

# DEVELOPMENT OF THE FINANCIAL SECTOR IN THE PROCESS OF SUBSTITUTION OF TECHNOLOGICAL MODES

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*Summary. Investigated are the ways of eliminating the consequences of the financial crisis from a position of substitution of technological modes. The role of a key institution – the state as of a realization tool of socially significant objectives of the*

*economic system in relation to the new objectives and characteristics of the development of economy, society and finance is considered. Proposed are the directions of management forms development in financial sector.*

**Key words:** *financial sector, knowledge economy, technological mode, state.*

At present, the financial system has grown and reached the threshold of self-destruction, the debate about the causes of its structural crisis is becoming essential.

Crisis processes taking place in the world lead to the necessity of forming a new stage of development of economy and society. A long stage of the global development came to the end, when the market economy and technologies of 3–4 technological modes dominated in the world. There is a natural process of forming a new social, financial and economic architecture meeting new realities, which can be defined as a transition to 5–6 technological mode.

The elaboration of the mechanism of the management of the financial sector development is the most important factor which coordinates the process of forming knowledge economy. In turn, special principles of knowledge economy functioning do not allow to use only traditional methods and measures of managing the financial sector. Having analyzed the essence of various movements and schools of modern management science from a perspective of priority of the human capital development it will be possible to determine the most relevant approaches to our viewpoint and offer new management mechanisms in the financial sector.

Until recently the government generally used monetary methods to solve the issues of the development management in the financial sector. Now this tendency has been broken, but the management component of the economic policy is still in the second place, though, in fact, its efficiency affects the producibility of current policy and, in the final analysis, its real results. Moreover, it is topical in the transition period when the knowledge economy is being established, when there is no sound self-organization of economy.

Characterizing the efficiency of the existing management mechanism of the banking sector, we can draw a conclusion that it can not be considered as effective. If taking into consideration the fact that the mechanism of management of both banking and financial sectors as a whole is based on common methodological principles and implemented by the same management subjects, the modern mechanism of the financial sector management is not effective either.

In order to optimize the management process to ensure the economic integration of the country and the equalization of socio-economic development of regions it is necessary to increase the effectiveness of existing mechanisms of the management of the financial sector.

The emphasis on modern methods of management, technology, extensive links with external structures undoubtedly may give financial institutions a strong impetus for development. However, the creation of conditions for the growth of human capital is directly related to the development of social and humanistic culture in the region and around the country.

The practice proves the success of those states where the best conditions for human development are created. It is well known that among existing more than 200 countries in the world in which the market economic mechanism is widely used, the number of rich countries steadily developing is not more than 50. All effectively developing countries have stable social democratic institutions and well-established corporate governance mechanisms in the economy with transparent rules of the game and current mechanisms of their enforcement.

It is the rational use of appropriate mechanisms of management both in the market economy and in the social sphere that became a powerful boost of

the development of productive forces and increase of their effectiveness. It is important to take into account the fact that the game rules and their enforcement mechanisms are different depending on the basic principles of their functioning in a market or non-market spheres of activity, and special conditions of state regulation of the economy and society.

Globalization and integration of the world economy have clearly demonstrated ineffectiveness of previous approaches to understanding and overcoming devastating crises. The consequence of this approach was the spread of the global financial crisis in the global economic environment, having shown the evident inability of developing as of old

and having proved an objective need to change the whole paradigm of economy and society development. It became obvious that the desired solutions are only in the direction of considering all socio-economic processes and systems as parts of the single nature-society-man system. In view of this objective, it is necessary to note the direction of the proposed changes in the forms of the financial sector management in order to ensure not only the functioning of all the elements in the single economic field, but also the priority direction of financial resources on the production of real wealth – knowledge, and a man as its creator and holder.