunity to consider financial security as a certain image formed in the presentation of a social organism, which influences the level and research of financial security of the state. The organizational behavior of such a social organism is a functional system of certain reactions of the financial system to changing the conditions of functioning for the purpose of further development and self-preservation and can be formed taking into account gender balance, a person's management system, individual psychological peculiarities (abilities, knowledge, skills and abilities) and natural properties (activity, emotionality), systems of needs, interests, motives, which depend on the existing needs and opportunities for their satisfaction. The use of behavioral innovative aspects as a component of a systematic approach to the study of financial security of the state is grounded in their ability to highlight the relationship between the psychology of a social organism that explores financial security and the decisions of state management; generalization of the reasons for making incorrect management decisions in the process of providing financial security in the presence of real scenarios of the development of the financial system and adequate predictive indicators.

Achieving gender equality is a key element in implementation the mission of the Council of Europe, the essence of which is to protect human rights, to support democracy and to ensure the rule of law.

Note that the process of monitoring the financial security of the state is characterized by gender blindness, that is, the inability to use a gender variable, conscious or unconscious, to ignore gender gaps in the functioning of a social body responsible for making managerial decisions aimed at strengthening the state of financial security of the state. The gender gap in the view of maintaining financial security has significant implications for the formulation and implementation of financial policies, as well as the level of effectiveness of the preventive measures taken to strengthen the financial security of the state.

Analyze the facts of the existence of a gender gap in the legislative and executive bodies of the European Union, Ukraine and Belarus, which influence decision-making on

strengthening the state of financial security (in such subsystems of financial security: budget, monetary, currency, tax and other).

In recent years, according to the European Commission's declarations and reports, raising the level of gender balance is a priority in the decision-making process in the field of economics, which is justified by the need to achieve impartiality and increase innovation and productivity. In 2016, only 29% of women were members of the European Parliament, due to traditional gender stereotypes and roles. In Ukraine, international standards and norms in the field of promoting gender equality, including in the field of governance, are taken into account at the level of state policy and legislative and regulatory framework, but actual institutional practice does not fully support the implementation of existing instruments, respectively, the results of the introduction of gender sensitive policies are limited.

In Ukraine, in the Verkhovna Rada of the eighth convocation, only 53 women, or 12.5% of the total, while in the Verkhovna Rada of previous convocations, women were even less (9.9% (44 women) in the 7th convocation council, 2.3% (11 women) in the Council of the 1st convocation. In accordance with the UN Millennium goals, which Ukraine committed to achieve by 2015, this figure should have been brought to a minimum of 30%. As of 07.03.2018, in the Cabinet of Ministers of Ukraine, 12.5% are women, among the deputies of women ministers 26.5% (18 out of 68), and among state secretaries in ministries - only 10.5%. The Ministry of Economic Development and Trade is currently headed by a man among his 5 deputies, including the Secretary of State, only one woman (20% of the deputies), and men are also among advisers.

In the office of the Council of Ministers of Belarus among the 33 employees are seven women, however, 2 of the 26 countries in the Eastern Europe and Central Asia region (Belarus and Latvia) have closed 80% of their gender gap on Economic Participation and Opportunity.

In the Global Gender Gap Index, the 2018 World Economic Forum Report, Ukraine ranked 65th among 149 countries according to the Gender Index, indicating a tendency for women to "alienate" women from economic activity, lack of effective gender policies, lagging behind the global trends. In addition, in 2018, the global average weighted distance to parity is 68.0%. Taking into account the present situation, to eliminate global inequalities, it will take about 100 years. Interestingly, the world's largest gap between men and women remains precisely in the field of economics and finance, which needs 217 years to overcome.

Integrating the gender approach in the process of monitoring the state of financial security means that the comprehensive principle of equality between women and men should be taken into account in the formation of a social organism that makes decisions aimed at strengthening the state of financial security, identifying the factors influencing its state and leveling the threats.

Answering the question of the existence of the influence of the gender structure of economic science on the level of the country's financial security, namely the possibility of changing the indicators of financial security as a result of increasing the representation of women in a more diversified range of financial science, and, accordingly, in an alternative set of conclusions, it is necessary to find out whether indeed, men and women have different views on the same issues of financial policy, the basic principles and methodology of financial science, whether it is possible due to ensuring gender balance in groups that formulate financial policies, influence the outcome of this process, and, respectively, increase financial security, or gender balance - this is just a matter of justice that cannot change the nature of the discussion and the effectiveness of financial policy.

In Ukraine and Belarus, the systematic study of gender differences in the views of economists of financial security and politics has not been made, accordingly, in our study, we analyze the scientific positions of male and female economists who work in institutions of higher education of Ukraine and have academic degrees. The analysis was carried out on the basis of respondents' answers, highlighted in the questionnaire.

In the developed questionnaire, which was sent to the respondents, questions are presented in the following 4 areas, namely:

- the main principles and methodology for assessing the state of financial security of the state;
- directions of providing financial security of the state;
- the influence of behavioral aspects on the level of financial security of the state;
- the impact of gender balance in social groups responsible for making decisions in the process of monitoring the state of financial security, on the level of financial security of the state.

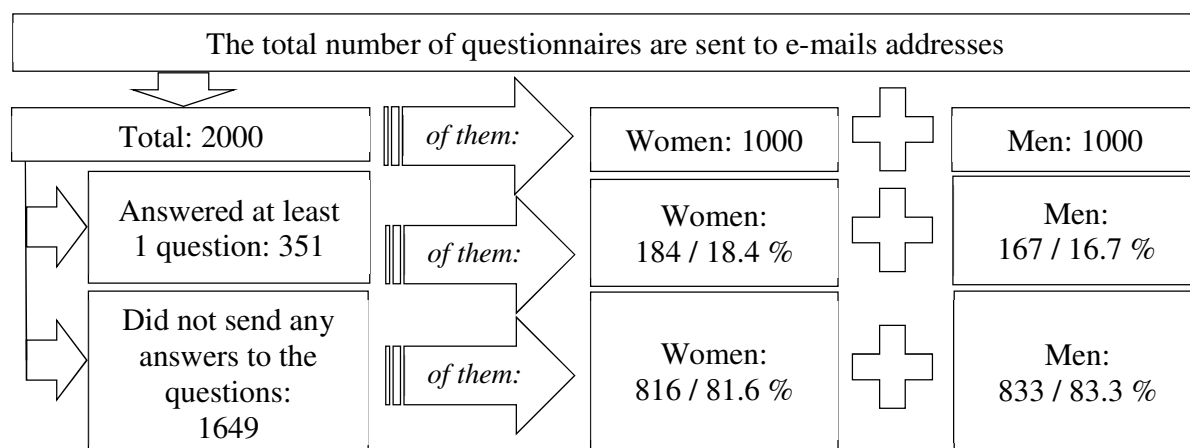


Figure 1. Gender structure of respondents-economists in the research process

Fig. 1 shows general data on the number of sent questionnaires, gender categories of respondents selected, as well as statistics on the number of questionnaires received.

We have calculated the standardized Cronbach coefficient alpha (1) by the method of Cronbach (1951), whose value for each large-scale measurement of thought in the presented study exceeded 0.81, which suggests that we have obtained reliable indicators of the current situation.

$$\alpha_{st} = \frac{N \cdot \bar{r}}{1 + (N - 1) \cdot \bar{r}} \quad (1)$$

where α_{st} is the standardized Cronbach alpha coefficient;

N – the number of components being studied;

\bar{r} is the average coefficient of correlation between components.

Comparing the respondents with the answers given to the questionnaire, it was found that 17.55% of the total number of economists answered at least one question, however, the proportion of women who participated in the survey in the total number of female respondents is higher compared with a similar indicator in men.

As a result of our research, the largest average statistically significant difference between the points of view of women and men is fixed on the following issues:

– the issue of taxation (women are more inclined to maintain a progressive system of taxation compared to men);

– attitude towards risk (men tend to have a higher risk in decision-making than women who are more prudent);

– distribution of budget funds (women showed more support for socially responsible programs, interested in environmental issues and environmental protection);

– gender gaps (women are more likely to believe that existing gender bias and stereotypes are an obstacle to effectively monitoring the financial security of the state; men are less likely to consider gender pay gap as an existing gender balance problem);

– behavioral aspects (men pay more attention to the importance of asymmetric distribution of incoming information and pay attention to the prevalence of opportunistic behavior of participants in financial relations responsible for monitoring the state of financial security).

We will analyze the general principles of a behavioral approach to monitoring the financial security of the state, among which are: the starting points of the gender-oriented and behavioral aspects; principles of implementation; main tasks and tools (Fig. 2).

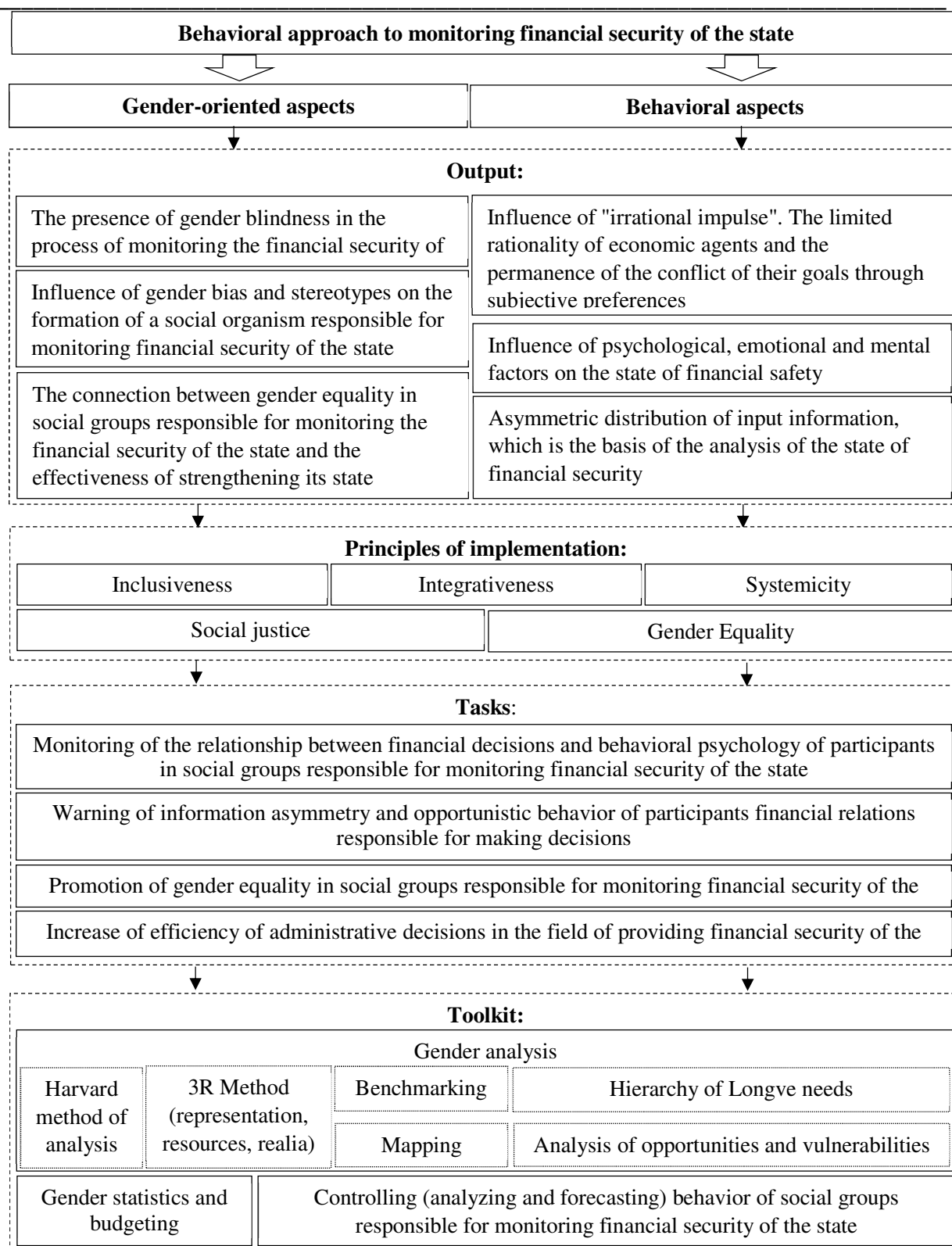


Figure 2. General principles of a behavioral approach to monitoring the financial security of the state

The level of financial security of the state significantly affects: the efficiency of the functioning of all spheres of the economy; welfare of society and exacerbation of social issues; financial, innovative, investment and scientific potential of the state; intensification of labor and student migration; level of debt dependence of the state. Thus, a behavioral approach to monitoring financial security of the state is one of the effective ways to increase the level of financial security of the state.

3. Conclusions

1. It is substantiated that a behavioral approach to monitoring the financial security of the state is a specific approach to the permanent monitoring of processes and phenomena taking place in the system of providing financial security of the state based on behavioral and gender aspects and examines processes of making managerial decisions, taking into account mental, psychological and emotional features in order to predict and control the behavior of participants in financial relations.

2. The toolkit of a behavioral approach to the monitoring of financial security of the state is systematized in a structure of which: gender analysis, statistics and budgeting, and, behavioral control.

3. On the basis of a comprehensive study of gender differences in the views of economists on financial security issues, carried out by summarizing expert assessments, it has been proved that there are a number of issues that have the highest average statistically significant difference between the points of view of women and men (tax issues, attitudes toward risk, distribution of budget funds, gender gaps, behavioral aspects). Accordingly, raising the gender balance in the groups that shape the financial policy will significantly influence the direction of discussions and increase the financial security of the state. The gradual increase in the number of female economists in the field of financial security research will contribute to the formation of a new structure of the investigated issues in the area of strengthening financial security and expanding the range of available prospects.

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ŠALIES NACIONALINIO FINANSINIO SAUGUMO MONITORINGAS ELGSEŅOS POŽIŪRIU

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Santrauka

Valstybės finansinio saugumo stebėseną dabartinėmis finansinės globalizacijos sąlygomis, spartėja didėjant žmogiškojo veiksmo vaidmeniui, kuris užima pagrindinę vietą elgesio požiūriu ir pagrindžia šio tyrimo svarbą. Straipsnio tikslas – pagrįsti suformuluoti ryšį tarp finansinių santykių dalyvių elgesio, jų lyčių pusiausvyros, elgesio metodo, skirto stebėti finansinio saugumo būklę, ir jos lygio. Tyrimas pagrįstas ekspertiniu vertinimu, leidžiančiu analizuoti lyčių skirtumus finansinio saugumo ir politikos ekonomistų požiūriu, vyrų ir moterų ekonomistų, dirbančių aukštojo mokslo institucijose. Tyrimo rezultatai rodo, kad didžiausias vidutinis statistiškai reikšmingas skirtumas tarp moterų ir vyrų požiūriu yra nustatytas šiais klausimais: apmokestinimo; požiūriu į riziką; biudžeto lėšų paskirstymo; lyčių skirtumai; elgesio aspektais. Nustatytas finansinių santykių dalyvių elgesio, jų lyčių pusiausvyros ir finansinio saugumo lygio priklausomybės laipsnis, patvirtinantis poreikį taikyti elgesio metodą valstybės finansiniam saugumui stebėti.

Raktiniai žodžiai: elgsenos požiūris; elgsenos finansai; lyčių požiūris; biudžeto sudarymas; finansinis saugumas; ekonominis saugumas.

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