Chair of Finance at Kyiv National Economic University named after Vadym Hetman is the leading financial center of economic sciences in Ukraine. Modern Ukrainian scientific school of public finances was created as a result of our activities in the 70’s of the XXth century. Scientific achievements of the Chair of Finance are remarkable and are recognized both in Ukraine and abroad. The key features of the school are the following: first of all, using methodological approaches based on fundamental philosophic and economic theory, we have systematized essential characteristics of the key categories in public finance (government revenue, government spending, taxes, budget, government credit, local finance, etc.), - all of the above-mentioned generates reliable theoretical and methodological basis for improving the efficiency of public finance management; secondly, the scientists of our school are dealing with theoretical and practical problems in the area of developing and implementing financial policy aimed at ensuring macroeconomic and macro-financial stability and promoting sustainable growth. Hence, not only the problems of Ukrainian economy but also the experience of countries with developed market economies are at the center of our research activities. Such experience is essential for determining objectives and directions of financial strategy and tactics for Ukraine.

Taking into account the fact that taxes are playing a key role in the system of public finance, the main efforts of scientists in our chair are focused on finding out the ways of the tax burden optimization. It’s proved that the value of national product centralized by the government through taxes turns and to some extent into a specific independent flow within the financial system, which in the future can be used by implementation of the fiscal policy. At the same time, taxes, as finance in general, are characterized by a clear contradiction in relationships between taxpayers, government and consumers of public goods. As a result, it was concluded that the creation of a balanced tax system should be based on the harmonization of interests of all members of economic relations and should be focused on maintaining the optimal proportion between the taxes on income, property and consumption. A comprehensive analysis of the problems of Ukrainian tax system allows us to conclude that its further improvement should be based not only on an endless reduction of the tax burden (as was the case for a long time), but, firstly, on a gradual shift in taxation towards consumption and property and, secondly, on improved tax administration refining relationship as state fiscal service for taxpayers and minimizing the level of tax evasion.

An important place in the scientific heritage belongs to the issues of optimization of state and local government budget’s expenditures. Since the early 2000’s in various publications scientists of the chair repeatedly drew attention to the unjustified growth of the government administrative expenditures in Ukraine, to the gap between declarative social orientation of the budget and actual financial possibilities of the government, to an unacceptable reduction in the government investments aimed at boosting economic development. In order to optimize the structure of expenditures our scientists repeatedly offered to develop a government financial strategy, defining priorities of the economic and social policy. A key priority, according to the scientific findings of our chair, is to gain a policy of income and employment, rather than formal tax reduction (which is quite moderate – the rational(?) taxes to GDP stands at 40%) or declarative and not supported by adequate resources enormous social expenditures. In the area of deficit financing of public expenditure it is noted that it should have a balanced character according to the needs and exposed risks. Meanwhile, this threshold level of fiscal deficit and public debt to GDP has to take into account both the constraints on international level (2-3% and 60%, respectively) and the realities of the economic and the financial situation in Ukraine.
Grate attention in the research of the scientists is paid to financial problems of local governments with regard to local finance development, optimization of the fiscal system’s structure and rationalization of intergovernmental relations. One of the main reasons of the current political crisis in Ukraine is a high level of budget system centralization. And the problem was caused not only by unevenly distributed resources between the central and local governments, but also by the gap (20 percentage points) between own and delegated powers of local authorities and their revenue sources. This excessive centralization of funds in the central government budget led to the fact that more than 90% of local budgets were subsidized. Budget management system, based on equalization subsidies, created an ideology of "budget communism", in which local government had neither the capacity nor the incentives for good governance and promotion of regional development. Suggestions for financial equalization of the regions are concentrated on the creation of Regional Development Fund at the regional level with regard on the public-private partnership.

An important direction of research conducted by the chair was a topic of financial infrastructure in the society. First of all, a new term "financial infrastructure" was introduced, secondly, its essence and characteristic features were unveiled. Also, a new scientific direction, called "financial infrastructure of a market economy", were introduced, and the place and role of finance as a complex component of the national production infrastructure were specified. As a result of research activities institutional basis for the functioning of the financial system and finances in general was developed and conceptual approaches to the financial infrastructure structuring were explained. Hence, the scientists of the chair have systematized and expanded field of finance, which allowed us to establish a complex concept of the theory of finance. Certain aspects of the finance were determined and systematized for the further usage in domestic and foreign economic science: philosophical, administrative, institutional and legal, as well as infrastructural. Each of them makes it possible to characterize various features of this complex and multidimensional phenomenon as finance.

Research of the infrastructural aspect of finance allows in future considering current financial events slightly different, in particular, by using new financial instruments and technologies. It was proved that according to the infrastructural approach any financial transactions currently or in the long term should be linked to social reproduction. However, in the real life in terms of comprehensively developed financial market we are witnessing new relationships in which financial resources are beginning to circulate inside the financial market and are separated from the economy. A so-called "financial economy" was created and this economy generates revenues of individual players within financial market. The financial sector as one of the components in the serving infrastructure of the economy has turned to some extent into a self-sufficient system. Meanwhile, revenues obtained in this way are not only unproductive but in fact speculative in nature and essentially fictitious. In this context, scientists of the chair claim that it is very important to express more actively critical points of view concerning the negative trends in the finance and do not support financial speculators who shake the entire financial system, destroy the economy.

The researchers of the chair have developed approaches to address one of the most difficult problems in Ukraine - pension reform. Considering the extent of problems in the Ukrainian pension system there are certain reasons to believe that the solution of these problems is possible only through the introduction of defined contribution accounts/plans (second pillar of the system). However, taking into account current situation in our country, it is important for pensioners and citizens who are on the eve of the retirement to maintain an actual form of the pension provision. It is necessary to apply for all the employees, who have worked no more than ten years, a defined contribution accounts with progressively decreasing contributions. The money raised by the second pillar of the pension system should not be directed to the payment through the current state-run pension system, otherwise they will not be invested, and thus not contributed to the economic development.

In order to solve the problems associated with the current pension system and provide it with sufficient amount of financial resources it is necessary to use the following sources: firstly, the contributions of workers with only ten years left for the retirement; secondly, employer contributions should be divided into two parts - the first (up to 5%) should be dedicated to the
second pillar of the pension system in order to provide payments for those employees who have worked less than ten years, and the second (10-15%) in solidarity-based state pension fund insurance; thirdly, the funds received through the introduction of the special contribution for the pension reform (or introduction of the wealth tax); fourth, the funds received in the form of loans from the World Bank for the pension reform (quite logical that international financial institutions may help in pursuing it); fifthly, freed up resources from raising the retirement age (it must be gradually raised by approximately 5 years). Despite the complexity of the problem, it is impossible not to notice that Ukrainian government is unable to finance such an army of pensioners. Taking into account the complexity of the pension reform and the loss of a certain part of the funds, which will be directed into a defined contribution accounts, for the purpose of the stability of the current state-run pension system it is necessary to create a special reserve fund within a certain period (2-3 years) to accumulate funds in a special reserve fund.

Publications of professors, doctoral and post-graduate students of the Finance Department (fig.1) have been widely recognized – the fact confirmed by high statistics and citation indexes. The Department itself is a leader in Ukraine according to Hirsch index - 45 points. In particular, the Head of the Department prof. V. Fedosov possesses the 7th place in Google Scholar/Science «Economy», in the Ukraine (Hirsch index - 22 points), and the 2nd place in Google Scholar/Finance. Accordingly, prof. V. Oparin possesses the 20th (Hirsch index - 18 points) and the 5th places. Besides, in terms of citation in Public Finance prof. V. Fedosov occupies 30th place, prof. V. Oparin - 36th place.

Malik, Ye. and others (2012), Budget Management, Training Course, 400 pp.

Figure 1. THE MOST IMPORTANT PUBLICATIONS IN RECENT YEARS