

**MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
UKRAINIAN AMERICAN CONCORDIA UNIVERSITY**

School of Management and Business
Department of International Economic Relations, Business & Management

**Bachelor's Qualification Work
Causes and Implications of Changes in Poverty and Inequality Rates in the
EU**

(Based on CAM & APF "AKTIV PLUS, LTD case)

Bachelor's student of the 4th year study
Field of Study 29 – International Relations
Specialty 292 – International Economic
Relations
Educational program –
International Economic Relations

Laura Gorbacheva



Research supervisor



Olena Bielova
(*First Name, Last Name*)
Ph.D. in Economics

Kyiv – 2023

Abstract

This paper investigates the processes of changes in both economic and social indices in European Union society, including poverty and discrimination. The goal is to identify the elements that influence the dynamics of indicators, participants in financial and ethical processes, and the development and evaluation of the feasibility of implementing programs to eliminate poverty and inequality in the European Union. The approach employed includes the examination of licensed articles, bibliographic sources from recognized organizations with online publishing, and the examination and computation of personal data. Based on the research, non-public pension provision is the best alternative and contributes to poverty reduction through the stability of private investment combined with public provision, and the most flexible environment of influence in reducing discrimination is internal.

Keywords: poverty, discrimination, non-state pension provision, EU

Анотація

В даній роботі досліджуються процеси змін як економічних, так і соціальних показників у суспільстві Європейського Союзу, включаючи бідність та дискримінацію. Ціль – виявлення елементів, що впливають на динаміку показників, учасників фінансових та етичних процесів, а також розробка та оцінка доцільності реалізації програм з ліквідації бідності та нерівності в Європейському Союзі. Підходи, що використовуються, включають вивчення ліцензованих статей, бібліографічних джерел від визнаних організацій з онлайн-публікаціями, а також вивчення та обчислення персональних даних. Згідно з дослідженням, недержавне пенсійне забезпечення є найкращою альтернативою і сприяє скороченню бідності за рахунок стабільності приватних інвестицій у поєднанні з державним забезпеченням, а найбільш гнучке середовище впливу зниження дискримінації – внутрішнє.

Ключові слова: бідність, дискримінація, недержавне пенсійне забезпечення, ЄС

PHEE-institute «Ukrainian-American Concordia University»

Faculty of management and business

Department of international economic relations, business and management

Educational level: **bachelor degree**

Specialty: 292 “International Economic Relations”

Educational Program “International Economic Relations”

APPROVED

Head of Department Prof. L. Zharova

“ ” _____ 202 _____

TASK

FOR BACHELOR'S QUALIFICATION WORK

Laura Gorbacheva

(Name, Surname)

1. Topic of the work

CAUSES AND IMPLICATIONS OF CHANGES IN POVERTY AND INEQUALITY RATES IN THE EU (ON THE BASIS OF CAM & APF "AKTIV PLUS, LTD)

Consultant of the master thesis Bielova Olena, PhD in Economics, Associate professor

(surname, name, degree, academic rank)

Which approved by Order of University from “22” **September 2022 № 22-09/2022-1c**

2. Deadline for master thesis submission “23” **April 2023**

3. Data-out to the master thesis are:







materials from the official reporting of financial and economic activities of the enterprise, including the international aspect, were taken from internship and open access on the Internet

4. Contents of the explanatory note (list of issues to be developed) There are three main aspects, that need to be developed by a student. First - theoretical and methodical bases of poverty and inequality in European regions. Second - practical aspects of poverty and inequality in European regions on the example of the company. Third - propositions of improvement for poverty and inequality in European regions on the example of the company

5. List of graphic material (with exact indication of any mandatory drawings)

Graphs and figures for analysis of economical and statistical information and its development, characteristic of organizational structure, visualization of mechanism of development etc.

6. Consultants for parts of the work

Part of the project	Surname, name, position	Signature, date	
		Given	Accepted
1	<i>Bielova Olena</i>		
2	<i>Bielova Olena</i>		
3	<i>Bielova Olena</i>		

7. Date of issue of the assignment

Time Schedule

№	The title of the parts of the bachelor's qualification work	Deadlines	Notes
1.	I chapter	<i>31.12.2022</i>	<i>in time</i>
2.	II chapter	<i>20.02.2023</i>	<i>in time</i>
3.	III chapter	<i>11.04.2023</i>	<i>in time</i>
4.	Introduction, conclusions, summary	<i>23.04.2023</i>	<i>in time</i>
5.	Pre-defense	<i>26.04.2023</i>	<i>in time</i>

Student _____


(signature)

Supervisor _____


(signature)

Conclusions: *This work is designed in accordance with the requirements. The work contains theoretical aspects of the research topic, practical aspects and recommendations for improvement, including the international aspect. In terms of content and design, the work complies with the rules and is recommended for defense*

Supervisor _____


(signature)

(signature)

CONTENT

INTRODUCTION.....	4
CHAPTER 1. THEORETICAL ASPECTS OF POVERTY AND INEQUALITY IN EUROPEAN REGIONS: A HISTORICAL PERSPECTIVE	8
1.1 Poverty and Inequality of Western Europe	8
1.2 Europe's Central and Northern Regions' Poverty and Inequality.....	20
1.3 Indicators of Poverty and Inequality in Southeastern Europe.....	32
CHAPTER 2. PRACTICAL ASPECTS OF POVERTY AND INEQUALITY IN EU AT THE BASIS CAM & APF “AKTIV PLUS, LTD	46
2.1 Organizational and economic characteristics of the CAM & APF “AKTIV PLUS, LTD	46
2.2 Pension system of Ukraine on the example of the CAM & APF “AKTIV PLUS”, LTD.....	55
2.3 Evaluation of the effectiveness of non-state pension provision	68
CHAPTER 3. IMPROVEMENT OF POVERTY AND INEQUALITY IN THE EUROPEAN UNION AT THE BASIS CAM& APF “AKTIV PLUS, LTD	75
3.1 Ways to overcome weaknesses of poverty and inequality at the CAM & APF “AKTIV PLUS, LTD	75
3.2 The rationale for the improvement program of power and inequality in the European Union at the CAM& APF “AKTIV PLUS, LTD	85

3.3 Effectiveness improvement program implementation of the poverty and inequality in the European Union at the CAM & APF “AKTIV PLUS, LTD.....	93
CONCLUSIONS.....	100
REFERENCES.....	104

INTRODUCTION

Even though the twenty-first century is statistically the safest and most tolerant century in history, we do not live in ideal utopias where all people are equal, there is no such thing as hunger or poverty, and ethical questions about gender, age, or race do not exist in people's minds. As a result, we are confronted with a harsh reality that brings wars, global crises, and, as a result, an increasing level of poverty, characterized by the inability to meet even the most basic needs.

In people's minds, the association regarding hunger, as a rule, with the regions of Africa, and the United States of America is a constant struggle to reduce inequality and display maximum freedom in a rational, sometimes not so-rational, framework. Unfortunately, the problems of poverty and inequality have not been avoided in the European regions, which are also stereotyped as economically stable, developed countries with a high standard of living, which does not always correspond to reality.

This paper will first examine a specific area of the historical background that is a critical factor in the current development of economic and social indicators expressed in terms of poverty and inequality in the European Union community, as well as the dynamics and trends of the indicators mentioned above. The theoretical knowledge will be applied to a specific subject of research using the Ukrainian CAM & APF “AKTIV PLUS, LTD as an example. And, although Ukraine is not a member of the European Union now, this country is an ideal example to consider with its current indicators, even without interfering with the indicators and conditions caused by the Russian Federation's terrorist aggression. Also in this work, research material will be applied and the main aspects that can become a potential reduction in negative indicators and a complete minimization of the above problems will be considered, by conducting a detailed analysis made based on scientific literature and surveys conducted on the territory of Germany and Poland.

Overall, this paper will look at the causes and consequences that have influenced the dynamics of poverty and inequality in European regions, with a focus on the specifics of each.

This bachelor's thesis includes an introduction, three chapters, a conclusion, a list of references, and annexes. This work is divided into three chapters: poverty and inequality in European regions from a historical perspective, an overview of statistics on changes in the dynamics of poverty and inequality among European regions, and the current state of indicators of discrimination against minorities. The first chapter provides the theoretical foundation for understanding the current state of the indicators as mentioned earlier, emphasizing the diversity and general similarities of European regions. The second chapter is a statistical data analysis that will provide a forecast and discuss current trends in the development of poverty and inequality indicators, as well as consider Ukraine as a topical issue in the context of European Union standards. In turn, Chapter Three reveals social indicators in the form of discrimination, with a foundation in the form of a country's financial and economic condition, and also examines aspects of the main currents of discrimination in the European Union.

The bachelor's work aims to investigate the political, social, economic and historical factors that influence the current state of indicators in the context of inequality and poverty in the European Union, and to identify and evaluate practical applications for improving these indicators.

To achieve this aim, the following **tasks** were set:

- Evaluate poverty and inequality in Western, Southeastern, Central, and Northern Regions.
- Characterize the economic state of the CAM & APF “AKTIV PLUS, LTD
- Define the classification of the CAM & APF “AKTIV PLUS, LTD” in the Ukrainian pension system

- Evaluate the effectiveness of non-state pension provision based on the CAM & APF “AKTIV PLUS, LTD
- Establish the program for overcoming poverty inequality in the EU on the CAM & APF “AKTIV PLUS, LTD
- Establish the program for addressing inequality in the EU on the CAM & APF “AKTIV PLUS, LTD
- Analyze the effectiveness of the established programs

The **methodology** of this work consists of articles from licensed journals, recognized organizations with online publications, and analysis and calculations of personal data.

The research **object** is the dynamics of poverty and inequality in the European Union.

The study's **subject** is a collection of theoretical, methodological, and practical approaches to reducing negative indicators of inequality and poverty in the EU.

A bachelor thesis consists of an introduction, 3 chapters, a conclusion, and a list of references. Work is carried out on 109 sheets, containing 10 tables, and 23 figures. References include 62 literature sources.

CHAPTER 1. THEORETICAL ASPECTS OF POVERTY AND INEQUALITY IN EUROPEAN REGIONS: A HISTORICAL PERSPECTIVE

1.1 Poverty and Inequality in Western Europe

Since 1990, several economically and socially significant periods in world history have had a tangible impact, which was shown in graphs and diagrams, as well as other visual representations for economists and politicians, and was also strongly felt in the standard of living and security of the civilian population. Among such periods, three stand out: the first, the period of the 1990s, when the countries of Europe were subjected to radical changes, as well as internal revolutions, because of a period of stagnation and high inefficiency in economic and social indicators and attempts to overcome the consequences of previous decades. The second global period is 2007-2010, which was imprinted in history as the World Crisis, which harmed the most part and brought economic indicators into negative decline. The third important and truly dangerous period was in 2020, which claimed the lives of more than 5 million people and was subsequently called the Coronavirus period. James Nick and Peter Radchenko in their work concluded that government responses to COVID-19 have varied substantially, both from country to country and as time has progressed [21]. Unfortunately, in place of the pandemic, an acute problem and the biggest danger for 2023 is the military actions in Ukraine, provoked by the invasion of the terrorist state of the Russian Federation on February 24, 2022. In the study "The human toll and humanitarian crisis of the Russia-Ukraine war: the first 162 days (about 5 and a half months).", Haque and Naeem concluded that as of 4 August 2022, 5552 civilians were killed outright and 8513 injured in Ukraine because of Russian attacks [14].

When it comes to the division of the European part of the mainland into regions (also including in the context of the European Union), numerous disputes and discussions

arise among specialists, because, even though more than 20 countries are united under the headline and concept of the European Union, each country has its unique history and path that each country has journeyed. Nonetheless, countries such as Germany and France are officially classified as Western Europe. Each of these countries has a unique history. Still, this group of countries can be classified as a relatively stable developing country with indicators of a robust social system, a well-regulated taxation system, and a relatively high standard of living.

Germany in 1990 was defined by a clear vision of reunification of the country's western and eastern halves, which brought both positive and negative aspects of development. Among the positive factors in his work, Hunt Jennifer highlights, namely Germany in June 1990, the median real monthly consumption wage of East German workers aged 18-54 rose by 83% in six years [19]. The entire economic course was tailored to the particulars of unification, rather than to the trends of the common Western European system. This economic and political union had a significant influence. Thus, one of the most important indicators when it comes to directly characterizing the level of poverty, namely unemployment, had a gradual increase as shown in Figure 1.1, rising from 9.8% in 1994 to 11.8% in 1997:

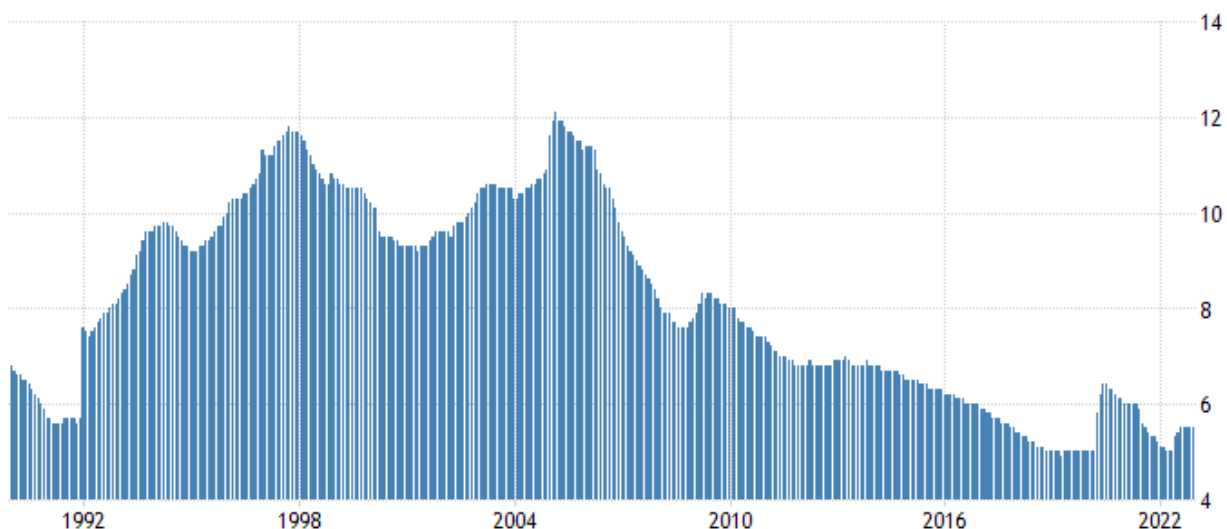


Fig. 1.1 Dynamics of the unemployment rate in Germany 1990-2023

Source: Trading Economics website [57]

Even though the Great Recession hit Europe as a whole in 2007, the German government approved and invested in a plan that included economic stimulus to stabilize specific economic sectors, as well as an unemployment rate of more than 45 billion euros, in early 2009. The words of Süßmuth, which imply that despite a downturn in economic activity in 2009, Germany has dramatically withstood the “great economic contraction” relatively well, are also used as evidence [44]. Thus, despite all external difficulties, the dynamics of unemployment decreased from 9.6% at the end of 2010 to 7.5%. In December 2022, the adjusted rate of unemployment in Germany was 5.5 percent, indicating that the overarching labor force stayed constant notwithstanding the worsening energy demand and record rising prices.

Pension benefits, which imply economic as well as social support for a person as such, when he is physically unfit for self-sufficiency in the form of going to work and many other sources of income, are the second and no less important factor when it comes to the level of poverty. Now, the retirement age in Germany is 67 years. Every registered business contributes 16.8% of gross income to the pension fund, but the employer contributes 9.3% of the above amount. At the moment, more than 80% of the German workforce is covered by the state pension insurance system. As illustrate in Figure 1.2, private companies occupy the pension niche (about 10%), with the remainder being private pension investments:

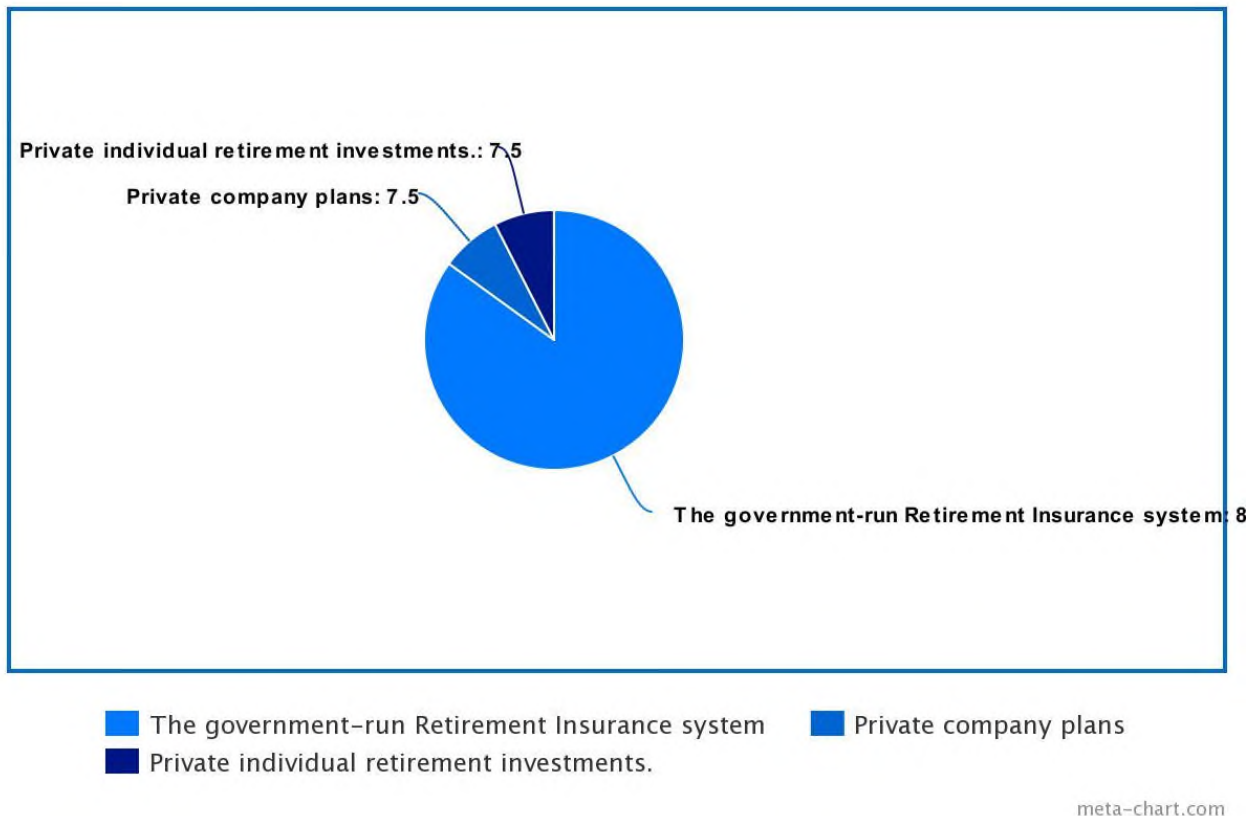


Fig. 1.2 Three pillars of the German retirement system

Source: Howtogermany website [18]

As a result, we can see that the system of compulsory pension insurance plays a significant role, as Germany is known as one of the countries with the strongest social guarantees. This compulsory pension insurance system entails a social protection system for low-income retirees. Furthermore, approximately 60% of the population participates in corporate pensions, which are collective pension schemes to which employees contribute directly through their employers. Private German pensions operate directly through banks and insurance companies, and special bonuses and tax incentives are used to motivate the population to contribute. For example, Riestert-Rente has been in operation since 2002 and is a supplement to the state pension, which helps to avoid large losses during pension reforms.

Unfortunately, there is still gender discrimination in the modern world, which determines a person's prospects. Before the official unification of East and West Germany, inequality dynamics developed differently. The Western model was characterized by classical patriarchal attitudes that implied the man was the primary breadwinner in the family [59], and women's labor was not only discouraged but also prohibited by a series of reforms. While the eastern part of Germany was forced to support the model of equal work between a man and a woman due to low labor productivity as well as an inefficient economy [34], even in this case, a woman's contribution was treated as support for her partner. People had to completely rebuild the Western economic system after the official unification of the western and eastern parts into a single state.

Despite efforts to equalize wages and make the process more equitable through new reforms and constitutional courts in the future, there is still a significant gender gap in German society. For example, as shown in Figure 1.3, men hold leadership positions in all high-paying jobs starting at two and a half thousand euros, and as a result, they earn more:

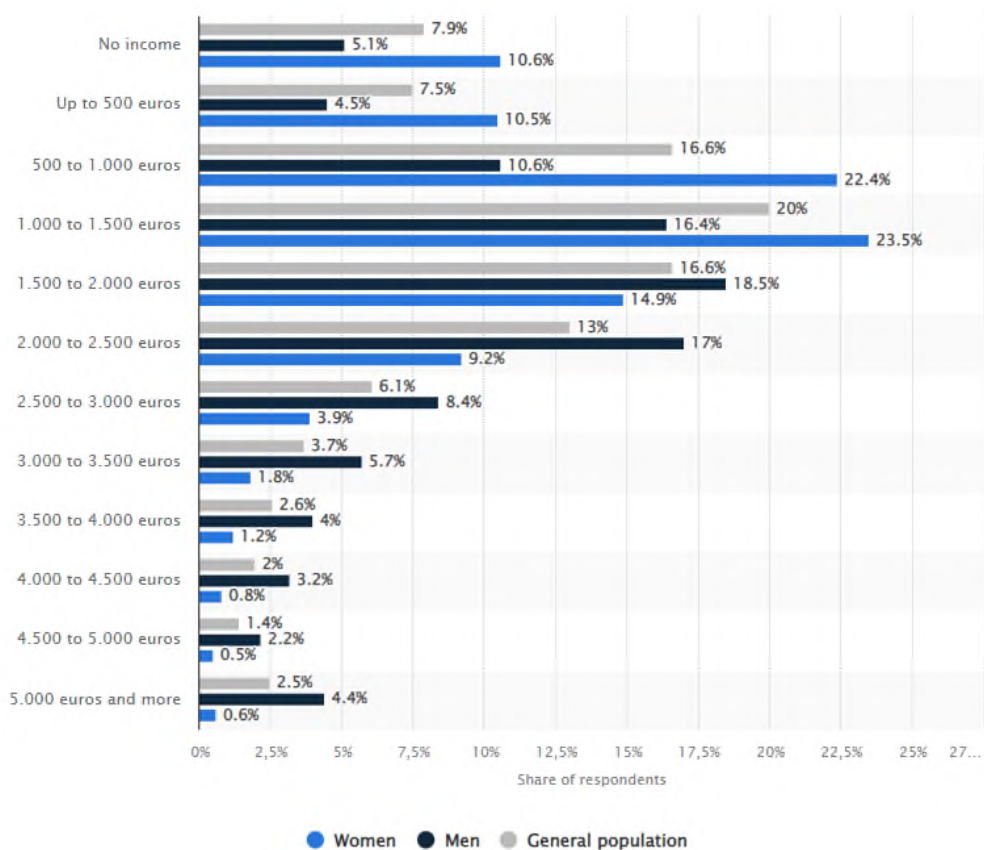


Fig. 1.3 Men and women in Germany by net income compared to the general population

Source: Statista website [43]

Since 2006, the wage disparity between men and women was 23%. Because of the historical context, we have a 6% gap in East Germany and a 19% gap in West Germany. Women will earn approximately 4 euros less than men in 2021 (depending on location), and the difference will be 4.16 euros per hour in 2022.

Aside from the historical context, the main factors influencing the current situation are the scarcity of leadership positions in sectors and professions where women work, which initially implies low wages, as well as other structural issues justified by the German bureaucratic system.

Thus, despite the traditional worldview of Germany as a country with a strong organized social system, there are still gender issues that have existed since Germany's

unification into a single state. Women continue to be paid less and face a glass ceiling. All of this is linked to the dynamics of unemployment, which had an upward trend in 1997 and coped quite successfully during the global crisis but is still affected by the effects of the coronavirus infection. However, one undeniably positive factor is the pension system's strong guarantees, which provide citizens with social guarantees when they reach retirement age.

The second country is located in the Western European region and is a member of the European Union in France. In turn, the dynamics of the development of French unemployment, as a rule, include the relative process of encouraging long-term benefits, the forced high costs of the employer at the minimum wage, as well as the presence of such a factor as a low level of flexibility and adaptation of the labor market to current internal and external trends. Thus, the unemployment rate in France has averaged 8.39% since the distant 1970s. As we can observe in Figure 1.4, the record high unemployment rate was recorded in 1994 at 10.72%:

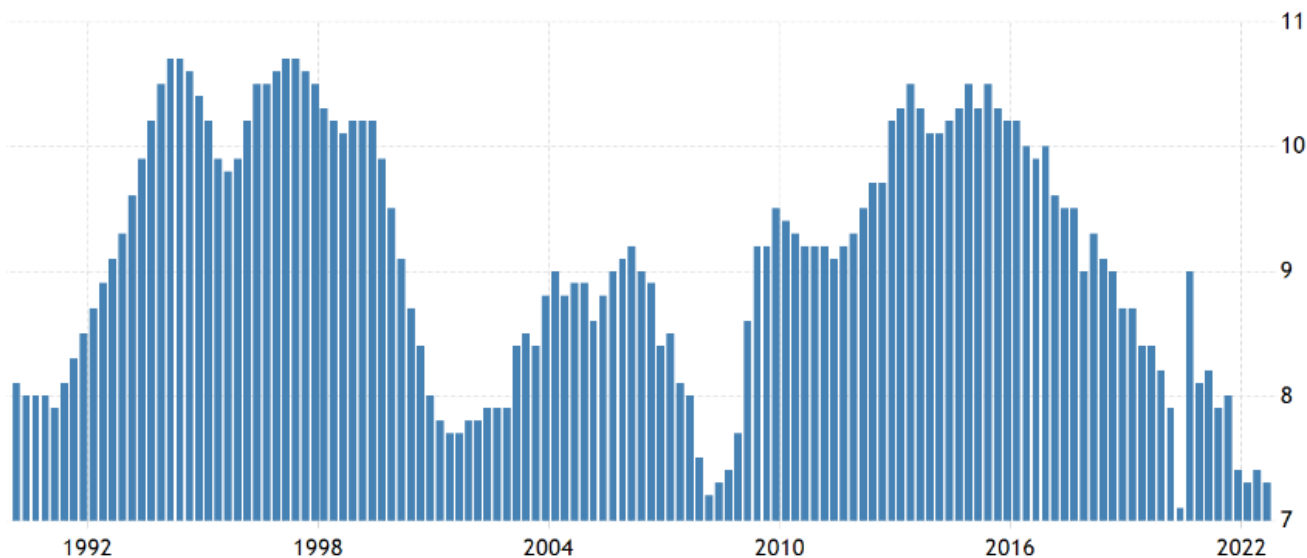


Fig. 1.4 France Unemployment Rate 1990 - 2023

Source: Trading economics website [58]

The reason for this record was the early 1990s economic depression, even though liberalization processes had a positive impact on many sectors of the French economy. The globality and the strong influence of Ben S. Bernanke emphasized in his work, that monetary contraction began in the U.S. and France and was propagated throughout the world by the international monetary standard [3].

Despite the global turmoil from 2007 to 2010, France managed to keep its unemployment rate low, which was 7.6% at the height of the global crisis, compared to 8.91% in the first quarter of 2004.

The coronavirus period proved to be quite contentious in terms of determining whether it had a positive or negative impact on unemployment rates. France was one of the countries that imposed sufficiently stringent quarantine measures. This fact was recorded in a study by P. Malliet, which states that travel was restricted to the absolute minimum within national borders, while borders across the Schengen area were closed [32]. Resulting in a 20% drop-in overall economic activity during the pandemic's first two years. While strict lockdowns to prevent the virus's spread hurt economic performance, the French government implemented a wide range of measures aimed primarily at self-employed workers, as well as support for households, which have been particularly hard hit in Europe as a whole.

As shown in Figure 1.5, the coronavirus time was characterized by the use of short-term labor:

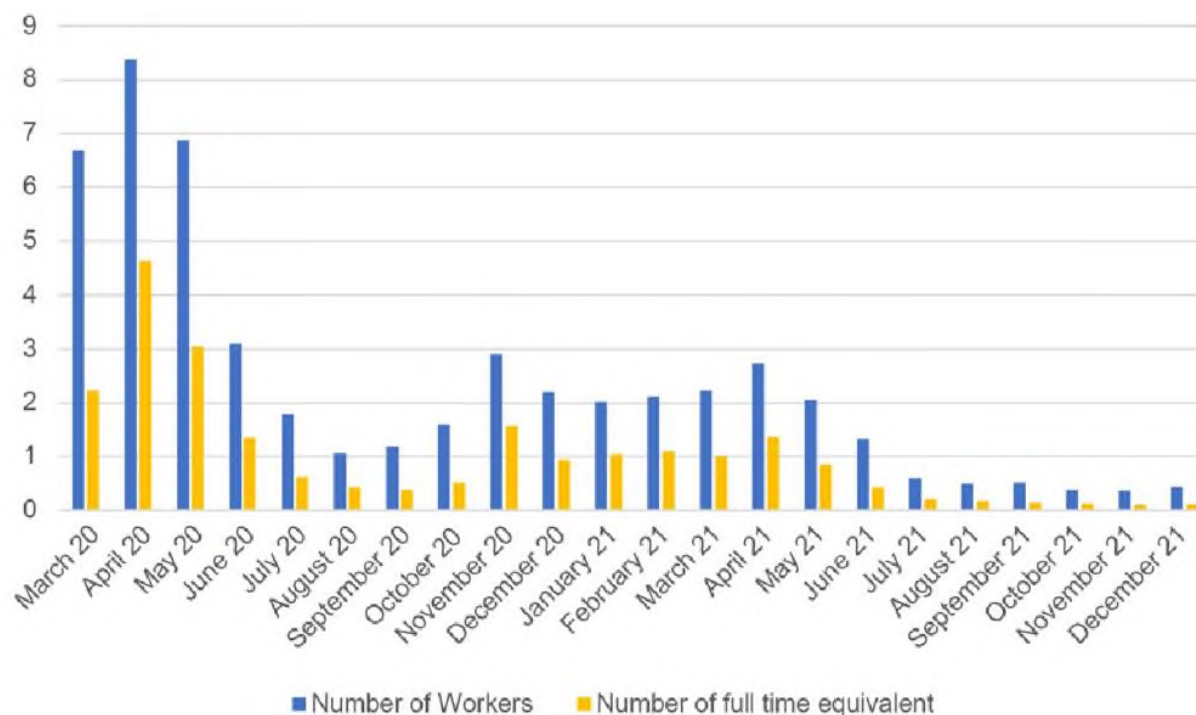


Fig. 1.5 Number of workers on short-term work in the private sector 2020-2023

Source: IZA Institute of Labor Economics website [20]

The escalating waves of illnesses, specifically the first wave in June 2020 and the second one a year later, are where the employment reduction is most clearly seen.

Thus, the International Labor Office reported a decrease in the number of unemployed; however, the real factor that influenced the overall picture was the interruption of job search due to physical movement difficulties, vaccination policy, as well as the temporary stop and termination of work processes in the service and tourism sectors, in which France has ranked first in terms of attendance by foreign tourists for several years in a row. During the coronavirus era, the rate of job loss among young people was also quite ambiguous, whereas the jobs of the older generation continued to function normally.

The structure of pension funds in France, which includes more than three categories, is also an important factor in determining the level of poverty. Unlike in some other European countries, the retirement age in France is gender-neutral and totals 64.5

years, which is 0.6 years higher than the European Union's overall average retirement age. France is in the middle of this figure, as opposed to Italy and Slovenia, which have retirement ages of 62 for both men and women, but Germany, its closest neighbor, has set a retirement age of 65 and plans to raise it until 2027. As Hervé Boulhol wrote in his study, the French pension system provides effective social protection for current retirees, translating into high average relative income and low relative poverty among the elderly in international comparison [5].

After reaching a mature age, the first step of the social security guarantee is a non-contributory minimum pension, which is a fraction of the minimum subsistence minimum for pensioners and is funded directly by the state. There are also differences between benefit categories. For example, the CNAV (National Old Age Insurance Fund) type of payment manages basic pension processes, whereas the MSA type of pension is directly dependent on the agricultural sector and is responsible for paying people associated with it. However, regardless of the type, all of this is combined into a monthly allowance for low-income people, whether or not they are employees.

The second pillar is the mandatory state pension provision, which is made up of and is based on social security contributions made with wages in the form of tax. In contrast to Germany, where this tax is paid equally by both the employer and the employee, the employer bears most of the burden in France, at a rate of 8.4%, while the employee bears the remaining 6%. These funds are also distributed by the National Bank for Old Age Insurance. As a result, it is classified as a funded pension with the primary goal of providing the pensioner with the highest earnings in the amount of up to 50% of income for 25 years.

The stable annual growth of pensions is a positive moment in the dynamics of the average pension payment. Even in the period following the recovery from the global crisis of 2010, whose pension was 1,285 euros, the pension has already increased to 1466

euros in 2020, indicating successful state activities as well as internal independent investment organization's nature of pension activities.

The next step is a hybrid scheme that combines defined contributions with investment features. The development of popularity growth dynamics as well as the quantitative process of investment has increased over the past twenty years, as Crifo also points out in his work, a rapid increase in investment has been documented [6]. The primary goal of this mandatory professional pension is to supplement the state's already existing mandatory pension by increasing pensioners' income by up to 80%. There are several categories within this pension provision, including civil servants, managers, and non-managers. In this case, the employer pays two-thirds of the contribution, while the employee pays the remaining one-third directly. In this case, a reserve fund scheme is used, as well as financial preservation by investing the surplus in financial markets. As a result, the scheme is managed in such a way that it is not unprofitable.

Encouragement of investment in the pension sector also confirms the fourth pillar, namely voluntary private provision. The basis, in this case, is a tax break that allows certain taxpayers to deduct the amount of accumulated credit from the total amount they owe the state. This innovation was introduced in 2006, and it has since become another factor influencing the overall dynamics of pension investment. Transfers from other company savings schemes, profit sharing, various bonuses, company contributions up to 16% of the social security limit, and voluntary payments up to 25% of total gross earnings are all tax-free contributions to these funds. As a result, capital is not taxed upon retirement, and all contributions are not taxable income.

However, the investment process is never static, and relatively long-term prospects in France are based on long-term investment in the form of a pension reserve fund, which is a direct government organization whose goal and mission is to invest funds under the control of government agencies. The development of the Responsible Investment markets in France illustrates a successful sustainability transition in a specific institutional context

that allows for conceptualizing the unique role played by the government within the financial marketplace [41]. Surpluses from some social security funds, usually from redistribution and annual reports, privatization resources, taxes on stock market transactions, and even mobile phone licenses can be used to fund this project. As a result, the main activity of the French pension reserve pension fund is the management of allocated amounts to ensure long-term prospects and the development of the pension segment. The non-assets of the French pension reserve fund total more than 37 billion euros for this period.

Consequently, the French general pension fund is made up of mandatory funded benefits, providing a secure financial cushion for retirees regardless of activity, but with proven ownership of life in France. There is mandatory state security, which includes traditional forms of social security contributions from wages. The remaining portion is based on the principle of investing in varying degrees of contribution. In this case, we can argue that social security in France is quite stable in the context of retirement, which corresponds to a developed country within the European Union.

Despite the generally positive picture of social security, the female population in France continues to face economic inequality. Although France ranks first in terms of female education, the number of high-ranking positions held is slightly higher than 34%, even though a segment of French society is working to break down the glass ceiling through propaganda, activists, and even school-based training programs aimed at dispelling social myths and stereotypes about women's roles in society. This figure is much lower than in other equally developed European Union countries, but it is still higher than in Germany, where it is 29%, according to the Global Gender Gap Report for 2021.

The dynamics of the development of unemployment during the coronavirus period, starting from 2020, with the introduction of strict measures, was replenished by women since it was, they who were entrusted with the process and responsibilities of caring for

the older generation not in public care, as well as for children who could not go to school due to strict quarantine measures. Thus, according to "From insights to action: Gender equality in the wake of COVID-19", women's employment is 19% more at risk than men's employment [2]. An important negative consequence of quarantine measures was an increase in the percentage of female domestic violence. In his report, Peraud points to the fact that reports of increasing rates of domestic violence against women during the COVID-19 pandemic began to surface around the world [38].

At one time, France was remembered for its active process of women's emancipation, but among the same bright events was the Kopy-Zimmermann law, which required a minimum representation in the context of a gender balance of 40% for each sex in the context of high positions in companies, as well as the presence of these positions in principle. As a result of the introduction, France now leads the world in terms of the proportion of women in significant positions, with more than 42%.

Thus, using the example of two Western European countries that are members of the European Union, we can conclude that the dynamics of the social system's development are quite stable. Between 1990 and 2000, France and Germany experienced particularly severe periods of unemployment. However, during the global crisis and the coronavirus period, Germany and France joined the ranks of countries that, in contrast to their European neighbors, dealt relatively successfully with two global humanitarian crises in the context of social systems (the German taxation system and French domestic investment flows). Nevertheless, in terms of inequality, Germany continues to have a strong and dense glass ceiling for women, and female unemployment and domestic violence in France have increased since the coronavirus period.

1.2 Europe's Central and Northern Regions' Poverty and Inequality

Northern Europe is distinguished by a high standard of living as well as an orderly and legally protected social system. In this case, two countries are considered: Estonia, which experienced a crisis in the 1990s and recovered from communist influence, and Finland, which has the least dynamic investment in the pension sector in comparison to its European neighbors.

The Estonian economy was still recovering from the effects of communist influence in the early 1990s. Titma in his work highlights the general trend expressed in the other two Baltic States, Estonia has chosen the part of national restoration and has re-established an independent state, a democratic political system, and a free market economy [47]. During this time, Estonia's unemployment rates have been gradually increasing since 1990, as we can detect in Figure 1.6:

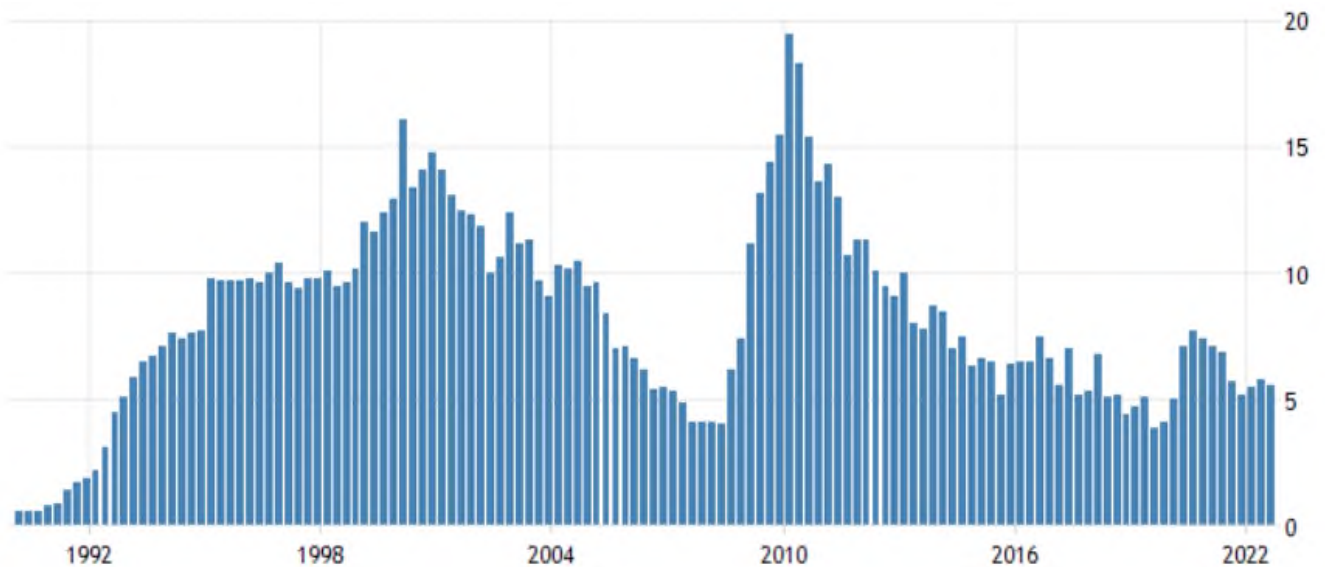


Fig. 1.6 Unemployment rate of Estonia in 1990-2023

Source: Trading Economics website [54]

Although banking reform was in place at the time, the increase in labor costs, which was also one of the indicators of the decline in unemployment, did not occur until 2007 year.

The global financial crisis has had a significant impact on the Estonian economy. In the entire country, there have been processes indicating that the real estate bubble has burst in previous years, resulting in interconnected declines in investment and overall consumption. These events, combined with the crisis's external influence, resulted in a 19.5% unemployment rate in the first quarter of 2010, the highest rate in the last 30 years.

The first wave of coronavirus was the most difficult for the Estonian economy in terms of unemployment, with unemployment rising to 7.7 percent in October 2020, from around 5% at the start of 2020. However, the decline to January 2020 began in July 2021 at 5.7 percent, and it reached 5.2 percent at the start of 2022.

The critically high increase in coronavirus infection cases in the autumn of 2020 prompted strict quarantine measures, which had an impact and formed a certain economic constraint dynamic. By the end of April, the first wave of COVID-19 had been largely contained by the implemented measures that were subsequently lifted or partially relaxed on May 16, 2020 [22]. In 2021, the negatively stable and rapid growth of already new coronavirus subspecies was maintained. Figure 1.7 depicts the spreading of coronavirus infections:

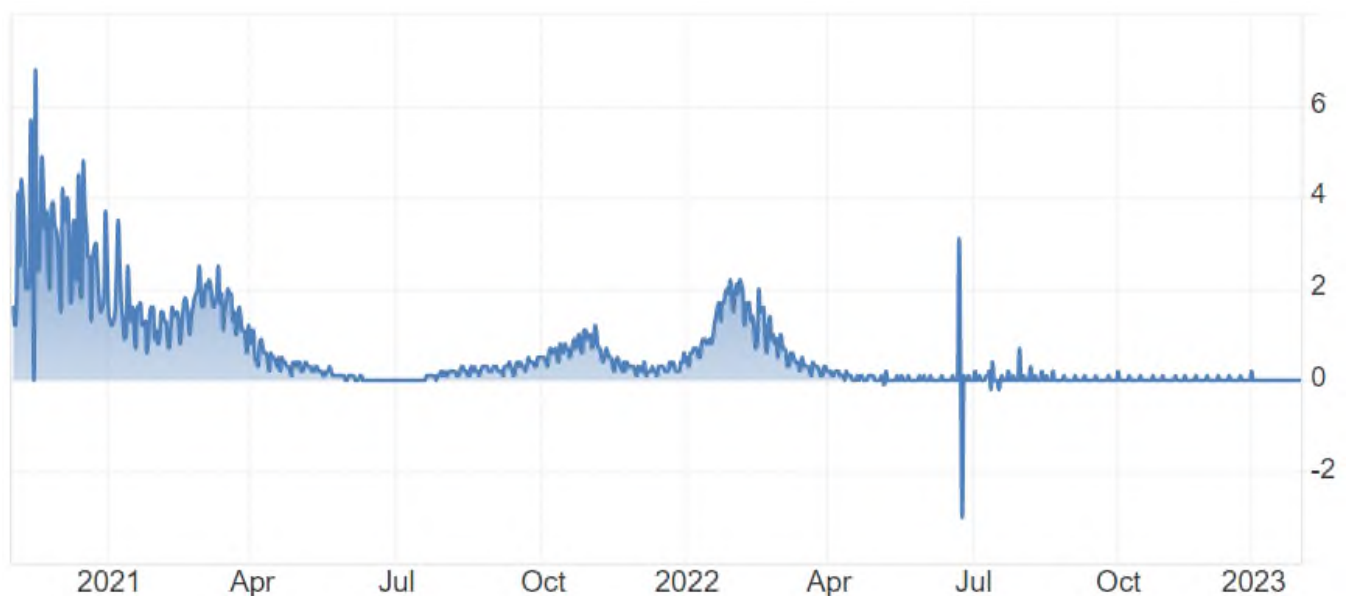


Fig. 1.7 Estonia Coronavirus COVID-19 Cases 2020-2023

Source: Trading Economics website [55]

As a result, even though coronavirus infection grew started to decline in May 2021, an upsurge of infections was observed by October, and the second increase of covid 19 occurred at the end of wintertime and the start of the warmer season in 2022, which also had an impact on the plan of action and recuperation tactics from the consequences of the widespread of virus years before.

Despite the growing wave of unemployment in Estonia during the coronavirus period due to the strong background of the financial sector, as well as its general support through bank moratoriums and support for the health sector, which came from investments from the public sector and had positive economic assessments in the history of Estonia over the past 10 years, by the end of 2022, the unemployment rate had returned to the level of the coronavirus period and was 5.6%, which characterized the course of the Estonian economy as positive, especially against the background of the hysterical background of the 1990s and the cleansing of economic thinking from the critically inefficient ideology of communism.

As Lieksnis emphasizes in his study, at the beginning of this century, all three Baltic States introduced a three-pillar pension system with the traditional pay-as-you-go system as the first pillar and funded mandatory and voluntary pension funds as the second and third pillars, and Estonia is no exception [29]. The Estonian pension system is distinguished by three pillars: the state pension, the mandatory funded pension, and the supplementary funded pension.

In terms of state pensions, it follows a standard approach, in that it is supported by a social contribution deducted from employees' wages. This type of pension is provided by the state to all citizens who have reached the retirement age, which in Estonia is 65 years. Due to the reliance on wages, 20% of the pension is formed due to changes in the receipt of the insurance pension part levied on social tax, while the remaining, namely

80%, is formed due to changes in the receipt of the insurance pension part levied on social tax.

Starting in 2021, the second pillar will allow workers to choose additional sources of savings for future pensions, with a 2 percent increase and a 4% social tax added to the second pillar. However, in addition to such traditional options, there is a pension investment account that allows the worker to invest on his own and send his payments there, allowing access to the pension fund much earlier than the official retirement age, but this is less profitable.

Finally, the third pillar is characterized by an incredible degree of flexibility, in that it allows the worker to completely choose the amount of the contribution himself, as well as change it based on current requests, allowing a person to build his economic plan until retirement age. This type also allows you to withdraw funds before reaching the official retirement age, but it is less effective. There is also the option of claiming an income tax refund that does not exceed 15% of the worker's total income, or 6,000 euros per year, as well as a common surcharge to the first and second pillars, both together and separately.

Thus, Estonia provides a traditional guarantee in the form of a pension funded by a tax on social contributions deducted from wages, as well as incentive methods to encourage workers to invest in their future pension, which helps to balance the pension sector.

Estonia is distinguished by many provisions in official legislation concerning reactionary policies as well as the prevention of discriminatory processes, such as "Educational and research institutions and other organizations and persons organizing training, when determining the content of training and organizing training, must take into account the need to promote the principle of equal treatment" of the Estonian constitution. However, bringing the legislation into its current form began only at the beginning of the 21st century, since, for example, Helemäe in his work describes that in

post-communist Estonia, the topic of inequality was considered "embarrassing." [15]. Estonia ranks 17th in terms of gender inequality, in line with its European neighbors, and 18th in education and knowledge, where gender inequality is especially pronounced. Furthermore, in Table 1.1 we can examine, the subsidence and worsening of gender gap indicators in Estonia were caused by social and economic decisions:

Table 1.1,

Power indicator "Social" in Estonia

Country	Share of board members of research funding organizations (%)	Share of board members of publicity owned broadcasting organizations (%)
Estonia	Women – 17 Men - 83	Women – 11 Men - 89
European Union	Women – 40 Men – 60	Women – 37 Men - 63

Source: prepared by the author according to Eige.europa [11]

As an outcome, the Estonian community still has a significant gender imbalance in the allocation of leadership posts. However, positive dynamics in power and money were observed, raising Estonia's rating by more than two positions in 2010.

Covid-19 is another factor that has contributed to increased inequality in Estonia, with a direct impact on the female population. The COVID-19 crisis has profoundly affected many aspects of life, and it has posed challenges not only to healthcare systems but also to labor markets and social protection systems [27].

Like in France, women took on the role of long-term and full-time caregiving for both school-age children and the elderly. Thus, during the pandemic for the second wave of coronavirus in 2021, approximately 6% of women spent their time caring for the elderly or people with disabilities. Furthermore, more than 20% of women relied on outside institutions to help provide care, whereas approximately 50% of men used the

services of kindergartens and other organizations. Aside from the coronavirus, there was also a significant gender gap in housekeeping, with 60% of women doing it themselves compared to less than 9% of men.

Among the measures taken by the state to reduce the gender gap and discrimination against the female population is the use of an ongoing gender impact assessment system - the basis of gender budgeting, which began in the spring of 2012 - as well as various meetings about gender equality, both mandatory and voluntary, to better draw people's attention to an urgent social issue.

During the 1990s Finnish crisis, the unemployment rate hit a record high in 1994 and was nearly 20% in late spring, as can be seen from the indicators in Figure 1.8, although the Finnish economy was in the midst of an economic downturn, the country was still rebounding from a severe financial sector crisis in the early 1990s, as well as the intersection of the interface in order from the Soviet Union, which was struggling:

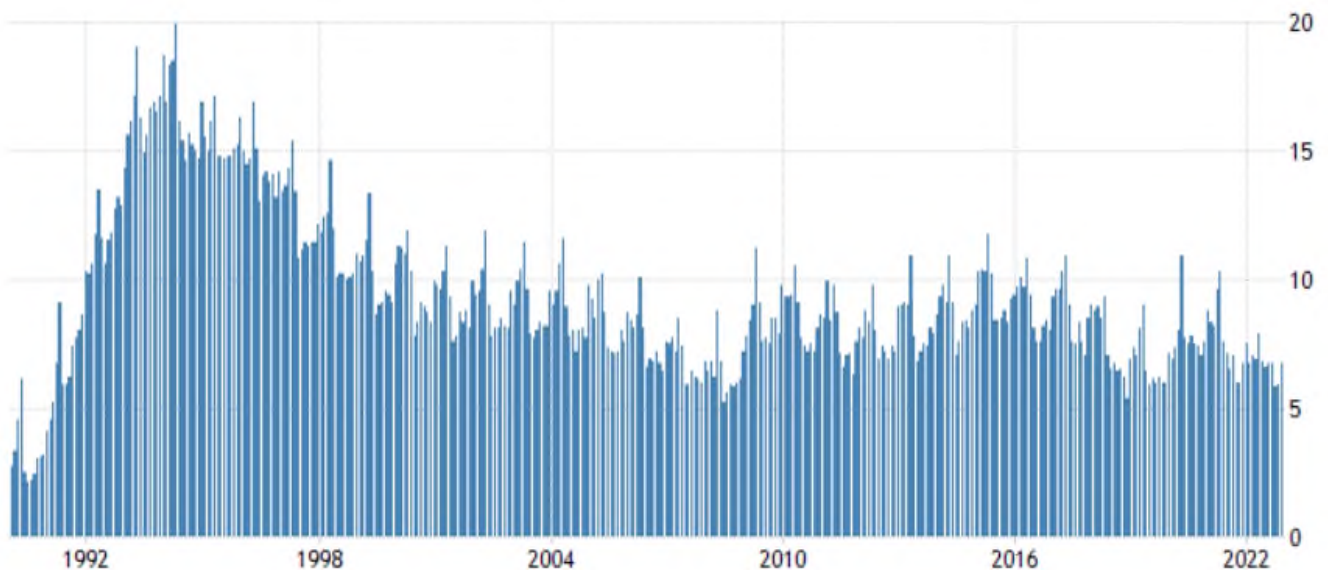


Fig. 1.8 Finland Unemployment Rate 1990-2023

Source: Trading Economics website [50]

Since 1994 the economy has been recovering, but despite rapid GDP growth the decrease in unemployment has been slow, and even at present it remains at a high-level exceeding 10% [17].

One of the factors impeding developments was the initial display of resistance on the part of Trade Unions to any innovations in the form of reforms. There was also a strong consolidation of the banking sector, and Finland's depression stage had already reached its peak in 1993. The original currency, the Finnish mark, was phased out of circulation in September 1992, and the country fully entered the eurozone six years later, contributing to a 10% unemployment rate.

The global crisis engulfed the economy in a negative context in the second period, but the Finnish banking sector had positive and strong development dynamics following the crisis in the early 1990s. The entry of Finland into the European Union and the receipt of assistance from its reserves also had a minor smoothing effect. Furthermore, the corporate sectors demonstrated positive dynamics, with a good balance of disposable income that was consistent with household loans in the context of mortgages.

In addition, the ratio of public sector debt to GDP fell below 30%. This is what helped the Finnish economy withstand the global crisis, which had a direct impact on the unemployment rate, which was the highest at the time but had dropped to 7.9% by 2010, and the summer of 2008, when the unemployment rate had reached just over 5%.

As Steffen Juranek emphasizes in his study, the pandemic had a significant impact on the labor markets of all Nordic countries [23]. The second wave of the coronavirus strain's spread had the greatest impact on unemployment rates, with rates of 11% and 10.3%, respectively. The tourism and hospitality industries suffered the most losses, which were directly impacted by quarantine restrictions such as physical movement restrictions, public transportation restrictions, and a mask regime with a prescribed distance.

Thus, from the period of 1990 to the present, the most difficult periods of the Finnish economy in the context of unemployment were the crisis of the nineties, due to the loss of a large export partner and against the backdrop of internal banking imbalances; the global crisis, which, due to the past background as well as joining the European Union, was passed relatively without loss; and the wave of the spread of coronavirus infection, which harmed the work of the mobile sectors in the form of tourism, transport sectors, and services.

The Finnish pension system differs significantly from its European counterparts in that there is no limit on earnings or a pension ceiling as such, so the trend toward independent and conscious investment is very weak. The employment-based earnings-related pension and the residence-based national pension, which provides an income requirement, make up most of the Finnish retirement coverage. The primary pension is the pension segment that is based on direct wages. Accrual begins from 17 years to 67 years from the date of official employment; however, self-employed individuals begin to accrue pension benefits a year later. This type of pension considers and accumulates payments during periods of unemployment, study, or additional training leading to advanced training.

However, a pensioner may receive too little pension or there may be no funded pension that is directly related to earnings. In this case, a person has the right to a national pension, which serves as an additional financial cushion.

The uniqueness of this pension is that it is based on the type of family status: if a person lives alone, the monthly pension will be around 730 euros. If a person is in a legally registered marriage or has a cohabitant, the monthly rate will be around 650 euros. This type of pension also serves as a rehabilitation allowance, a pension for widows and orphaned children, for disability, and directly for old age.

The Finnish pension system is supplementary in the sense that if the recipient's labor pension, in combination with and/or in addition to the national allowance, is less than the legal limit, the difference is supplemented by a guaranteed assistance.

Pension income reduces the guaranteed pension more than the national pension, whereas other pension income reduces it almost entirely. Furthermore, all additional benefits, including those related to the farm's closure or the loss of breadwinners, have an impact on the amount of the guaranteed pension. The highest assured pension in 2023 is 922.42 euros per month.

Even though, according to 2021 statistics, Finland's total monthly pension was just over 1,700 euros, an increase of more than 20 euros from the previous rate. There is also a significant gender gap in the pension sector, as shown in Table 1.2, with men receiving an average monthly pension of 2006 euros and women receiving an average monthly pension of 1601 euros:

Table 1.2

Distribution of total pensions received in one's own right by Finns as of December 31, 2021

Column1 €/month	Males		Females	
	Persons	Share of group, %	Persons	Share of group, %
– 749	12,148	1.8%	24,611	3.0%
750– 999	88,092	12.9%	129,161	15.7%
1 000–1 249	79,529	11.7%	145,871	17.7%
1 250–1 499	82,943	12.2%	146,044	17.7%
1 500–1 749	76,313	11.2%	109,025	13.2%
1 750–1 999	73,430	10.8%	87,381	10.6%
2 000–2 249	62,933	9.2%	60,750	7.4%
2 250–2 499	48,944	7.2%	39,185	4.8%
2 500–2 749	36,849	5.4%	26,196	3.2%
2 750–2 999	27,346	4.0%	17,151	2.1%
3 000–3 249	20,796	3.0%	11,125	1.4%
3 250–3 499	15,272	2.2%	7,585	0.9%
3 500–3 749	11,330	1.7%	5,356	0.6%
3 750–3 999	8,723	1.3%	3,733	0.5%
4 000–4 249	6,737	1.0%	2,739	0.3%
4 250–4 499	5,455	0.8%	2,011	0.2%
4 500–4 749	4,352	0.6%	1,424	0.2%
4 750–4 999	3,431	0.5%	1,075	0.1%
5 000–	17,365	2.5%	3,640	0.4%
All	681,988	100.0%	824,063	100.0%

Source: EläketurvakeskusPensionsskyddscentralen [12]

This gap indicates different working conditions for men and women, which is also an indicator of existing discrimination against women.

As a result, investment trends in Finland's pension sector are extremely low. In general, the pension system is made up of complementary elements such as a pension based on wage taxes, a national pension, and a guaranteed pension. Employer-specific pension provisions or pension provisions based on labor market agreements as well as pension provisions based on personal insurance policies are not very common in Finland compared to many other European countries [16]. The total amount that a person should receive is specified by law, and depending on the situation and working background, as well as marital status and being abroad, payment can be made from several interchangeable and supplementary sources up to the required set amount.

Finland should have taken advantage of the opportunity to address workplace discrimination against women. Thus, despite no significant gender gap in employment, as well as in terms of unemployment as illustrated in Figure 1.9, and even though women

have a higher level of education than men, they occupy only one-third of high-ranking positions, have lower pensions, and, according to data, women advance up the career ladder at a much slower rate:

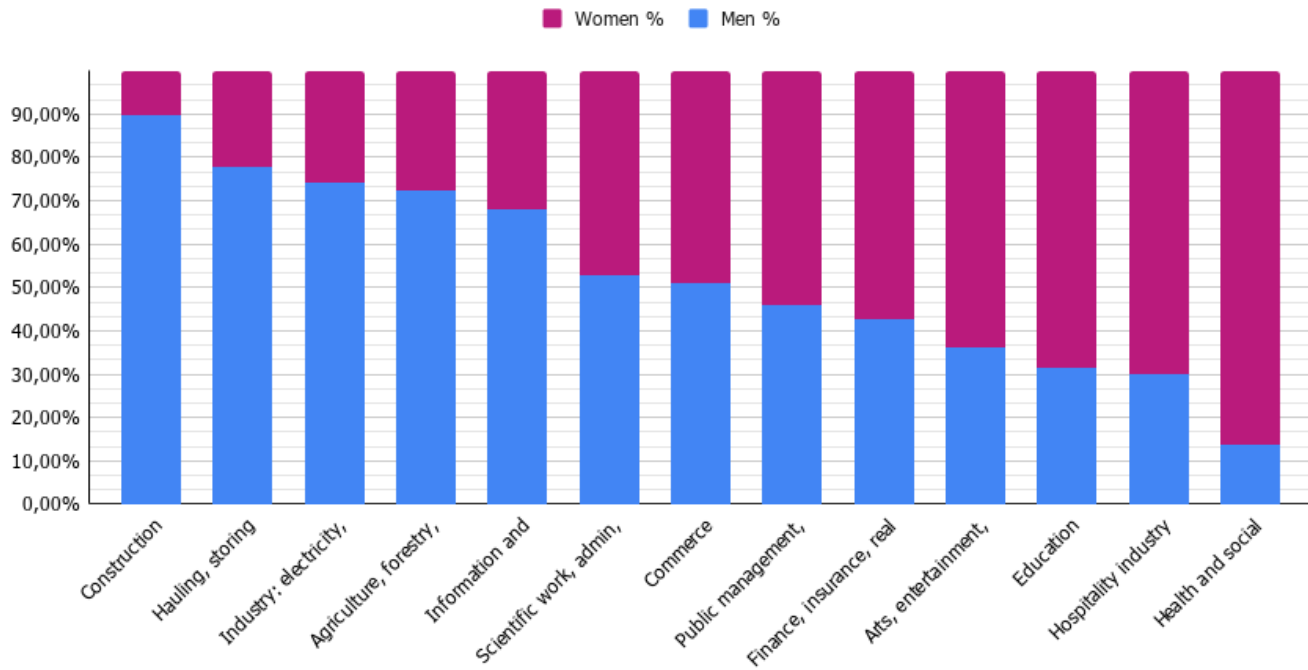


Fig. 1.9 Proportion of a woman and men in different sectors in Finland

Source: Finnwards website [13]

Furthermore, the research emphasizes the fact that a considerable majority of women's roles are held in fields that overlap with conventional claims and preconceptions of the female role in the community, particularly health, education, and the arts.

Furthermore, the wage rate is much lower in positions and jobs that are primarily chosen by most women, because, among other things, women are required to care for families with family members of varying ages (children and the elderly). As a result, many women are forced to accept part-time jobs with several times lower pay. In the case of women top managers, if they had a partner, they were most often living in a dual career relationship with fewer children and shared care responsibilities [24].

However, compared to previous decades, gender discrimination against women has significantly decreased in the Finnish community. Favoritism in the workplace is one

form of general bias that permeates many aspects of Finnish life. Thus, a favoritism policy implies a purely personal preference on the part of higher authorities and superiors for only certain employees, as a result of which they have better conditions and more favorable rates, which can affect overall satisfaction with life, as well as the ability to pay mandatory taxes that will constitute a person's financial status in the future.

Another notable source of inequality in Finnish society is age discrimination (also in the workplace), which is more prevalent among people under the age of 30 than among those over the age of 50.

Thus, considering the recovery from the effects of the crisis, the above-mentioned Nordic countries had the highest unemployment rates between 1990 and 2005. Due to the previous background, both Estonia and Finland suffered the economic downturn less painfully than neighboring countries during the global crisis, and during the period of coronavirus infection, regardless of region, both in Northern and Western Europe, the tourism and transport mobility sectors suffered. Furthermore, the coronavirus outbreak raised and emphasized the existing position of discrimination against women in the workplace, as they were forced to leave their jobs more frequently than men to care for their families.

Regarding pension funds, Western European countries have slightly fewer levels and types of benefits paid, but they are fungible and each of the countries has the benefits that people with a low pension or a difficult working background need.

1.3 Indicators of Poverty and Inequality in Southeastern Europe

The strong imprint of communist activity in the twentieth century, which was due to the proximity of the center of the planned economy and the party cult in people's lives, was one of the most important factors that influenced the political, economic, and social policies of the countries of Southeast Europe, in which Bulgaria and Poland are

geographically located. Evidence for this claim C. Pavel [37] identifies two strong sources of propaganda in his work, which included Poland and Bulgaria via radio, newspaper, and television, and despite the external source in the form of "Voice of America" or "Free Europe", there was still an internal source of propaganda emanating from the communist center.

Thus, Bulgaria's economic performance in the early 1990s plummeted sharply against the backdrop of the collapse of the Council for Economic Assistance, which meant the loss of access to the common market under the leadership of the USSR, which had a direct impact on the standard of living, which fell by more than 35%. All of this undermined social security and hindered societal progress, prolonging and increasing the economic and social consequences of the transition to an independent system. V. Terziev [46] also noted such a dependence on the economic indicator in its manifestation of layoffs, noting that the decline in the 1990s in the population's economic activity, and especially its employment, high and ongoing joblessness, and mass impoverishment led to an enlarging of the domestic market and possibilities for the creation of products. Already in the early 1990s, the unemployment rate had risen by 5.3% by 1993, as observed in Figure 1.10, and despite an almost symmetrical decline in 1995, by the end of the twentieth century and the beginning of the twenty-first, unemployment had risen by at least five quarters, resulting in Bulgaria's worst recession since the early 1990s:

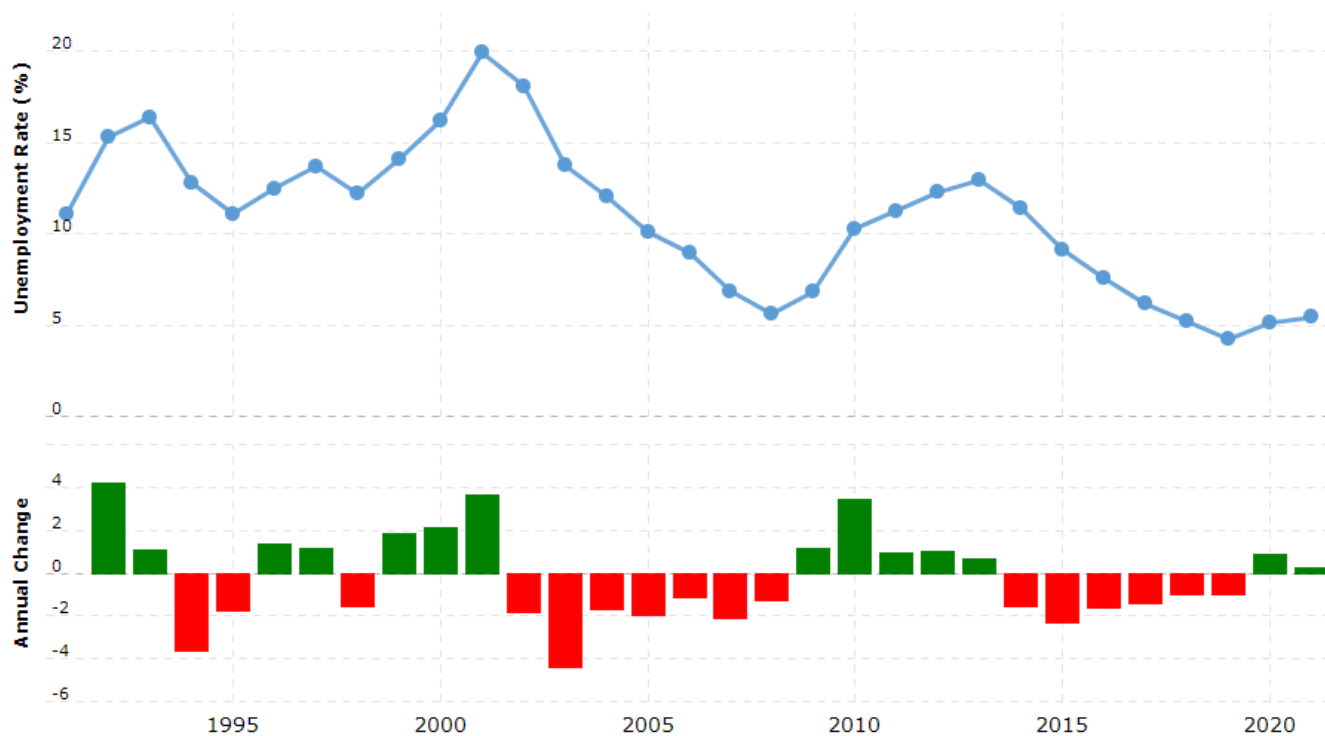


Fig. 1.10 Bulgaria Unemployment Rates 1990-2023

Source: Macrotrends website [30]

In the context of political insecurity and the inability of the government led by Zhann Videnov to implement necessary reforms, indicators such as unemployment, inflation, living standards, and general economic indicators were characterized by instability and decline, affecting the lives of Bulgarian citizens directly.

Bulgaria successfully entered the European Union at the beginning of 2007 and became a good stimulus for the economy, for example, there was a movement in the real estate market. However, the integration process occurred with the global financial crisis, putting negative pressure on growth and employment by the fourth quarter of 2008. Since the 1997 crisis, the real estate market has halted, and growth has been much weaker in the short to medium term. GDP fell by nearly 5%, while unemployment increased. Consumer expenditure and foreign investment declined dramatically, causing growth to slump to 0.3% in 2010. Unemployment has been persistently high, at about 10%.

In addition, the situation between Ukraine and the Russian Federation was important against the backdrop of the gas crisis, which caused Bulgaria issues with industrial output as well as utilities, making Bulgaria heavily reliant on the Russian side. However, because to finance ministry Dyankov's financing control, the Bulgarian economy began to show good results and, coupled with budget cutbacks, assisted in moving into a stage of stable, if modest, development in the middle of the worldwide financial crisis.

Early implications of sanitary measures implemented to avoid the spread of coronavirus infection at the beginning of 2020 had a significant influence on both the labor market and overall economic performance. According to the findings of Velev's [61] study, 74 (11.4%) of 651 individuals with confirmed COVID-19 had at least one gastrointestinal symptom in February 2020, and 1,181,657 instances of infection were recorded for the period 2023, with 37,281 fatalities from viral infection.

Figure 1.11 shows that by the third quarter of the spring season, compared to 2019, there was a drop in the official working population of up to 5%:

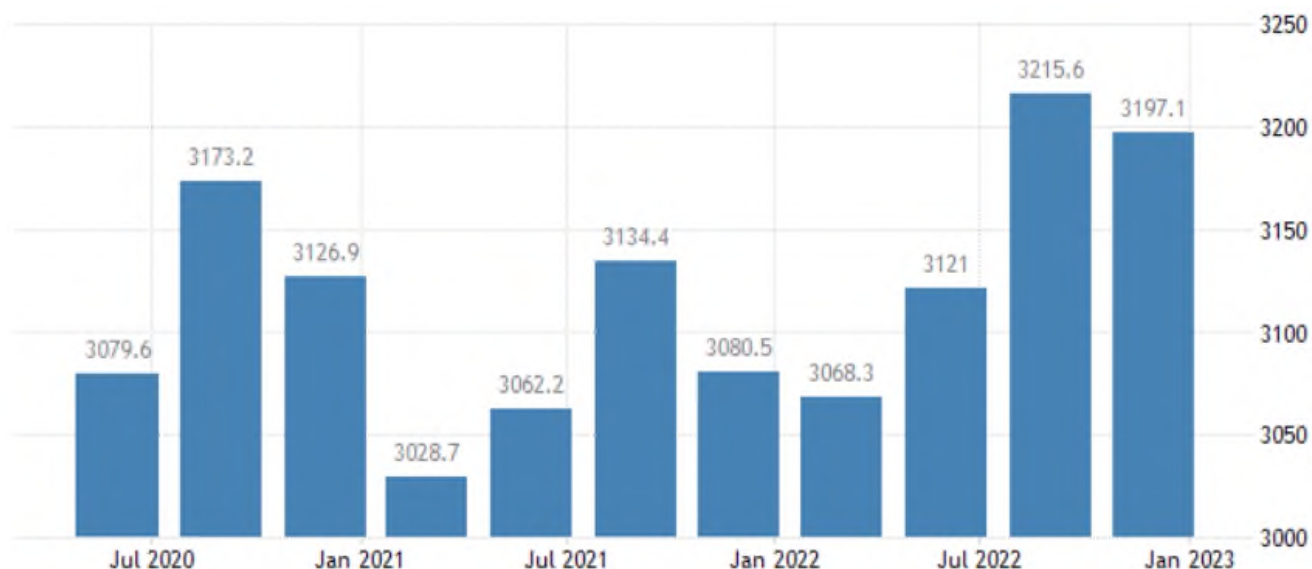


Fig. 1.11 Change in the number of employed population in Bulgaria 2020-2023

Source: Trading Economics website [51]

It is anticipated that the industries most affected are those that require the presence of a living staff and have the most connection with people.

Despite the difficulties created by the COVID-19 problem, Bulgaria's labor market advances since the conclusion of the global financial crisis have been noteworthy. However, Bulgaria confronts several structural difficulties that will affect its medium and long-term prospects, as well as the country's overall economic future. Some of the major issues include a fast-falling and aging population, high levels of disparity in labor market results, and a considerable danger of poverty among a huge portion of society.

Following the retirement system reform of 2000 and the approval of the Social Security Code (SSC), a new pensions scheme went into effect in Bulgaria on January 1, 2000. However, as Koval [25] points out in her work, the pension reform was also implemented in Bulgaria in 2010 and affected two major features, namely preliminary contributions and work experience, which applied from 2012 to 2020. a four-month boost in work experience each year until women attain 37 years of work and males reach 40 years. Its implementation aims to improve the living conditions for forthcoming Bulgarian retirees. The updated system is built on three pillars and incorporates two major concepts: the distribution principle behind state social assistance and the distributive principle of supplemental required and optional pension coverage. With its implementation, the state, companies, and the insured share responsibility for the number of pension payments.

Thus, the Bulgarian pension system has the following system:

- The first level, the National Social Insurance (NSS), comprises Bulgaria's general population who are employed. It works on a pay-as-you-go or solidarity foundation, which means that current workers' payments to the National Social Security Pension Fund are used to provide pensions for present retirees. The National Social Security Institute (NSSI) provides this mandatory coverage.

- DOPS (Supplemental Compulsory Pension Insurance) is the next level. It offers an early old-age pension for workers in both the primary and secondary labor groupings, as well as a supplemental old-age pension for those born after December 31, 1959. It is based on a capital basis, with the private pension insurance sector at its heart.
- The third level is Supplementary Voluntary Pension Insurance (SSI). It gives a supplemental pension or an old-age, impairment, or death benefit. It is a capital-based system that is carried out by private retirement insurance firms through the volunteer pension funds they administer.

In contrast to government social insurance, supplementary mandated and optional pension insurance are based on the capital principle. Every insured person in a universal, professional, or voluntary fund has an individual insurance plan in which all of his payments are gathered and invested in financial instruments specified and limited by the Social Insurance Code, with the goal of profit and asset growth. To safeguard the interests of the insured, the funds are handled by insurance pension firms, which are subject to license, government regulation, and monitoring.

As a result, each of the pillars of the Bulgarian pension system is interrelated. Furthermore, according to all defined legislative restrictions, extra pension insurance can be coupled with the basic state pension coverage rather than mutually exclude it.

The problem of sexual harassment towards women stands out the most in the context of workplace discrimination. Despite the fact that Bulgarian legislation contains a statute on combating discrimination, it also has supplementary provisions in the form of a law on combating discrimination and sexual harassment, which has been in force since the start of 2004, major modifications in the legal framework of sexual assaults aren't anticipated in the not-too-distant future, given how things are at present.

The #MeToo movement has the notion of an uprising over sexual misconduct, harassment of women, and the practice of rape, in which individuals make their

recollections of sexual assault or sex discrimination publicly has also impacted Bulgarian society. Nonetheless, there has not been a major increase in the frequency of complaints of sexual harassment in the workplace in Bulgaria, and allegations of sexual harassment have begun to surface from time to time in recent years, but such cases are still rare.

Most complaints are handled internally by the company. There are very few complaints filed with the appropriate administrative body, the Bulgarian Anti-Discrimination Commission, and/or the court. Multinational corporations, for example, are concentrating on strengthening their internal procedures and policies for dealing with harassment complaints and encouraging employees to express their concerns.

Furthermore, the female population has felt particularly intense pressure in the context of the possibility of functioning in the workplace associated with the coronavirus period, when many childcare responsibilities and for the elderly population fell on the female population. In Bulgaria, women provided more than 70 percent of all childcares in February-March 2021. Throughout the first phase of the worldwide epidemic started in 2020, female employment declined more rapidly (-1.8%) than male (-1.5%). Women in the service industry have been impacted most severely by the epidemic, with health/social sectors at around 80% and leisure industries at more than 65% faring the worst. At the exact same duration, women's pay in comparable occupations is 14% below those of males.

In addition to the harmful impacts of coronavirus infection, Bulgarian women have been robbed of political power as a result of the pandemic's political reaction, frequently to a higher extent than women in other EU nations. The national operating committee, which has been defunct since April, has no female members. Males make up over 70% of Bulgaria's National Vaccination Committee. In 2020, just 27% of Bulgaria's parliamentarians were women, as opposed to 32% in the EU.

Following the collapse of the communist regime, Poland embarked on a path toward democratic development, and Bernhard [4] refers to Poland as one of the regional

leaders in the process of democracy in post-communist Europe in his work. In addition, the economy's trajectory shifted, putting undue strain on some sectors in the early phases, and the social sector suffered as a result.

The global recessions of the 2000s had the greatest impact on Poland's unemployment figures, the first of which was preceded by Poland's transition from a communist capitalist economy following the 1989 revolution, when unemployment rose sharply from zero to 6.5% in 1990, as shown in Figure 1.12, peaked in 1993 with a rate of more than 16%:

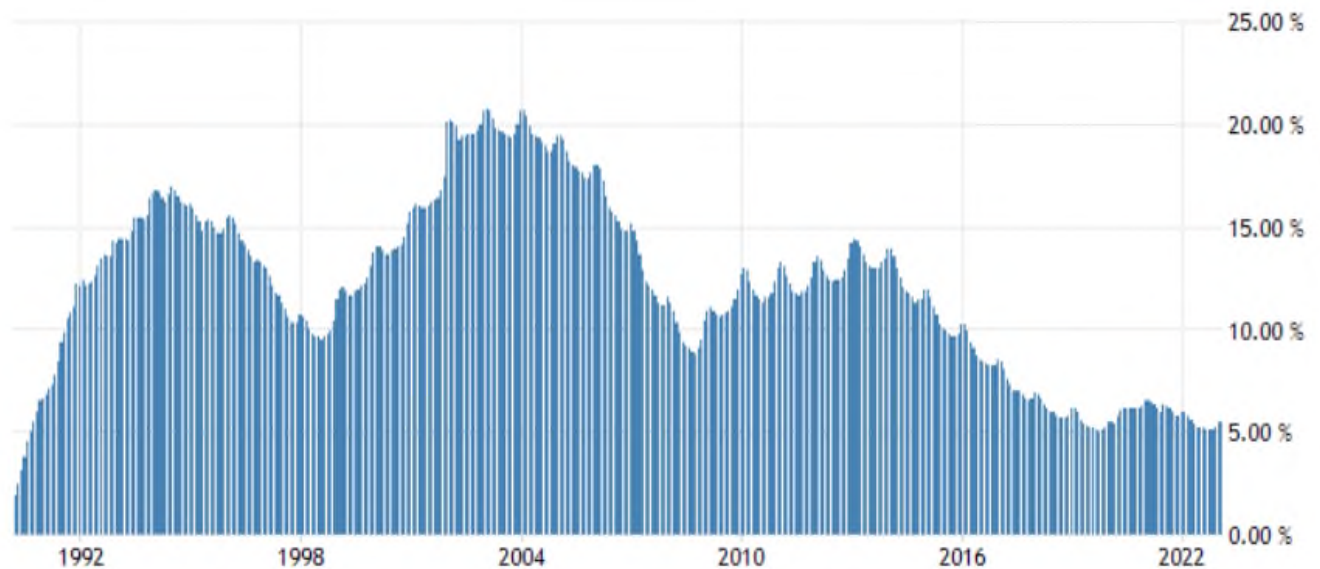


Fig. 1.12 Dynamics of unemployment in Poland 1990-2023

Source: Trading Economics website [52]

Then the rate fell geometrically to 10.3% in 1997, reaching 20% unemployment for the period of 2002, before rising again. The dynamics of the graph clearly show bursts of waves during periods of crisis, such as exit and departure from communist attitudes, the global crisis, and despite lower unemployment rates during the coronavirus period compared to other periods, the indicators began to grow again in 2020, with the onset of the pandemic.

The second was the global recession after the world crisis, and despite the fact that the unemployment rate decreased to about 9% in the fall of 2008, there was a surge and the rates reached approximately 13% from 2012 to 2014. Due to significant emigration, Poland's straight integration into the European Union in 2004 temporarily decreased the jobless rate.

The COVID-19 outbreak halted Poland's gradual reduction in jobless. Between January 2020 and February 2021, the annualized registered rate of unemployment rose by one percentage, from 5.2% to 6.2%. The service industry, as well as small and medium-sized firms, were particularly susceptible. However, unemployment estimates may underestimate the degree of COVID-19's influence on Polish labor markets. Because of the decreased labor demand, certain prospective job searchers may not actively seek employment.

While COVID-19 is mostly a short-term labor market shock, the long-term consequences evaluate as severe if people are completely pulled out of the job market. In Poland, there is a definite link between the local unemployment rate, the long-term jobless rate, and the rate of economic idleness. Increased short-term unemployment may force some jobless people into prolonged joblessness and eventually into inactivity in the economy.

Poland's pension system, like that of Bulgaria, has been impacted by reform initiatives in the early twenty-first century. To guarantee the sustainability of pensions, payments are directly tied to contributions paid under the new regime.

Together with the distributive state pension clause, an accumulative component, known as open pension funds, was created as the second pillar. The component was once essential, but in 2013, another reform, in addition to raising the retirement age, significantly altered the situation of such funds. Because involvement in the overhaul is no longer required, the employee must express a clear willingness to contribute to the institution.

The state pension is the first degree of financial protection. Employees and self-employed people are required to have a state pension. The system is divided into two parts: social security, which is administered by the Social Security Institution, and open-ended pension plans, which are administered by private financial organizations. In terms of funding, a total payment of 19.52% of taxable income to old-age pension insurance for the fiscal year 2018 is made, with a contribution of 9.76% split equally between the employee and the employer.

The second option is an occupational pension, which is accessible to Polish nationals or those who have resided in the country for a long enough period of time. Although this program began operations in 1999, it has not gotten enough distribution, and only 2% of employees currently participate in its activities. Employee contributions are dependent on pre-tax income. Payments are not subject to capital gains tax.

Third-level pensions in Poland have had a sluggish start, with little success since their inception in 1999. Voluntary workplace pension plans (PPE) are defined contribution (DC) plans with limited tax benefits. PPE payments are made after tax, and plan participants are only eligible for a capital gain tax exemption and an exemption from social security taxes of up to 7% of their wage.

If an employer creates a PPE, he is required to pay contributions to his employees. The assistance cannot exceed 7% of the employee's salary. Contributions paid are exempt from social security taxes up to 7% of the employee's gross salary. Employees can make additional contributions in addition to employer contributions. If an employer establishes a PPE, he must pay contributions on behalf of his employees. The assistance is limited to 7% of the employees' pay. Contributions paid are free from social security taxes up to 7% of gross pay. In addition to employer payments, employees can make supplementary payments.

Over the previous three years, which were marked by the spread of coronavirus infection and the fight against its consequences, as well as the consequences of the

geopolitical crisis that erupted on Ukrainian territory in 2022, the share of the population aged 65-79 reached a record high of 14.30% in December 2021, displayed in Figure 1.13, compared to a record low of 10.10% in December 2011:

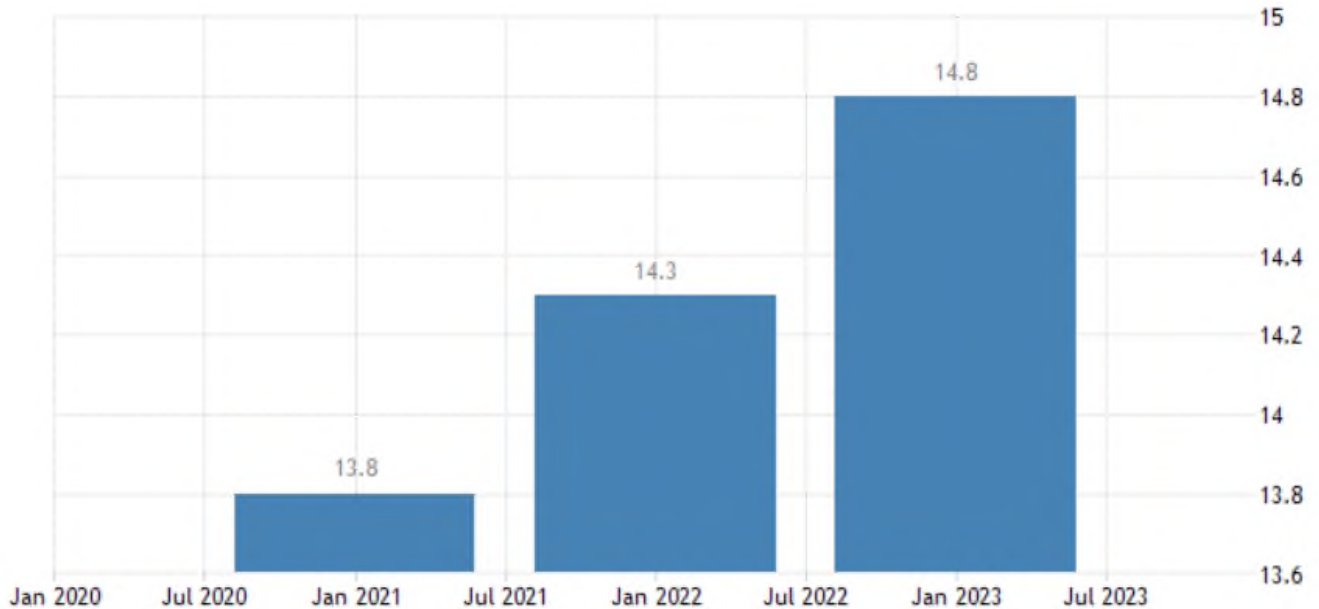


Fig. 1.13 Proportion of Poland's population aged 65-79 in 2020-2023

Source: Trading Economics website [49]

This pattern is also supported by Laub's [26] research, in which she categorizes Poland as a nation that has had a rise in life expectancy over the last several decades, with the likelihood that this trend will continue. As a result, with a geometrically rising population nearing retirement age, the Polish pension system has to be overhauled, as well as broadening and eliminating some of the present limits on people's ability to enjoy long-term financial stability upon retirement.

Women in Poland have far greater prospects for self-realization than their Bulgarian counterparts, particularly in top positions. Women hold 43% of the highest-ranking posts in Poland, as opposed to 35% across the EU, according to the Polish Institute of Economics. Trade leads the industries in which women occupy leadership roles, accounting for over one-third of all women in these positions in Poland. While their

numbers are more than half as great, public service and industry are the second and third-biggest industries, correspondingly. Women comprise 24% of the boards of directors of Polish businesses listed on the stock market, which is 8% lower than the European Union median.

In Poland, women spend over two and a half hours more every day on unpaid labor than males. More than half of parents hold a conventional view of women's roles in paid and unpaid work, meaning that women should be prepared to limit labor force participation in order to care for their children. Mothers are the most frequent consumers of leave entitlements, with just around 3% of dads taking parental leave. Policies that might help change these views include increasing formal childcare capacity and encouraging more gender-equitable use of flexible work schedules (e.g., part-time work) and parental leave benefits.

Population aging and continuously low birth rates will result in a 15% drop in the Polish labor force over the next 20 years if the labor force participation rate for men and women does not rise. To address the future labor shortage, Poland must make greater use of everyone's abilities in terms of education and economic engagement. Gender equality is critical to sustaining labor-force participation and supporting economic growth.

Thus, Bulgaria and Poland are examples of nations that, at the close of the twentieth century, rejected communism's repressive influence and ideology and chose a strategic path toward constructing a democratic society.

The most active spurts of unemployment occurred during recessionary times towards the end of the twentieth century, specifically during the post-Communist period, as well as recessions induced by the global crisis. Historically, the sectors linked with services have suffered throughout the expansion of coronavirus infection, and there has also been a lot of strain on the female population in the context of caring for children of elder age.

The pension provision is quite similar; however, the Polish system in the context of private pension provision is heavily constrained, which has a negative impact on the dynamics and development, whereas the Bulgarian pension system has undergone changes after several stages of reform and is estimated to be moderately active for the current period. However, in terms of discrimination, Poland is the most favorable example, particularly with respect to the female population, whereas conventional beliefs on gender-based roles persist in Bulgarian society.

Thus, we observe a geographical distribution in the regional context of the countries that make up the European Union, which has both similarities and differences in the dynamics of development.

Therefore, we may infer, using the example of two Western European nations that are members of the European Union, that the patterns of the social system's growth are fairly steady. France and Germany endured particularly severe spells of unemployment between 1990 and 2000. During the global crisis and the coronavirus period, Germany and France, compared to their European neighbors, addressed comparatively effectively two global emergencies in the context of their social structures (the German system of taxes and French domestic capital flows). At the same time, taking the consequences of the crisis into consideration, the above-mentioned Nordic nations had the greatest jobless rates between 1990 and 2005. Due to the preceding context, both Estonia and Finland experienced the worldwide recession less severely than neighboring nations, and during the period of coronavirus infection, both in Northern and Western Europe, the tourism and transportation mobility sectors suffered. Western European nations have significantly smaller amounts and types of advantages paid in pension funds, but they are reusable, and each country provides the benefits that persons with a small pension or a tough working past require.

However, the dynamics of the development of the problem in the context of an ethical nature have become common, with pronounced discrimination, especially tending

to discriminate against manifestations of harassment towards women, with the exception of Poland. The consequences of the spread of coronavirus infection have also become common in the context of an increase in the percentage of loss and departure from jobs, again, the female part of the population, since they are socially entrusted with the role of caring for children and the older generation.

CHAPTER 2. PRACTICAL ASPECTS OF POVERTY AND INEQUALITY IN EU AT THE BASIS CAM& APF “AKTIV PLUS, LTD

2.1 Organizational and economic characteristics of the CAM & APF “AKTIV PLUS, LTD

The ability of the state to provide its citizens with assistance in the form of financial insurance and social protection when they reach retirement age, which is usually characterized by the inability to perform sufficient physical or intellectual work to earn the necessary amount that could cover both living wage minimums, is one of the key indicators of the level of poverty and inequality. In this scenario, social considerations are equivalent to financial factors in that they affect the payment of a pension, its size, and, in theory, its availability, the quantity of needed work experience, mandatory official registration, and the extent of shadow employment.

Company of Assets Management and Administration of Pension Funds "Active Plus" (Cam & APF "Activ Plus, LTD") - a Ukrainian-owned company that is engaged in and has a primary focus on fund management, as well as other ancillary activities such as pension provision, insurance procedure implementation, and other financial services.

The company was officially registered on May 27, 2004, and has been in operation for 18 years and 4 months, with business and operations in the field of pension funds and other related sub-areas.

CAM & APF “AKTIV PLUS, LTD is a limited liability company, which gives it such characteristics as it is a legal entity and is subject to state registration following the law; is a type of economic company; the maximum number of participants is not limited; the supervisory board supervises the activities of the directorate (directors) of a limited liability company.

An authorized person designated as responsible for the provision and disclosure of information and reports on public procurement per the requirements of the law, the provision of information on issues related to the implementation of the prescribed procedures, in particular during inspections and control measures, the handling of complaints and court cases; provision of necessary documents and explanations within the established timeframe; and the analysis of the execution of contracts concluded by the law is Matiek Anzhela Vasilievna.

The Cam & APF "Activ Plus, LTD"'s activities have two categories: creation and management of assets of joint investment institutions (corporate and mutual investment funds); and creation, asset management, and government of pensions.

Specifying the services provided and carried out by the company, such as asset management of non-state pension funds are singled out; consulting services in questions of creation and organization of activity of investment and pension funds; consulting services for transactions in the stock market and the financial services market.

The company is one of those with a complete list of license documentation, as shown in Table 2.1, for the legal registration of its activities and the conduct of legal financial transactions:

Table 2.1

Documents governing the activities of CAM and APF “AKTIV PLUS, LTD.

Type	Description
License	GRFP series AB No. 466735 issued on July 28, 2010 for the administration of non-state pension funds;
License	National Securities and Stock Market Commission, series AE No. 294608, was issued on December 11, 2014 for professional activities in the stock market - asset management activities of institutional investors (asset management activities). The license is valid from December 11, 2014, unlimited;
Certificate	state registration: series A00 No. 006297, issued in Kyiv by the state administration on May 27, 2004. Registration No. 1 073 105 0005 000393;
License	National Commission on Securities and the Stock Market of Ukraine: Series AE No. 294608, issued on 12/11/2014. Starting from 12/11/2014, the term is unlimited;
License	State Commission for the Regulation of Financial Services Markets of Ukraine: Series AB No. 507092, issued on July 28, 2010. Validity period - unlimited;

Source: Made by the author using official information from the company «Aktiv Plus» [1]

Consequently, the firm satisfies all of the legal requirements for registration, which is also an extra component in the form of corporate transparency, which is an advantage over other companies and an appealing aspect of collaboration.

Federal Law FZ-156 defines a mutual investment fund (share investment fund) as a property complex consisting of property (cash) transferred by investors to the trust management of a company, the purpose of which is to make a profit on the combined funds of investors and distribute income between them. The management company must be licensed, which is what Active Plus possesses.

Closed-end mutual funds (CFIs) manage other assets in addition to the underpayment of units. The contract (rules) of trust management governs the relationship between the shareholders and the management company. The regulations are outlined in the form of a public offer.

For 2022, the company manages investment funds of a mutual nature:

1. The share closed non-diversified venture capital investment fund "Venturkapitalinvest" (Certificate No. 104 on entry into the Unified State Register of Joint Investment Institutions dated 10/01/2005, USGRSI Code 233104).
2. The share closed non-diversified venture investment fund "Construction Investments" (Certificate No. 283 on entering into the Unified State Register of Joint Investment Institutions dated 12/26/2005, USGRSI Code 233283).
3. Mutual closed non-diversified venture investment fund "GlobalMedCare-Invest" (Certificate No. 189 on entry into the Unified State Register of Joint Investment Institutions dated 21/07/2005, USGRSI Code 233189).

The Corporate Investment Fund (CIF) is a separate legal entity devoted solely to joint investment.

A corporate investment fund is a joint stock company, but it is exempt from Ukraine's "On Joint Stock Companies" Law. These funds, among other things, are established and operated under a special law - the Law of Ukraine "On Joint Investment Institutions."

It can engage in joint investment activities as soon as the CIF is registered in the Unified State Register of Joint Investment Institutions (CII Register), which is based on the registration of the CIF regulations and receipt of the relevant certificate from the National Commission on Securities and Stock Market (NCSM). A corporate fund is a financial institution, and its inclusion in the Unified State Register of Joint Investment Institutions confirms this. The CIF cannot conduct financial transactions at this time. A corporate investment fund issues shares of a corporate investment fund to attract funds for joint investment. Obtaining funds from investors is accomplished by selling them shares in a corporate investment fund.

Directly in the company itself, there are 4 corporate funds:

1. Public Joint Stock Company Closed Non-Diversified Venture Corporate Investment Fund "Capital Investments".
2. Public Joint Stock Company Closed Undifferentiated Corporate Investment Fund "United Capital"
3. The public joint stock company closed the non-diversified investment corporate fund "Alpari Invest"
4. The public joint stock company closed the non-diversified venture investment corporate fund "Real Group"

Thus, the company demonstrates, on the one hand, a clearly defined focus on service provision, and, on the other, diversity in a clear spectrum, allowing the company's activities to vary and have scope for actions that meet the company's goals.

The research conducted by Davis and Hu [8] demonstrates three aspects of pension fund holdings and economic growth: the link between finance and savings, the favorable influence of finance on economic growth via positive externalities, and the direct impact. The condition of the company's assets, as illustrated in Figure 2.1, is an indicator of the company's financial well-being:

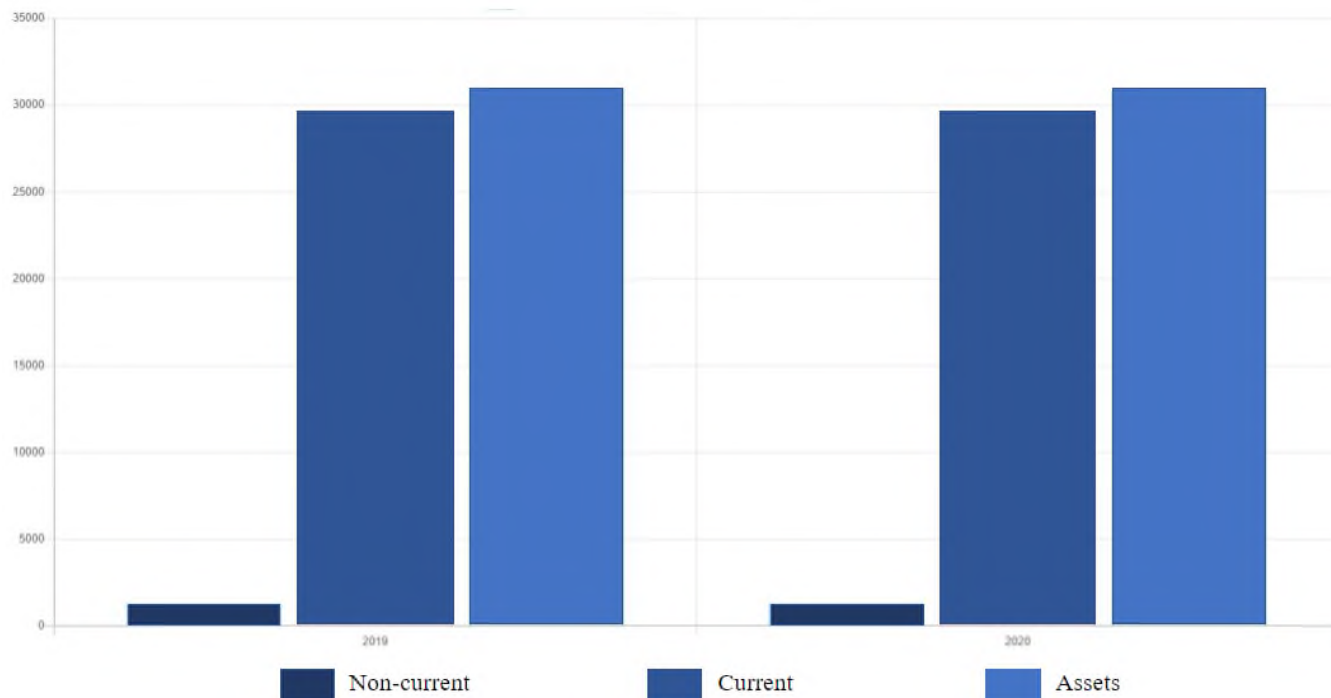


Figure 2.1 Dynamics of the assets of the CAM & APF “AKTIV PLUS, LTD in 2019-2020.

Source: Made by the author using official information from the company «Aktiv Plus»

When describing and assessing the dynamics of the Active Plus assets, a weakening of the business's economic potential is observed, specifically a decline in the quantity of property at the disposal of the enterprise, accentuated by a 0.22% drop in the number of resources.

Overall, growth in the amount of equity capital is a good sign of the degree of wealth of the owners; but, at the start of the pandemic, as demonstrated in Table 2.2, the company's financial condition showed a reduction in the following indicators:

Table 2.2

**Horizontal analysis of liabilities (sources of financing assets) of the CAM & APF
“AKTIV PLUS, LTD**

Index	2019	2020	Abs. gain, +,-	Dep. gain, %
Registered (share capital)	30000	30000	0	0
Equity	30734	30776	32	0,1
Long-term liabilities	0	0	0	-
Short-term liabilities	191	90	-101	-52,88
Balance	30925	30856	-69	-0,22

Source: Made by the author using official information from the company «Aktiv Plus»

As a result of a -52.88 percent fall in short-term liabilities, Asset Plus's financial situation shows a reduction in the number of potential financing sources focused directly on recruiting new assets.

As indicated in Table 2.3, there is a gain in independence from external suppliers of financial resources, yet there is still a barrier to greater disclosure of the company's potential by decreasing the overall number of liabilities:

Table 2.3

Indicators of stability and solvency of the CAM & APF “AKTIV PLUS, LTD

Index	2019	2020	Abs. gain, +,-	Dep. gain, %
Financial autonomy	0,99	1	0	0,33
Current liquidity	6,61	14,16	7,54	114,07

Source: Made by the author using official information from the company «Aktiv Plus»

This aspect is measured and qualitatively assessed using two indicators. The first is financial autonomy, an indicator of the ratio of equity capital to total assets of the organization, or the coefficient of financial independence, which can be used to

determine the enterprise's reliance on borrowed funds and loans. As a result, the greater this ratio, the greater the independence from creditors.

In the dynamics of the company, there are both negative aspects, such as the weakening of the economic potential of the enterprise in the context of the company's property, and quite positive ones, namely the improvement in the welfare of owners due to growing equity capital.

The Company of Assets Management and Administration of Pension Funds “Aktiv Plus” is pro-Ukrainian and operates within the territory of Ukraine, mainly concentrating its activities in Kyiv and the Kyiv region as a whole.

As previously stated, the company operates within Ukraine. The company's main interactions with the external environment include shareholding in private joint stock companies, public joint stock companies, and open joint stock companies, examples of which are described in Table 2.4, which shows the company's activity in related areas:

Table 2.4

Percentage of share ownership in open and public joint-stock companies

Name of company	Registration number	Share
Open Joint Stock Company "CHERKASSKY REPAIR AND TRANSPORT PLANT"	#14209896	7.8023%
Open Joint Stock Company "SPECIALIZED ENTERPRISE "BIODIESEL"	#36123972	10.1010%

Source: Made by the author using official information from the company «Aktiv Plus»

Thus, the extent of the company's activities goes beyond its legal address; nevertheless, the company's position has shifted during the military terror that began in

February 2022 and continues in 2023, as evidenced by the decline in activities of its Kharkiv colleagues.

As a rule, pension fund asset management companies are quite dependent on the domestic legislation of the state and for the most part, operate on the territory of the country of registration, and CAM & APF “AKTIV PLUS, LTD” is one of them, and entering the international level is a rather laborious process, so how in this case the legislation at a deep level of more than one country will be affected, which may adversely affect business, as well as legal transactions and the risks associated with them.

Describing and summarizing the foregoing, we can confidently state that Active Plus is a pro-Ukrainian company that emerged in the 2000s of the twenty-first century - the period of growth of Ukraine's independence and sovereignty - and has the main directions expressed in the range of services in the field of investment, non-state pension provision, and also has all the necessary resources, technologies, and a high-quality potential for asset management, investment, and pension funds.

There are both bad and sound elements to the firm's dynamism, like the deterioration of the company's current growth value in the framework of the person's assets, and relatively favorable ones, including the enhancement in the well-being of the owner thanks to expanding equity.

Because the details of the company's activities entail a larger reliance on the state in terms of regulation, Active Plus has no activity beyond the state of Ukraine. It has its primary focus and legal location of registration in Kyiv, as well as some partners mostly in Ukraine's east.

Overall, we could say also that techniques of measuring a firm and its financial subdivisions are relatively old and traditional, very seldom modifying to the particular sector of operation. And, in turn, the financial department is involved in operations such as the production of analytical analysis, planning, control in the implementation of

transactions directly related to money, as well as participation in the provision of reports and adjustments to the current course of how the company should exist.

Nonetheless, because there is no high concentration of a competitive environment in the western regions of Ukraine, the company's lack of overseas operations can be compensated for by expanding its growth on Ukrainian territory.

Describing and summarizing the foregoing, we can confidently state that Active Plus is a pro-Ukrainian company that emerged in the 2000s of the twenty-first century - the period of growth of Ukraine's independence and sovereignty - and has the main directions expressed in the range of services in the field of investment, non-state pension provision, and also has all the necessary resources, technologies, and a high-quality potential for asset management, investment, and pension funds.

2.2 Pension system of Ukraine on the example of the CAM & APF “AKTIV PLUS”, LTD

The social sector is an integral feature in the analysis of the dynamics of poverty-level development; in this case, its pension component is specifically considered, which is a financial guarantee of the possibility for each citizen to reach retirement age and, if it is impossible to work, receive financial support from the state and other pension sector participants.

Despite the initial official distribution of Ukraine's pension system into three levels, only two levels are currently active, leaving the first level in the form of a solidary system of compulsory state pension insurance heavily burdened, and the current economic and demographic indicators, combined with the geopolitical crisis, increase risk indicators in the context of the inability to cope with the designated mission.

The first level of Ukraine's pension system is known as the solidary system of mandatory state pension insurance, and it is based on payments and the provision of

social services, as well as subsidization and solidarity. The system is a reserve assembly that receives wage transfers in the form of mandatory Pension Fund contributions. After all the money from the computed salary has been collected, a recalculation and payment distribution process are carried out. There is a plan for individual personalized accounting of a Ukrainian citizen's receipt of insurance premiums to qualitatively examine and trace each receipt. And the pension fund organizes all of the information on the insured individuals who are in the reserve of the automated information bank, which also serves as a payment system for state pensions.

In connection with the ideology of developing a scheme for this type of pension, it makes it dependent on fluctuations in demographic indicators, employment, and unemployment dynamics, unfortunately, over the last 3 years, the Ukrainian economy has faced a coronavirus infection in 2020, and a full-scale invasion of a terrorist country in February 2022, both of which had and continue to hurt overall performance.

As revealed in Figure 2.1, Ukraine's population growth has been gradually declining since the 1990s:

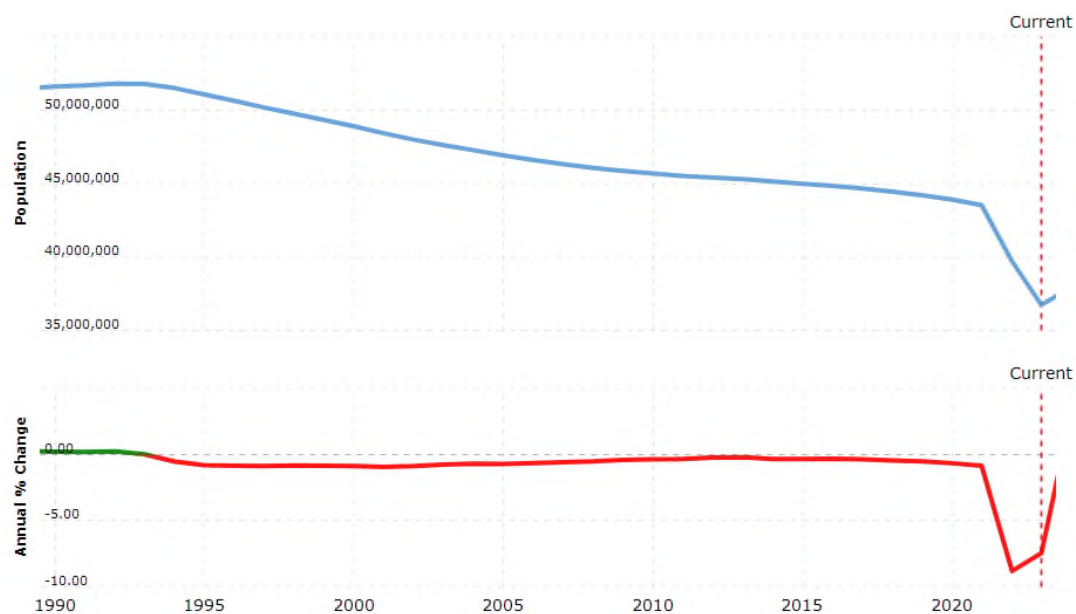


Fig. 2.2 Dynamic of Population in Ukraine 1990 -2023

Source: Macrotrends [31]

The critical moment was the coronavirus period, due to military attacks from the Russian Federation, and already for the period of 2022, the population of Ukraine totaled 39,701,739 people, which is 8.8% less than last year's figures of 43,531,422 people, which 0.86% less than in 2020. For the period of 2023, the population of the country is 36,744,634 people, which is 7.45% less than in 2022.

Thus, demographic indicators have declined by around 7 million people over the last ten years, and the continual terrorist assaults against Ukraine's civilian population make predicting the population's future trend problematic.

The spread of coronavirus infection and measures to prevent it, as well as martial law in the country, influenced Ukrainian labor exchange unemployment rates, and as shown in Figure 2.3, despite the decline in 2019, in the spring of 2021, the rates rose to 10.5%, followed by sharp declines of 9.3% in July 2021, and it was already 9.2% in October:

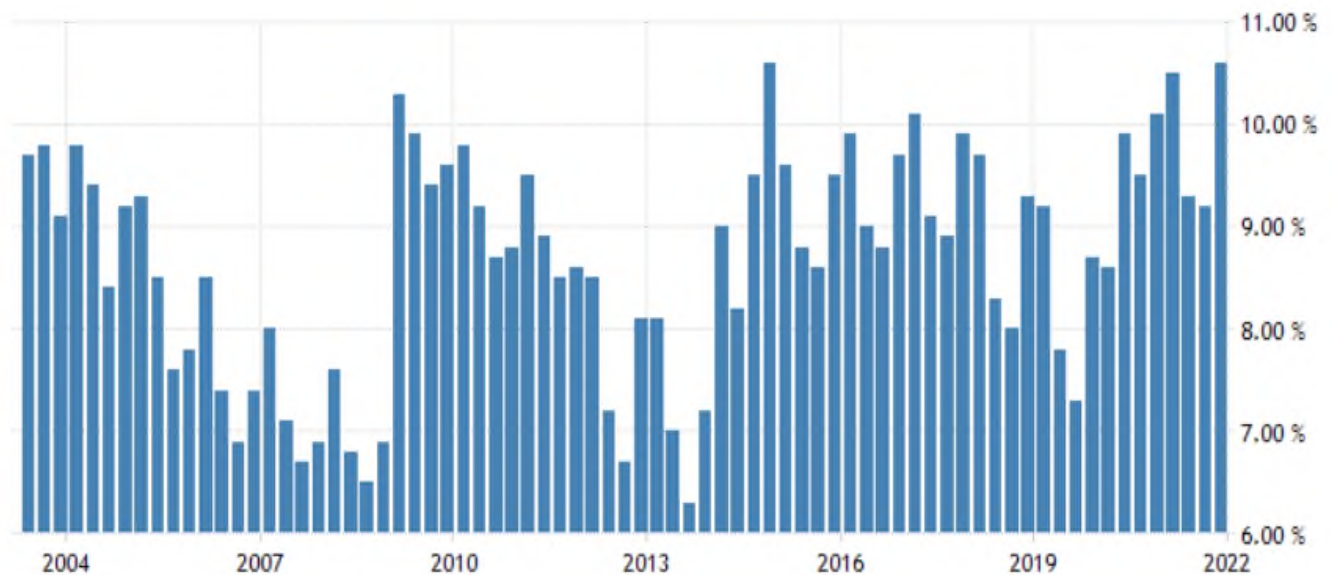


Fig. 2.3 Dynamics of unemployment in Ukraine 1990-2023

Source: Trading Economics [56]

During the era of coronavirus infection spread in early 2020, the data steadily increased from 8.7 percent to 9.9 percent, eventually reaching 10.5 percent in the pre-war period. Because of the growing demographic crisis, the estimate for the dynamics of the jobless rate will reach more than 12 in 2023.

Thus, the development of the pandemic and different types of war conflicts were the most impactful variables on negative indicators of unemployment and employment of the Ukrainian population. In addition, due to the necessity to respond rapidly to the spread of the fatal virus, huge sums were deducted from the state budget, which was already suffering from a shortage of money, which has also become an additional problem since the beginning of 2020.

In addition to other economic shocks caused by migration flows, it reached its peak precisely in 2022 from the start of a full-scale invasion of the aggressor country into Ukrainian territory, and according to the European Union, this is the largest influx of refugees since the period of the Second World War, which totaled more than 6 million people. In addition to the demographic decline, such trends have a direct negative impact on the number of contributions to this sector of the pension fund.

A substantial percentage of informal work, or "shadow employment," is one of the primary contributors to diminishing the income of pension fund payments. With this type of work, both parties suffer losses: the required amount for which the calculation is being made is not contributed to the pension fund, and the worker loses years of service, depriving himself of the opportunity to retire early or receive a larger amount than when entering the category "insufficient working seniority," as well as the period of insurance, which will affect the amount of pension received one day.

The occurrence of prejudice in the workplace and in employment is another major factor influencing quality employment. Gender discrimination is one of the most visible aspects of prejudice in Ukraine.

Ukraine has made some progress in advancing the notion of gender equality during the last decade. Governments, corporations, trade unions, and women's groups are all paying close attention to this issue and working hard to break down the obstacles to good employment and income for women.

The occurrence of discrimination against women affects several levels at once, ranging from open access to jobs to the stage of employment, the presence of unequal pay for work of equal worth, the involvement of women decreases in the context of highly paid fields, and professional and industrial segregation occurs.

Another social factor that has a negative impact on the indicators of discrimination against women is the still stable social stereotype of the distribution of women's and men's roles, in which the woman is responsible for housekeeping and childrearing, while the man provides a source of income. However, in fact, the allocation of tasks in the family institution is changing dramatically, with working women already providing financial stability and cash-for-life care.

Thus, the impact of society in the context of bias against women's working talents and abilities, as well as disregarding processes of social role change, contribute to an imbalance in Ukraine's total system of the working environment.

The second level is the generally mandated funded pension, also known as pension provision, which requires contributing to the Pension Fund of Ukraine but has a more customized structure based on individual pension accounts. This system is directly implemented through the operation of Ukraine's accumulative pension fund, which entails the creation of individual pension accounts based on mandated pension contributions. Non-state pension funds' actions are equally relevant since they function in the framework of investing collected pension payments to protect and enhance pension income. It should be noted that all activities are conducted entirely on a freewill basis.

The accumulative system requires direct and required participation of those aged 18 to 35, although people above 35 can participate as well, albeit voluntarily. In this circumstance, any funds amassed in retirement accounts become the property of the individuals. In the case of a person's death, these monies are not irreversibly transferred to the state, and the insured person's successor receives the right to receive this money immediately. Each direct citizen of Ukraine will be allowed to utilize them when they reach retirement age; however, the legislation also allows for the possibility of using them before time. A transfer overseas for permanent residence, the loss of a breadwinner, or a worsening in physical condition to the point of becoming crippled or unable to work are examples of such circumstances.

The financial side does provide for a gradual rise of 2 to 7% of the contribution; however, the percentage of the required contribution will be redistributed annually between the employer and the employee; for example, if the rate is 5%, the worker must pay 2% and the employer will pay the remaining 3%. If the necessary amount is 3%, the worker will pay 1% and the employer will pay the remaining 2%.

This system was under construction and was expected to go into full effect at the state level in 2019, but it is now in the stage of refining. It was believed that the funds collected would be invested in various areas of the Ukrainian economy, resulting in an extra financial reserve to enhance living standards and the positive dynamics of other micro and macroeconomic indicators.

Under state supervision, these funds would be administered by designated firms selected through a competitive or tender process. The bank would be the closest physical site of the finance, and it would also participate in the management and tracking of all transactions in which these finances are used.

In terms of interaction with other forms of social benefits in the form of a pension, the funded type of pension provision can be paid in addition to the solidary pension or as a lump sum payment.

The acquiring of an additional financial option by a person in the framework of this social insurance is projected to result in many tendencies that will provide a fresh perspective to citizens' financial literacy and self-awareness.

Thus, there will be an increase in interest among employers and employees in the context of making pension contributions, and due to bilateral investment, pressure on the employer is expected to decrease, because the contribution is made by the officially registered and insured employee but also directly by the employer.

One of the trends and purposes during the first formation of this sort of pension insurance was to promote economic growth and, in general, economic indicators by creating insurance or providing an additional reserve for force-major scenarios. It is also about broadening the administrative apparatus, including the inclusion of administration, distribution, and planning in circulation alongside state entities.

Furthermore, this type of pension is paired with the first pillar pension, which is an extra benefit and helps to avoid unpleasant signs such as an increase in retirees receiving insufficient assistance.

To summarize, we can say that this system has the potential to be effective because a person can mostly regulate himself, because the system is quite flexible, with the possibility of subsequent transfer of money in the event of death and also the real possibility of investing these funds in the future.

Due to the congestion of the first pillar's pension payments, as well as the frozen present activity and functioning of the second pillar's pension, the third pillar, namely the system of non-state pension supply, is steadily emerging. A common feature with the previous system, however already applied in real life, is the voluntary engagement of both employers and employees, who contribute to future social benefits in the form of a pension.

In this case, participation at the legislative level will be counted as a contribution from both a legal person and an individual who can invest finances and increase them

with the help of non-state pension funds, after which a direct pension payment will be made, considering the individually accumulated pension asset.

Because this system promotes itself as a non-state pension provision, it is nonetheless subject to governmental oversight, and payments are often handled by three sorts of organizations. The first is directly non-state pension funds, whose activities are dependent on citizen engagement. In this instance, the revenue is divided solely among participants and has the status of a non-income setting, with a conclusion procedure between pension fund managers and the person, corporation, or association that contributes. This system's foresight rests in the exercise of flexibility in the context of human considerations, such as the danger of developing or obtaining varied degrees of infirmity or physical mortality. In this situation, insurance firms function by completing life pension insurance contracts that take into consideration the aforementioned factors, which in turn cover and constitute part of risk management, allowing both parties to avoid losses. Banking organizations that provide the option to create deposit accounts with a pension orientation, for savings and savings, did not sit back either. However, there is a fixed amount restriction for the refund of deposits by the deposit guarantee fund for individuals. But in general, non-state pension insurance is distinguished by the imposition of merely a minimum amount, and there is no restriction to the maximum point of the investments at the maximum level.

The idea of pension provision is also combined with the first level of payments, but in this instance, it is dependent on the quantity and size of pension contributions, the time during which the contributions were made, as well as the distributed investment income.

There is also variety and flexibility in payment methods, which are given in the form of three possible payment procedures, the components of which can overlap and mix. As a result, there can be a one-time payment. A participant in a non-state pension fund may request a full payment in this case, but it can only be received in certain circumstances, such as permanent residence and staying outside Ukraine (relocation) if

the participant's pension savings are less than the amount sufficient for minimum payments for ten years. Medical cases, such as the commencement of incapacity in fund participants or a documented critical state of health, such as strokes, oncological diseases, and other highly serious disorders in fund participants, are also considered.

There is also a type of life pension, which makes payments in the form of periodic payments by insurance organizations if the fact of concluding a life pension insurance contract was made at the expense of funds transferred to the insurance organization from a non-state pension fund.

The third form of pension payment of the third pillar of pension supply is a fixed-term pension, for which the retirement age must be reached. In this instance, a participant in a non-state pension fund can set his or her pension range, however, it is important to note the age gap based on the fund participant's gender. Thus, the difference is between 50 and 70 years for men and 45-65 years for women, and the payout period is 10 years or more.

During the pre-war period in Ukraine, 58 operational non-state pension funds were registered with the National Commission for Securities and Stock Market, with more than 15 administrators. The difference between 2021 and 2020, when the pandemic began, was 7,400 people in the official register of these funds' operations.

Furthermore, compared to 2020, there were more than 92,000 pension contracts for 2021, a 13% increase over the previous year. Also in 2021, the number of deposits expressed as persons increased by 13%, reaching 86,000 for the year, with 84.1 thousand, or 97.6%, being individuals. This dynamic characterizes a progressive growth in activity as well as a state-controlled effect on economic and social feelings in the pension industry.

As indicated in Figure 2.4, there are numerous types of non-state pension funds for the period 2023, namely open, corporate, and professional funds, indicating the presence of specifics in this type of pension provision:

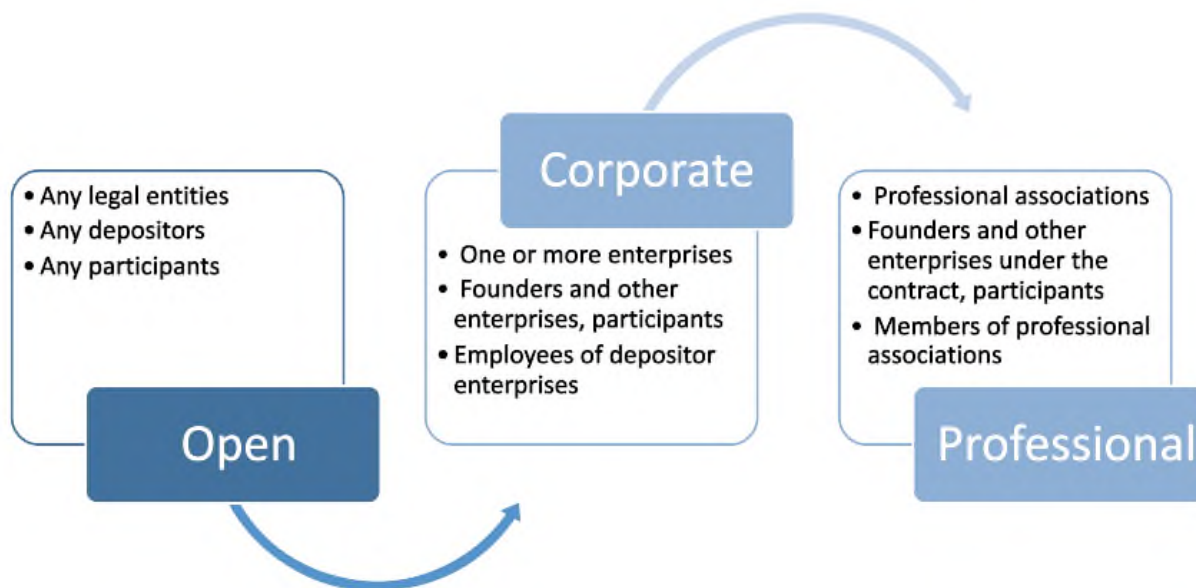


Fig. 2.4 Types of non-state pension funds of Ukraine 2023

Source: Made by the author using official information from the Prostir.pdaba [42]

An open non-state pension fund is distinguished by the fact that it can be established by one or more legal entities and is also open and accessible to all contributors; however, for the fiscal year 2016, it also stipulated that only individuals in employment could participate in such a fund. relationship with founding employers or paying employers of such a fund.

A corporate fund, on the other hand, has the same characteristics and is established by one or more legal persons. However, a peculiarity is already being spread and shown here, namely, there may be an employer association, which can also be joined by other employers for a controlled charge.

The association of both legal and physical persons is a distinguishing feature of an already professional fund; however, there is also a branching specificity, and association can be carried out based on professional features, such as one profession, or it can form into a common trade union and their associations.

A striking example of a corporate non-state pension fund is the Company of Assets Management Administration of Pension Funds "Active Plus". As previously stated, the direction's major two activities are the formation of asset management of general investment institutions, corporate and mutual investment funds, and the creation of asset management and administration of the pension fund. The following is a more extensive financial study of the company in case of transactions, which will aid in providing a specific example of the procedures, as well as the internal process of a non-state pension fund component.

An essential component of financial records is separated into two categories: assets and liabilities. The first is assets, listed in Table 2.5, which includes non-current assets, current assets, or inventories, as well as non-current assets held for sale and disposal groups.

Table 2.5

Financial units of assets of the CAM & APF "AKTIV PLUS, LTD

Name of company	Registration number	Share
"ZHYTOMYR MOBILE MECHANIZED COLUMN"	#00310692	5.1828%
"KHARKOV PLANT OF ELECTRICAL EQUIPMENT"	#01056741	75.5614%
"ZHYTOMYR MOBILE MECHANIZED COLUMN №6"	#00310692	5.1828%
"KHARKOV PLANT OF ELECTRICAL EQUIPMENT"	#01056741	75.5597%
"LEMON INVESTMENTS"	#39592585	100.0000%

Source: Made by the author using official information from the company «Aktiv Plus»

Based on the data presented in the table, an assessment of the Active Plus company's pre-war activity in some points of Zhytomyr and Kharkiv is made, because the situation with Kharkiv partners is due to difficulties due to constant military operations on the territory of Kharkiv and the Kharkiv region in 2023.

The second category is liabilities, shown in Table 2.6, which include equity or registered business capital, long-term liabilities and collateral or deferred tax liabilities, liabilities associated with current assets held for sale and disposal groups, and a non-government pension fund's net asset value:

Table 2.6

Liability financial units of the CAM & APF “AKTIV PLUS, LTD

Line name	At the beginning of the reporting period, thousand UAH	At the end of the reporting period, thousand UAH
Reserve capital	700.00	734.00
Retained earnings (uncovered loss)	34.00	32.00
Current accounts payable on: long-term liabilities - Goods, works, services	175.00	75.00
Current accounts payable on: long-term liabilities - Settlements with the budget	8.00	7.00

Source: Made by the author using official information from the company «Aktiv Plus»

In this example, there is a gain in reserve capital of UAH 34,000, but there is a drop in other metrics, which is a crucial element of the total financial well-being and the ability of the firm to function.

In general, characterizing the methods of assessing a company and financial units, we can say that they are quite traditional and classical, only periodically adjusting to the specifics of the field of activity.

For example, the classic indicators in the form of the initial cost of the depreciation object, the residual value of the depreciation object at the estimated time of disposal, as well as the service life of the depreciation object, and the depreciable part of the initial cost of the object serve as the basis for calculating the depreciation of non-current assets.

The calculation of receivables refers to the process of preparing financial statements as well as obtaining information on the necessary reports in the context of the organization's debt. For the calculation, information must be gathered on all lines where receivables are listed in terms of amount, debtor type, maturity, and so on. It is also necessary to compare the amounts reflected in the accounting accounts with counterparties, which will allow you to highlight indicators and contribute to the evaluation of financial stability, liquidity, and solvency, as well as asset turnover.

Such an indicator is reserve capital, which is defined as a portion of profit used to cover potential losses of the organization (capital received as a result of economic activity) for the reporting period, as well as to redeem bonds, organize the buyback of own shares, or retain a portion of the profit. It includes an analysis of the organization's financial position using a perform a comparative balance sheet, which reveals a few of the most crucial accounting features, such as the value of the organization's property in general, the cost of immobilized and mobile funds, and the quantity of the organization's and owns decided to borrow funds.

Thus, for the year 2023, the activity levels of the pension system are the first level in the form of a solidarity pension and additional social payments to maintain citizens' living wages, as well as additional activities of the third level of pension provision in the form of non-state pension funds that accept voluntary investments, and further multiplication with flexible terms of payments to a person upon reaching retirement age. Furthermore, the second pillar of the pension, in the form of a funded pension, is inactive throughout this time. In turn, the Active Plus company is an illustrative example of the activities of a non-state pension fund that continues to carry out its responsibilities

despite the general economic and demographic crisis associated with martial law, as well as active battles and occupation of the territory of the main Ukrainian partners.

2.3 Evaluation of the effectiveness of non-state pension provision

In the current situation, which is not quite simple, in which the pension system is located, namely the freezing of the second level of security and the overload on the first level in the form of a solidary pension system, it is the third level that, as previously mentioned, involves the activities of non-state pension funds more than ever, which plays an essential role in unloading the first level and providing additional social, and primarily financial, security for people. However, it has its difficulties and not immediately visible advantages that effectively separate it from others in the context of efficiency, as does any system.

Consequently, the advantages of non-state pension provision depicted in Figure 2.5 might be characterized as follows:

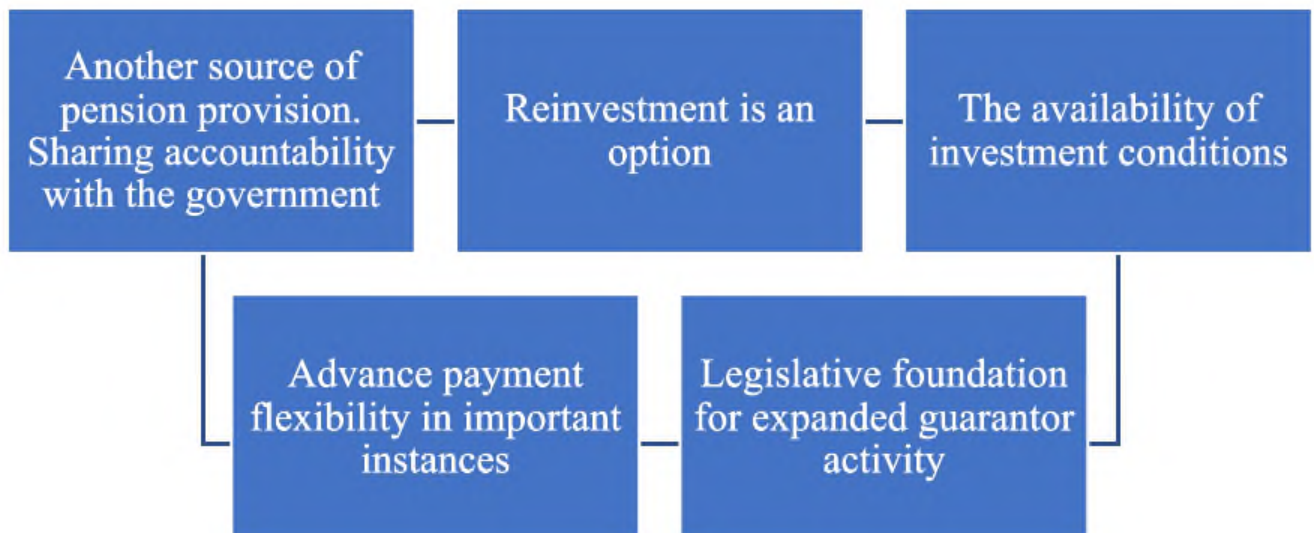


Fig. 2.5 Benefits of non-state pension provision

Source: Made by the author using official information from the Essuir.sumdu [35]

As a result, we may emphasize the following benefits:

1. It is a source of additional pension provision since it is paired with the basic first-tier pension supplied directly by the state. It can become the primary source of income upon attaining retirement age in exceptional situations.
2. Unloads the solidarity pension system. As previously stated, even though it is widely understood that Ukraine's pension system consists of three tiers, the financed system of the second level remains frozen at the state level, despite preparation in 2016 and a direct launch in 2019, which never occurred. Thus, two functional components stay in the form of a solidarity pension, which cannot always meet the required level of payments due to economic and demographic indicators, including the effects of the coronavirus infection and the country's current military situation, for the period from February 2022 to the present, and payments and economic activity from non-state pension funds that carry out long-term investment activities.
3. Reinvestment is possible through a certain amount of flexibility in the context of early payments, which may relate to more than merely proven severe clinical problems. Although the funds are distributed among the fund's members, it is still worthwhile to evaluate the stipulated statements from the total amount paid for, as well as internal administrative expenditures.
4. Flexible conditions and a broader opportunity to choose the number of contributions to a future pension:
 - The ability to independently choose the fund to which contributions will be made because an important point and aspect of the ideology itself remains a voluntary desire to participate in activities.
 - The user chooses the frequency of payments as well as the instant start date of payments upon attaining a particular age range.

- Absence of penalties for temporary payment suspension or rate decrease, which aids in avoiding or reducing losses owing to the existence of the human component.

5. Stronger protection in the event of unanticipated occurrences and crisis factors:

- Ability to transmit current accumulation via inheritance if a fund member dies physically. Thus, in the existence of these actions, all existing savings remain the property of the fund participant and do not go unreturned to the public treasury.
- All savings belong to the fund participant.
- Presence that essential access to current state information is available and is being carried out.
- The option to move to another financial institution (pension fund, insurance firm, or bank), demonstrates the adaptability of this method of pension supply in Ukraine.
- Investments are also made in highly reliable financial assets such as bank deposits, government securities, and precious metals, which provide a partial financial guarantee in the event of a surge in inflation or currency depreciation.

6. Control is implemented following the specified and regulated legislation through:

- Audits of efficiency and legal compliance, the means and techniques of which comprehensively cover every financial and social element of the funds' activity.
- The existence of constraints on the operations of non-state pension funds is an additional assurance of the state's genuine attention to pension funds of this type.
- The specified minimum amount of allowed capital must exceed 25 million UAH for individuals managing assets and more than 2.5 million UAH for state pension fund administrators.

- Both administrators and asset managers are accountable, which includes the participants' property, providing concrete assurance in the event of an occurrence outside of the defined circumstances.

In sum, the non-state pension provision is defined as the possibility of transforming both into an additional and completely alternative source of financial support for individuals who have reached retirement age or are in emergency situations in which a payment is made, the conditions of which are prescribed by the policy of the non-state pension fund in which the attachment is held.

However, no system can contain remarkable elements while still being optimum in all cases. As a result, we can identify the following flaws, depicted in Figure 2.6, that make it difficult to adapt and improve this system:

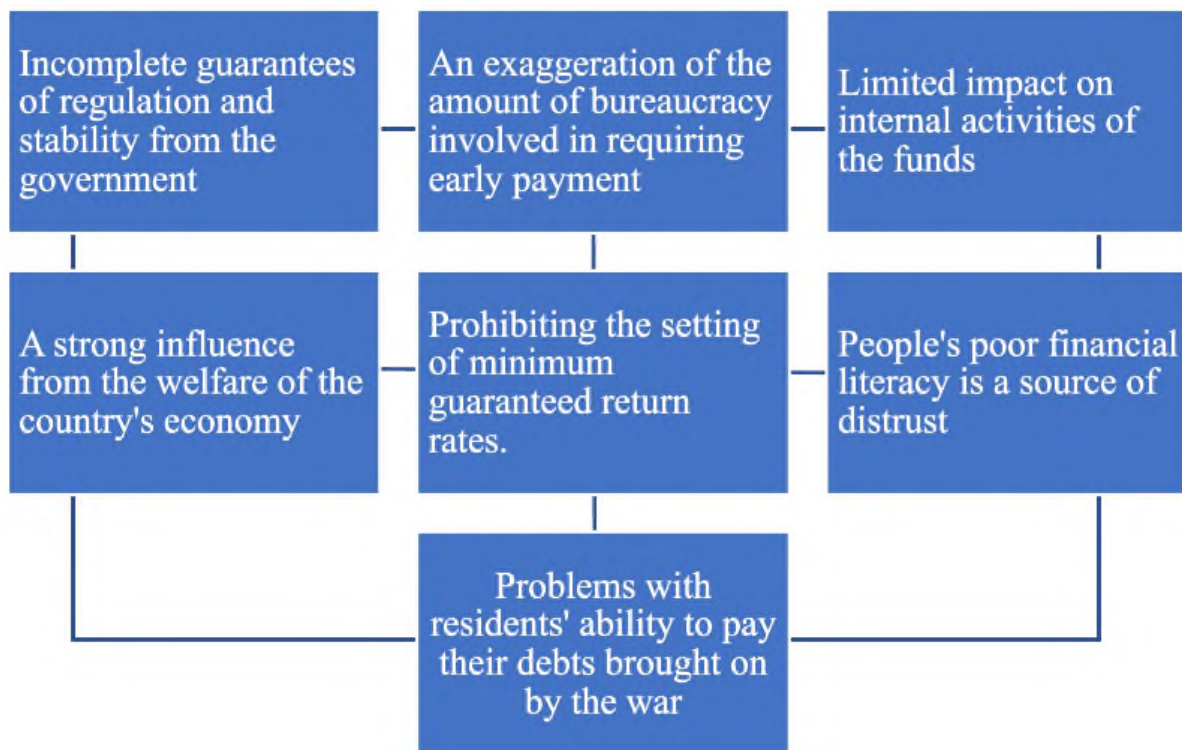


Fig. 2.6 Benefits of non-state pension provision

Source: Made by the author Made by the author using official information from the Economy.in.ua website [45]

1. There are no initial state guarantees for the full return and payment of investments. Despite the state's rigorous scrutiny, the fund's actions fall beyond the scope of government guarantees and are reliant on trust and the present absence of legislation for this sort of organization.
2. Existing limitations in the context of early payment of invested funds occur more frequently in the event of severe medical circumstances. Complicated and time-consuming method for obtaining required documents, having bureaucratic characteristics.
3. Limited influence on the activities of non-state pension funds. According to Ukrainian law, only 25% of the participants have the authority to recall any member of the Fund's Board of Fund, which is the controlling body. The fundamental issue is that the NPF does not have the requisite number of members functioning throughout Ukraine. As a result, the real owners of pension assets are effectively denied the ability to vote in the administration of their funds and lack meaningful power over the fund's asset management business, which is generally directly or indirectly affiliated with the NPF's founders.
4. Strong reliance on economic indicators such as inflation, underdeveloped capital markets, underdevelopment of economic tools used, and the overall economic environment.
5. By banning the establishment of minimum guaranteed rates of return in the context of any existing pension system, financial losses might occur against the backdrop of monetary asset depreciation.
6. Distrust of investment systems of this type, due to the low level of financial literacy of the population, as well as awareness of certain activities of working with assets on a long-term basis. The level of distrust among people

in non-state financial activities remains high as well, due to the absence of the usual and natural guarantees from the state.

7. The difficult economic situation among the citizens themselves, and a low rise in profits from the subsistence minimum, indicates that it is not possible to carry out any investment activity, or it is difficult, and people are forced or prefer to cover current expenses in daily life, rather than to participate in investment activity.

Aside from the fact that the third level of pension supply in Ukraine helps to maintain the appropriate level for a person who has reached retirement age on a voluntary basis, it also provides a significant contribution to the development of long-term investment activities. Pension provision is distinguished by a certain degree of flexibility in the context of investments, as well as the ability to independently regulate the frequency of both contributions and payments, without being subject to penalties for reducing contributions or suspending payments but is subject to only general administrative costs. Based on the current workings of the Ukrainian pension system, it is extremely simple to combine at the state level with the first level of state pension provision.

This level, however, is heavily dependent on external constraints that limit the intensity of activity, as well as some internal ones such as managerial restrictions and internal administrative expenditures.

Therefore, even though it is widely understood that Ukraine's pension system consists of three primary levels, namely a solidarity pension at the first level, a funded pension at the second level, and a non-state pension provision, only two levels remain, namely 1 and 3. The second level, which is based on a voluntarily financed program, did not enter into force in 2019 and is now under the official state freeze.

As a result, the first level of the solidarity system, which also incorporates supplementary social benefits, is rather overburdened. However, the third pillar of the pension system, in the form of non-state pension fund activities, unloads and assumes a

portion of the financial responsibility, but this area is still in the early stages of development because the recent strong economic shocks are directly related to the wave of coronavirus infection, and the February 2022 martial law sufficiently affects the desire and ability of potential fund participants to participate.

For this period, there is a drop in the main income of residents who prefer, and in some cases are compelled, to spend money on current costs, as well as the population's still slowly developing financial literacy and degree of distrust in the system.

In turn, the Active Plus firm is a vivid illustration of the operation of a non-state pension fund, which has been effectively functioning in this market for a long time but is also dependent on external economic and geopolitical circumstances for the period in 2023.

CHAPTER 3. IMPROVEMENT OF POVERTY AND INEQUALITY IN THE EUROPEAN UNION AT THE BASISCAM & APF “AKTIV PLUS, LTD

3.1 Ways to overcome weaknesses of poverty at the CAM & APF “AKTIV PLUS, LTD

The last three years in humanity's history, from 2020 to 2023, saw the outbreak of a global pandemic. This deadly virus claimed not only human lives but also economic prospects for stability. The entire world is still in a difficult situation, attempting to cope with the consequences of the geopolitical crisis against the backdrop of the war in Ukraine. Despite this, individuals are more concerned than ever about the future, namely the economic outlook and the existing conditions that influence it.

As previously said, the European Union has a diverse range of economic trends and advancements, even though there is a specified minimum level for integration and membership that nations must meet. At the same time, there is an economic and social development difference between the same Northern and Southeastern areas, which impacts people's active engagement in non-state pension programs.

Hence, Germans and those who have lived in Germany and worked for more than five years have the option of using the Private Altersvorsorge, or Private Pension Plan, in addition to state security. Although this program initially inspired considerable confidence due to explicit calculations indicating how much a person would earn when depositing the sum. When interest rates decline, less and less precise amounts are supplied. Further pension insurance was given to get out of this dilemma; however, after subtracting all taxes and additional taxation, this becomes unproductive, and such an authoritative informant and guide as Finanztrip has not advocated taking up this policy since 2017.

In Germany, inflation has been constant, particularly in the latter three years of the coronavirus period, as illustrated in Figure 3.1, where headline inflation is expected to be 7.4% in March 2023, down 1.3% from the previous month:



Figure 3.1 Germany's inflation rate, coronavirus period 2020- 2023

Source: Trading Economics website [53]

It is also worth noting that food costs increased by more than 22%, while rent prices increased by 2%. Another component is the prediction, which predicts a 2.5% growth in 2024 and a 2.2% increase in 2025. Based on these factors, we infer that state support will be insufficient, highlighting the importance of non-state pension provision as a financial guarantee in the future.

France, on the other hand, is distinguished by the availability of two additional non-state pension options: voluntary private pensions and voluntary and professional pensions. Although France has an extra reserve pension fund, the government encourages the two forms of pensions outlined above. Nevertheless, there are constraints in this situation for both employers and employees, notably, private voluntary pension payments are not taxed if they are less than 10% of total income for the preceding year. As stated previously, France's unemployment rate has risen during its three main crises, and with the coronavirus

on the increase once more, the frequency of probable payments to pension funds is becoming an issue.

Before the implementation of the present system, there were no private pensions in Estonia. A proposed framework for pension cuts was established in 1997. The key goals of the proposed format were simplicity, uniformity, equal justice of diverse socioeconomic classes, enhancing sustainability and sufficiency, reducing the underground economy, and removing certain labor market strife. With these objectives, the government chose a fully financed individual account-based structure run by competitive commercial companies. In Estonia, there are no occupational pension programs. There is no legal foundation for this sort of arrangement, even if it is not explicitly outlawed.

Finland is considered one of the most passive countries in terms of contributions to private pension provision, and if there is a shortage of the subsistence minimum, the state offers additional subsidies after recalculation and payment of the basic pension, which is also one of the neutral and demotivating factors for showing interest in non-state pension provision.

In Bulgaria, voluntary personal schemes are defined benefit plans with personal accounts that are fully financed. It presently has over 500,000 members and manages over €250 million in assets. The direct quantity of payments is freely established in the arrangement between the pension fund management business and the contributor, nevertheless, contributors do not have the option of selecting a portfolio. The real asset distribution is as described in the following: govt bonds account for 39% of the investment portfolio, financial assets account for 23%, equities, and corporate debt account for 13%, and mortgage securities account for 8%. Following a series of pension reforms in Bulgaria, it became feasible to move accumulated funds through allowances to state security and mandatory individual accounts; however, the specificity and subsidence at the second level associated with an increased danger of the profession provide an additional alternative in the form of voluntary pension private non-state investments.

Due to various constraints, investing in private pensions is not particularly popular in Poland. Employers are constrained in establishing a plan with minimal standards, all managed schemes must be based only on the territory of Poland. Given that the employer is contributing, the contribution cannot exceed 7% of the employee's salary. Workers can make extra payments but cannot exceed 45% of their monthly wage, and each contribution is taxed. Although there are no limitations on shares, certificates of closed and open investment funds, or bank deposits, real estate investments are restricted, and municipal, corporate, and mortgage bonds are subject to a 10% cap.

Regardless of geographical details, there are similar aspects that characterize pension fund systems, including state provision, supplementary personal accounts connected with professional activities, and voluntary private non-state pension provision.

But, after analyzing the dynamics of economic and social growth, we may infer that the fundamental state provision is already facing challenges in the shape of numerous crises. One of them is demographic, which means that the number of seniors will rise while the number of young employees who pay to the pension fund would decline. This statement is also consistent with van Dalen's [60] opinion that the financial sustainability of pension arrangements has been a structural worry for governments for years as a consequence of population aging.

Effective administration of the pension system involves stable economic performance, which has been facing crisis circumstances and negative trends in main economic indicators over the previous three years, from 2020 to 2023. Despite the bills and measures enacted by governments to restore the economy in the post-coronavirus period, February 2022 brought a new geopolitical crisis, which affected the stability of not only the neighboring European Union, which received and is accepting refugees, thus providing social services as well as weapons, but also the countries of Africa and Asia.

Against the backdrop of the aforementioned factors, the issue of ensuring financial security for citizens in the future is becoming increasingly important, which is directly

dependent on favorable conditions for employees, flexible conditions for employers, and general awareness and financial self-awareness of citizens. Figure 3.2 depicts a plan for building and enhancing one of the public provision alternatives in the form of non-state pension funds:

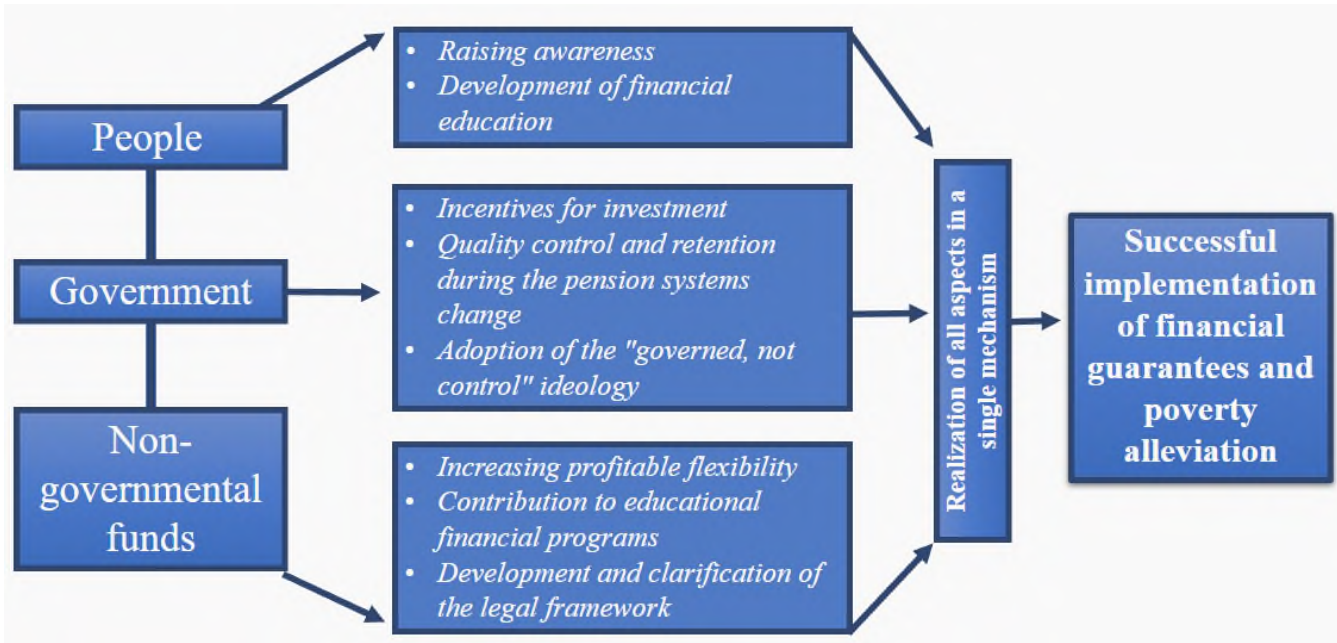


Figure 3.2 Scheme for the Development of Alternative financial non-state pension provision

Source: Made by the author using official information from the Publishing.lib.umn website [28]

First and foremost, participants are differentiated, which includes the public, the government, and the non-state pension funds themselves. In addition to the generally prescribed responsibilities, such as employees who must contribute, the state, which must implement and control all financial processes and schemes, and non-state funds aimed at preserving and increasing the funds received, each of the participants has clear development directions aimed at improving the current state of both economic and social indicators.

Reformation and genuinely substantial change are impossible to achieve if even one of the participants is fully functional. Working at all levels is required, which necessitates

the engagement of resources such as time, money, and a willingness to learn, from which we may conclude that achieving outcomes is only achievable with the qualitative commitment of the resources by each participant. Let's take a deeper look at each element.

People are the earliest and most important participants in each economic and social development. Humans are the initial cell (core) of the system of socioeconomic interactions and the core of the economy and society. Even though we live on the Internet and information age, most individuals are still financially uninformed, having trouble distinguishing between bonds and stocks. Those who are interested in studying crucial financial operations encounter a plethora of information sources that might purposefully or accidentally misinform. As a result, the number of people "going to the bottom of the truth" is dramatically reduced.

That is why it is vital to structure all of the relevant knowledge about this particular while avoiding complicated phrases and abstruse empty formulations, which may also be demotivating while studying the issue. The language used to convey the relevant information must be understandable to the ordinary reader or information consumer. We study and learn about the numerous components of this universe at educational institutions, such as biology and physics, languages, and history. The financial component should also be included.

Because digital trends impact society, platforms such as TikTok, YouTube, and Facebook may be utilized as avenues for conveying important information. It would be a mistake to take an ossified approach to learning financial matters and traditional information presentation. This kind of information dissemination, however, should be subject to particular filtration. P. Pasawska [36] references expert research in her work on the consequences of misinformation, arguing that the psychology underlying social media platforms, particularly their dynamism, which makes them effective sources of deception, is significant, especially for individuals who think themselves infallible.

It is vital, among other things, to provide individuals with facts concerning the usage or application of specific information gained. For best success, the financial literacy curriculum that will be delivered to people should be divided into three sections:

1. Theoretical section. This section focuses on the specifics of the possibilities, rewards, dangers, and techniques to mitigate them while making investments.

2. Adjacent section. A one-sided presentation of information with restricted specifics is also incorrect because the economy as a whole is a massive machine with components that interact with one another. Hence, information concerning the banking sector, taxation, and the legal aspect of the issue will be supplied.

3. Practical section. The only presentation of concepts in the teaching and learning process is ineffective. That is why real-world examples are required, but this should not be a "one-time action." It is vital to automate people's comprehension of a certain instance so that they do not become lost in a particular situation or have a foundation to build on when making judgments or addressing difficulties.

Nonetheless, it is important to remember that financial processes are not as stable as basic biological processes. The development of society, and the technological process - all this impacts the cases that may occur and are impacted by external circumstances, creating new situations each time.

As a result, the educational program should be adaptable, to describe the most successful system of conduct rather than promote someone's subjective perspective. The information presented should avoid misleading individuals as much as possible.

Hence, the population's financial literacy will have a good influence not just on the sector under review, but also on the whole worldview of economic processes. Tkachenko [48] emphasizes in her work that the social significance of non-state pension fund stability necessitates an in-depth study of the scientific basis of fund investment activities to ensure the reliability of pension investments and their stable profitability over the long term. The availability of financial knowledge and financial literacy will aid individuals in managing

personal financial planning so that individuals may optimize the value of money and the advantages acquired by individuals will be bigger and increase the life standard, according to S.Damayanti [7]. Also, population education and comprehension will aid in avoiding unwanted influence from the state's top, since it is much more difficult to influence and manufacture propaganda on an educated populace.

The government is the next powerful entity. Apart from a well-educated population, the requirements for real changes should include a competent government whose primary job is to maintain the financial and political stability of the pension system at all phases of development and reform. But, despite the generally accepted statement, there is still a division into regions in Europe, and thus in Europe, there are only two stable equilibria: an integrated European capital market in which financial stability is provided at the European level, or a balkanized market at which the member states continue to provide for their financial systems, as S.Donnelly [9] characterizes in his work.

To boost economic growth and guarantee the sustainability of the pay-as-you-go payment scheme, economic health is required. It is also critical to the viability of private pensions, which might be jeopardized by inflationary pressure. Economic stability has a direct impact on the positive dynamics and real performance in the context of increasing the living standards of the population, which is one of the government's primary aims and functions. Hence, public spending, including pension spending, should be cut to a level that enables enough private sector development.

In this situation, the government benefits since there is an option that will help address a substantial portion of the pension sector's difficulties by sharing responsibility for people with a third party, supported by financial self-awareness on the part of the same population. Raising the retirement age is one method to address the demographic challenge, but this move has a significant danger of causing unrest and reducing working-class faith in the government.

But, when it comes to shared responsibility for the welfare of the pension system, the government should follow the "governed, not controlled" philosophy. Without a doubt, the government has the function of exerting control over financial schemes both within and beyond the country that are directly related to itself. It is also a potent deterrent to the control of financial institutions from the reality of population fraud and theft of investments. However, regardless of the historical and cultural context, "toxic control" is observed in the modern picture of state governance, which means that the government is attempting to control rather than regulate, which leads to the impossibility of a leap in development for financial institutions and endows them with low flexibility.

In turn, political sustainability necessitates sufficient political will to maintain trust in private pension plans, as well as structural reforms that do not happen overnight but is classified by a lengthy procedure involving a careful multi-level review, which is then fixed in the legal structure.

As a result, the process is defined by the long-term government, both for operational reasons (ensuring the required revisions to reform ideas as events develop) and for partisan purposes (maintaining public support).

To sustain public trust in private pension plans, state intervention in financial markets is required to safeguard individuals in sectors where they cannot protect themselves. This necessitates well-defined regulatory processes as well as a group of individuals who are capable and motivated to enforce these rules. This work is especially difficult since pensions are sophisticated mechanisms that need highly qualified regulators whose expertise is highly prized in the private sector.

The finally essential component is the non-state pension funds themselves, whose primary goal is to accumulate revenues and expand long-term investments. The funds themselves are dependent on other participants, in this example, the state's legal framework and population activities.

Accessibility is one of the criteria for the growth of the private financial system. It is critical for both political reasons (ensuring the credibility and hence governmental durability of reform) and economic ones (as a crucial component of pensions is to channel funds to their most efficient use). Pension schemes need clarity regarding tax credit expenses, as well as annual reports outlining a person's retirement savings, expected pension, and administrative costs. Claims should also be based on consistent criteria, allowing customers to make easy and reliable assessments.

Private plans require financial assets for retirement funds and money markets to route savings to the most useful purposes. If public or private pension plans solely own govt bonds, this would appear to remedy the scarcity of other capital instruments. Nonetheless, these schemes are paid in actuality since both the interest costs and the eventual repayments are contingent on taxpayers.

Apart from statutory openness, non-state pension funds should create avenues for information distribution and be truly interested in recruiting clients. It is still a business that requires an advertising strategy that not only contains attractive slogans but also contributes to the population's financial literacy by delivering helpful and specialized information. Several businesses have a one-page website and an unidentified office location. A non-state pension fund should announce itself and devise a way to engage potential clients while keeping the long-term specifics of the relationship with them in mind.

Thus, we observe a strong relationship between all three participants, as those who participate in and influence the process of developing alternative and additional private non-state pension provisions in one person, which is gaining significance in the current realities, against the backdrop of demographic crises and a decrease in public trust in the government.

Governments that opt to structure their pension systems on private financial markets and investment must first have well-established financial markets, as well as enough public and government understanding and trust in them.

The population's financial awareness is important because it acts as a motivator for the revision and/or true reform of economic measures via the social aspect.

The current scenario underscores the necessity of political efficiency and competent administration, which are required both to maintain a minimal quality of living, to keep the existing position of the pension system afloat, and to provide a relatively solid platform in the case of a multi-level change.

Even though non-state pension funds are directly dependent on the population and the government, their task remains to raise public awareness of their existence and to actively influence the economic situation through proposals for new schemes or the search for a compromise, if the state has chosen to optimize rather than reduce state pensions.

As previously said, it is hard to produce a satisfactory outcome if just one or two of the participants put in the effort and devote resources. Reformation and the implementation of an alternative social guarantee for people who are unable to provide for themselves due to physiological characteristics or other circumstances that necessitate premature retirement will be the result of the efforts of all participants; otherwise, the aspect with the least initiative will suffer.

It is also worthwhile to provide a specific explanation in the context of the direct growth of non-state pension funds in Ukraine. Unfortunately, the country is still in a state of war in 2023, with the consequences being a demographic crisis of the female population outside Ukraine, as well as internal migration, a decrease in the labor force, increased reliance on helping countries, including the European Union, and difficulties in planning and evaluation work due to the Russian Federation's general physical terror. All of this may be described as a critical condition, as can the economy's compelled militarization for actions of defense against attacks.

3.2 Ways to overcome weaknesses of inequality at the CAM & APF “AKTIV PLUS, LTD

The major component of inequality covered in this study is inequality and discrimination in the workplace. The existence of a paid job allows you to not only supply the bare necessities of life, such as food, shelter, medical services, and Internet access but also to build social guarantees for yourself and raise the same money through investment. Notwithstanding, in today's society, people confront obstacles at work daily. While most businesses have been more tolerant of characteristics like ethnicity and religion, there is still a major gender disparity, with women confronting a glass ceiling, fewer leadership roles in popular female professions, and a smaller proportion in terms of compensation.

A one-sided perspective on the topic is deceptive, which is why it is critical to underline that the notion of discriminating implies detecting differences between things, which is not always a bad thing. Recognizing that one person is better competent is critical when making a hiring choice; recognizing that another is extremely effective at taking on leadership tasks is critical when making promotion decisions. D.Vitanski [62] pointed to this concept as well, claiming that the principles of individualism stimulate the formation of a competitive recruiting procedure, which is planned to hire the person who is most competent for the post.

Nevertheless, in modern society, this phenomenon is frequently utilized negatively, adversely impacting people's lives, and has numerous meanings and takes the following forms:

1. Discriminatory behavior. Practices implemented by members of the organization that prevent the equal chance to participate or provide differential incentives for a benefit performance.

2. Sexual assault. Unwanted sexual harassment and other sexually motivated verbal or physical behaviors that create a hostile or uncomfortable work environment, as well as bodily or moral harm to an employee. Mostly, it is the feminine gender who faces this form of prejudice.

3. Exception case. Some people may be accidentally excluded from career opportunities, social activities, talks, or informal mentorship.

Discrimination may occur in a variety of forms, with varying repercussions based on the organizational setting and the personal prejudices of its individuals. Certain kinds, such as exclusion or incivility, are particularly difficult to identify since they are impossible to see and may occur merely because the actor is unaware of the consequences of his or her behavior.

Discrimination, whether deliberate or unintentional, may have major negative implications for companies, including decreased productivity and citizenship behavior, unfavorable confrontations, and greater attrition. Improper discrimination also inhibits competent job seekers from being hired or promoted in the first place. Even if a lawsuit for job discrimination is never brought, a compelling business argument may be made for working actively to remove unjust discrimination.

As a result, discrimination may affect every member of a company, indicating the existence of groups of individuals who are discriminated against in addition to gender discrimination, as manifested in lower earnings, harassment, and a glass ceiling.

Despite the numerous kinds of manifestations of discrimination, internal and external environment determine its indicators, as shown in Figure 3.3, which also uncovers and identifies the participants in discriminatory behavior:

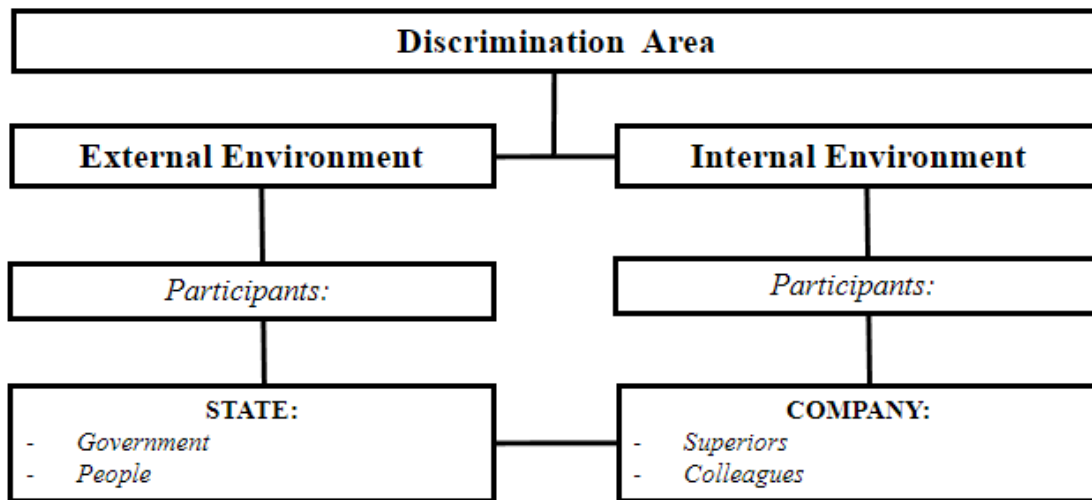


Fig. 3.3 Participants in the discrimination area

Source: Made by the author using official information from The Fearless Organization website [10]

Without hesitation, the primary expression of the discriminatory process happens in the workplace within the organization, which is distinguished by the internal environment. In this instance, there are two sorts of participants who may engage in discrimination activity.

The first is the superiors, which might purposefully or unconsciously implement a policy that records the unjust treatment of a certain group. As a result, there may be an overemphasis on some personnel or partiality, which may be demotivating, as well as neglecting the skills of others. However, discrimination can manifest itself at the hiring stage, for example, in women who want to marry or have children, as this is a potential threat of going into decree, intolerance of a specific religion, as important religious holidays may last too long or be out of place in terms of the schedule. Underpayment to the employee for additional labor not included in his assigned tasks, or the difficulty of development, is an essential factor. All of this is related to corporate strategy and bias, which initially prevents the company's policy from displaying flexibility.

The second group is coworkers who, regardless of their supervisors' policies, can engage in the discriminating process. In this case, an example would be psychological pressure expressed in delegating one's responsibilities to another, disrespect, such as interrupting and ignoring during a report presentation, and exclusion from a social group within the workplace based on factors such as religion, sexual orientation, or even personal dislike.

Yet since no corporation exists in full isolation, it is susceptible to outside influence. Aside from the direct and fact of discrimination, there is also an indirect impact shown by two forces: the government and the people.

In the first case, discrimination can be defined as the government's ignorance of the problems of workers who face discrimination in the workplace and cannot find protection in the legislation related to the section on labor protection, which is typically developed and regulated directly the government. A reinforcing polarity in the context of showing too much initiative can be observed on the part of the population, which is based on established judgments based on cultural and historical development, such as that women should direct their potential to maintain a social unit in the form of a family, rather than seeking professional development. As a result, the people themselves will be uninterested in strategies to lessen the actuality of prejudice but will be influenced by the two considerations.

Even though discrimination manifests itself on multiple levels, affecting both the workplace and the environment, it is necessary to implement special measures and programs that will be most effective and applicable both individually for each participant and in their collective interaction. As well as the development of financial thinking among the population, in combination with the ideology of government direction and high-quality self-presentation on the part of non-state pension funds, in this case, reducing discriminatory cases to qualitatively low rates is possible with complementary joint interaction. However, in this situation, we are discussing moral and ethical education, as

well as the development of flexibility and tolerance of thought, rather than finance, though this is not excluded.

Thus, for internal level participants, namely colleagues at work, it will be most effective to include a section on issues of discrimination and harassment in the development plan, for which, as a rule, the learning and development department is responsible in the case of medium and large companies of various directions, or it is planned to disclose this aspect at meetings to discuss strategies and formulation and evaluation of the work process in the case of small businesses.

However, most of these events are limited to the general presentation of information, defining discrimination as something bad that must be fought. As a result, I propose to slightly change the angle of this issue by selecting an effective capsule strategy, which consists of several successive steps, as shown in Figure 3.4, containing a line of thought aimed at reducing discrimination among colleagues:

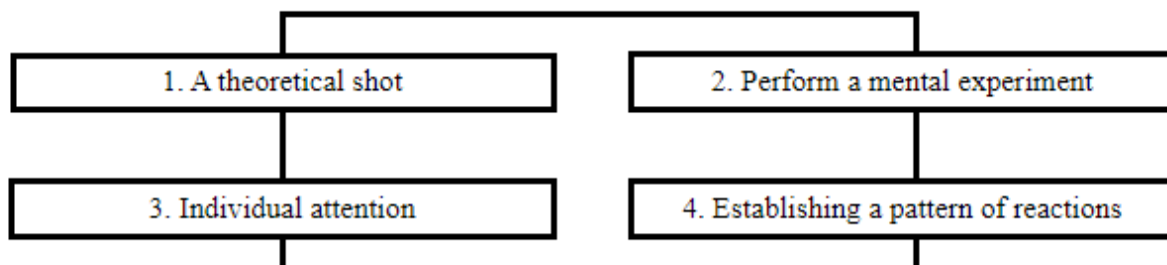


Fig. 3.4 Measures to Prevent and reduce discrimination among Colleagues

Source: Made by the author using official information from the Academia.edu website [39]

A closer investigation reveals the following:

1. A theoretical shot. To begin, employees must be taught the meaning of prejudice via the use of clear examples. However, the effectiveness of this element is dependent on

looking at cases from a variety of perspectives, including non-obvious ones. As a result, it is required to reveal not only clear examples of direct and purposeful manifestations of discrimination but also manifestations of this fact in a concealed or unconscious form.

2. Perform a mental experiment. Human conduct is frequently characterized by a block of denial of bad manifestations and an inability to put oneself in the shoes of another person who is confronted with a hard experience. This is a fully natural protective reaction; yet studies suggest that sealing off from most manifestations other than good and successful ones limits an individual's ability to grow through the passing of hardships. The major purpose behind this phase is the opportunity to gather experience from both the side of the discriminated against and the side of the discriminator. This is followed by expressing your sentiments in whatever method is suitable for you: word, painting, graph.
3. Individual attention. This phase is a continuation of the preceding stage, which was designed to analyze the findings of a thought experiment. Thus, employees will gain a practical understanding of the manifestation of the fact of discrimination, not only from the standpoint of defining this pattern of destructive behavior as negative but also from the standpoint of individually realizing that the causes of behavior can be internal personal problems of everyone. For example, an employee may join a firm of individuals who conduct discrimination against another employee because they are frightened of being excluded from a social group or because of a poor experience they had as a child as someone who was discriminated against. Those who have been discriminated against, on the other hand, may better comprehend their reaction and answer the issue of whether the arguments and reasons for discrimination are truly persuasive, or whether poor self-esteem is the cause of a difficult reaction.
4. Establishing a pattern of reactions. This step is the culmination of the preceding actions and is aimed at increasing qualitative awareness of discrimination

manifestations, as well as working out one's reactions and motivations that will help not to get lost in the moral context in the event of discrimination in one's direction, or self-control if one wishes to show destructive behavior towards those around you.

This system will allow you to go through all stages of understanding discrimination at all levels on personal experience in greater detail and constructively, not only giving you an understanding of how to act in the event of such an experience but also creating patterns of thinking aimed at preventing destructive behavior. Based on taught introspection, a person will be able to identify the beginning of the desire to discriminate against others, which is a significant step toward avoiding and halting discrimination, or it will help prevent serious negative effects for the person who has been discriminated against.

When the superiors are actively involved in discriminatory procedures, however, it becomes more difficult to alter them. In the case of unconscious discrimination, training on the issue is still possible; however, in this situation, the factor of enhancing efficiency via the formation of a healthy working environment is included. Companies whose policies are initially based on deliberate discrimination on one or more grounds are doomed to lose valuable resources in the form of talented employees and a reduction in the ability to maneuver in the context of flexibility, which is one of the important factors that allow companies to develop and sustain competitive advantages at a reasonable level. Companies must realize the significance of having a healthy atmosphere and corporate culture since this is one of the most important aspects influencing workers' productive and motivated work.

In the presence of the requirements, a competitive and dynamic environment can be a practical example of success, but a qualitative investigation within the organization, which will highlight the factors of inhibition or demotivation, can be an even more stunning and explanatory example. Surveys and other types of internal inquiry are essential both to identify variables that reduce efficiency and to avoid prevention and analysis of the problem from the start, preventing it from expanding to a globally destructive degree.

Thus, if a firm pursues both profit and development goals, encouraging its own employees by developing a healthy internal company society is an apparent aspect. Otherwise, the firm risks either ceasing development or going bankrupt; even if the discriminatory factor is indirect, it will still play a significant role in the suspension, partial, or entire functioning of the company.

However, the influence on the external environment, in which both the government and the people interact, is much more complex. Some cultures may not have "grown up" to certain judgments and are greatly impacted by history, religion, and basic societal ideas. In other circumstances, the state plays a passive role, which is backed by societal ideology. In this situation, if a society wants to change on several levels, a catalyst in the form of stress is required, which is typically impossible to regulate or manufacture artificially at first.

Thus, workplace discrimination can lead to destructive behavior among workers, affecting not only the ability to have a stable income and, in theory, a well-paid position, but also the psychological component of the population, which is also an important factor in the formation of a healthy society. In addition, unlike the stated in paragraph 3.1, this element is defined by an emphasis on society's moral and ethical embodiment.

3.3 Evaluation of the effectiveness of measures to reduce poverty and inequality

Aside from the direct supply of measures for the development of non-state pension provision and, on the contrary, the reduction of discriminating indicators, an assessment of possible determinants for success or failure in the approval and implementation of these policies is also made. A prototype of the matrix SWOT analysis is used to assess the quality of the above measures as well as their practical application, but it is aimed at the specifics of the issues involved, rather than the traditional extended assessment of the actions of a single company. Thus, this analysis discloses the suggested measures' strengths and

weaknesses, as well as possibilities, as well as current risks that might intensify the growth process and the interplay of strengths and threats.

The analysis was carried out independently for each block of measurements. Thus, Figure 3.5 represents the picture of the non-public pension development measures.

Table 3.1

Matrix analysis of the development of non-state pension provisions

Development of non-state pension provision	STRENGTHS	WEAKNESSES
OPPORTUNITIES	<ul style="list-style-type: none"> - Improving the general public's financial literacy - A substitute for social security - Responsibility is shared - Domestic financial market development 	<ul style="list-style-type: none"> - Development of disinformation channels - Increased fraud because of a loss of governmental control - Spread of speculation in domestic financial markets
THREATS	<ul style="list-style-type: none"> - Shocks induced by a shift in governmental ideology - Creation of a destructive financial movement in society - Increasing competitiveness in the field 	<ul style="list-style-type: none"> - The state apparatus is being destabilized - Course directions diverge - Domestic financial markets are oversaturated - Strong reliance on the achievement of other participants - Dependence on variations in economic indices such as inflation, financial crises, and so forth

Source: Made by the author using official information from the Taylor & Francis Group website [33]

Thus, the main positive effects of development are the increase in the financial self-awareness of the population, the expansion of domestic financial markets, which is also an aspect of the qualitative underlying basis for the overall development of the economy, as well as the opportunity for people to create financial insurance when they reach retirement age, regardless of government policy in this area, and gives more specificity and confidence in the future in the context of financial security.

The following strategic features are presented in Table 3.2 to increase efficiency in exploiting the aforesaid advantages and possibilities, as well as methods to eliminate current risks and weaknesses:

Table 3.2

Strategies of optimization for the development of non-state pension provision

Strengths - Opportunities	<ul style="list-style-type: none"> - Financial education should be included in general education educational programs - Contribute to the growth of long-term bond markets
Strengths -Threats	<ul style="list-style-type: none"> - Project representation of the advantages of private long-term investments - Expansion of legislation to regulate the activities of non-state pension funds
Weaknesses - Opportunities	<ul style="list-style-type: none"> - Adapted interaction with the target audience through programs to prevent deception and refute current media fallacies.
Weaknesses - Threats	<ul style="list-style-type: none"> - Application of a gradual stepwise transition to introduce a new ideological current for the state and financial patterns for the population.

Source: Made by the author based on personal information

As a result, the optimization approaches indicate an impact on the educational, financial, legislative, and socio-communicative environments, all targeted at directly contributing to the development of non-state pension provisions. In this case, it should be noted that, despite the generally accepted legislative and financial trends of the European Union in force for each of the countries, there are differences and different levels of development in a particular issue, so the intensity will vary depending on the country's specifics.

All these changes, in turn, are achievable with qualitative general stability in the state apparatus, as well as the manifestation of flexibility and willingness to adapt. The nations of the European Union, on the other hand, are distinguished by a high degree of bureaucracy, because of which the introduction of changes and innovations is burdened by mountains of paperwork and time to assess the cost-effectiveness of implementing new initiatives. For

Ukraine, everything remains a key factor of influence reflected in military actions on the country's territory in 2023. In terms of the population, there is a high risk of misinforming factors spreading in the flow of educational programs, which can lead to dangerous delusions, making the individual especially vulnerable to dishonest actions by both the foundations themselves and third parties, such as fraudsters.

This is followed by an examination of the effectiveness of steps to avoid and limit the expression of negative behavior that inhibits employee growth shown in Figure 3.6 and, as a result, a decline in company performance, known as discrimination:

Table 3.3

Metrics analysis of reduction and prevention of discrimination in the workplace

Reduction and prevention of discrimination	STRENGTHS	WEAKNESSES
OPPORTUNITIES	<ul style="list-style-type: none"> - Increasing the company's efficiency - Growth and development in the framework of society - Taking advantage of the diversity - Providing employment to a broader range of social groupings - Reducing the likelihood of poverty spreading throughout the population 	<ul style="list-style-type: none"> - Speculating on society's mood - Increasing the number of manipulation methods - Reverse discrimination - Moral compulsion
THREATS	<ul style="list-style-type: none"> - Process of generalization of study - One-sided presentation of information - Speculation by workers 	<ul style="list-style-type: none"> - Passivity on the part of the population - Ignoring the state problems related to labor protection - Social pressure is caused by gender stereotypes or religion - Deliberate lack of flexibility in company policy

Figure 3.6 *Source: Made by the author using official information from the Goodreads website [40]*

Following analysis, there are several strong advantages and opportunities associated with a focus on preventing or reducing workplace discrimination, namely, a positive relationship is identified as associated with an increase in the efficiency of the work process

and a healthy working environment, and because there is a decrease in demotivating factors, employees feel a fair attitude towards themselves, which in turn is one of the catalysts of motivation. In the context of the bosses and the company, it becomes possible to use all of the benefits of diversity, in the form of skills and abilities, as well as the talents of potential employees, which were previously overlooked due to possible discriminatory judgments. Similarly, reducing the discrimination factor and destructive judgments in the recruitment process increases a person's chances of finding a job and having a steady income, which can cover the minimum living expenses and increase the chance of organizing long-term financial security, regardless of government policy.

In its turn, Table 3.4 emphasizes the significance of prioritizing in corporate initiatives for reducing and preventing discriminatory practices:

Table 3.4

Strategies of optimization for the development of preventing and reducing discrimination in the workplace

Strengths - Opportunities	<ul style="list-style-type: none"> - Programs to fight discriminatory conduct must be included on a regular basis in the company's internal operations. - Prioritization in the corporate social responsibility program.
Strengths - Threats	- The offered content undergoes revision on a regular basis and is tailored to the level of expression of discrimination
Weaknesses - Opportunities	- Avoiding one-sided examination of the topic by using 360-degree analysis
Weaknesses - Threats	- Raising the prominence of anti-discrimination processes through social media challenges and live meetings in the face of politicians <u>in order to expand laws</u>

Source: Made by the author based on personal information

Furthermore, these strategies help to prevent the possibility of reverse discrimination, which means that previously discriminated-against groups can become the source of it. These tactics, among other things, stimulate and imply the formation of more socially responsible businesses in the framework of a good example of worker fairness. It takes time and effort to change the flow of awareness, habits, and established preconceptions in

society. Companies that demonstrate fair treatment of employees in the absence of discriminatory practices, in addition to promoting the general well-being of the people, are a morally high moral example.

However, there is a possibility that examples of manipulation and speculation linked to discriminatory conduct may become more common. As a result, the group or individual who has been or may have been discriminated against will become the discriminator. Reverse discrimination may develop in this situation, which is likewise a negative factor influencing the sustainability and quality of a healthy working environment.

The greatest disadvantage in this topic is the apathy of both the country's populace and the government because these two actors have a particularly significant impact on each other. As a result, the government can reduce attention to the expansion of this problem, and the people, based on existing stereotypes and patterns of thinking, for the most part, based on historical, cultural, or religious factors, may also adopt a passive posture on the matter.

The Active Plus company's present approach is geared at staying afloat in a country with a martial law aspect. On the one hand, the issue of obtaining long-term financial guarantees and stability is now especially popular and in demand among the Ukrainian population; on the other hand, economic subsidence caused by a partial suspension of import and export processes, a demographic crisis, and the destruction of critical infrastructures reduce the quality of obtaining a stable income and open jobs, forcing the population to spend on current vital expenses.

However, the above strategy for the development of non-state pension funds is a universal basis for developing and increasing public interest in an alternative method of creating financial insurance, as well as the necessary aspects for successful state development and non-state pension fund activities. It is also important to examine the various intensities and features of countries.

Therefore, Germany, with a densely established system, is not an insurmountable barrier, because social security is funded by the state from taxes collected against the backdrop of the demographic crisis in Ukraine, which has an effect on the entire world in the context of the development of globalization, and which was preceded by the coronavirus epidemic, is feeling a strong tension against which a non-state pension fund will help share responsibility for the population and relieve the burden. In turn, there are a large number of constraints in Poland, with the weakening of which non-state pension provision might become a new internal trend in the economy, acting as a stabilizing element or social guarantee for the people in the long run.

Even though European areas officially advocate equal treatment and tolerance, religion, for example, has begun to be more tolerant, while women continue to face a glass ceiling and lower pay. Starting in February 2022, the border between "male" and "female" vocations in Ukraine is steadily dissolving against the backdrop of a demographic catastrophe explained by war actions. Humans prioritize survival, which is one of the previously described shock accelerators for the evolution of a nation.

Thus, the Active Plus company's strategy will have its own specifics, as it works in a country where martial law has been implemented, which makes its own adjustments, which are not relevant for European companies, but unlike differences in financial transactions and schemes that vary from country to country, the manifestation of discrimination is an ethical phenomenon that spreads and is inherent in people regardless of their country of residence, only taking into account the small specifics of the internal foundations of society.

CONCLUSION

The causes and effects of changes in poverty and inequality in the EU are the focus of this paper. A classification was created based on geographical locations and patterns based on the history of the European Union's regions. Based on CAM & APF "AKTIV PLUS, LTD.", a comprehensive analysis of the financial well-being of the Ukrainian population was also carried out, with an expanded description of Ukraine's pension system, as well as an assessment of the effectiveness and ability to produce non-state pension provision. measures were offered to mitigate and eliminate inequities caused by job discrimination, as well as measures to encourage non-state pension funds.

In addition, each of the above processes' participants was identified and defined, activities were scheduled and classified specifically for each of the participants, and an assessment of the realism and feasibility of implementing these programs was made.

Thus, several critical factors were identified that had a nearly equal impact, apart from a few specifics, on the regions of the European Union, namely the direct or indirect influence of communism, as well as the immediate period following the collapse of this political ideology, which resulted in a deterioration in the economic performance of the countries mentioned above. The global crisis followed, affecting the most vulnerable sections of the economy, and for certain nations, integration into the European Union in the twenty-first century provided positive indicators that allowed them to stay afloat during the economic crisis. The spread of the deadly Covid-19 influenced the next most important period, in which the service and transportation sectors typically suffered, and the events of 2022 brought difficulties related to the geopolitical crisis. Except for sub-periods, the patterns of decline and expansion were very comparable.

Discrimination in the workplace was chosen as an indication of inequality because it has a direct influence on an individual's ability to offer self-financing as well as the potential to make investments that can give further financial stability. The European Union

nations are labeled and positioned as tolerant, and although characteristics of race, religion, and sexual orientation have retreated into the background or been reduced to zero, female discrimination remains one of the most visible concerns. As a result, women continue to confront the glass ceiling, and earn lower pay, and leadership roles in popular female occupations remain uncommon, and the coronavirus season has become yet another cause for cutting working hours or laying off the female equivalent. France and Estonia are two prominent examples.

A description was made, as well as a characterization of the economic performance of the Active Plus company, which continues its activities against the backdrop of the country's prolonged martial law, despite the constant and increased threats in the context of infrastructure functioning, as well as the loss of partners in the territory of Kharkiv, which was designated as a hot war spot for 2023.

A comprehensive categorization of the Active Plus pension system firm was also developed. Officially, Ukraine's pension system has three levels: the first is a solidarity pension or general deductions made from the wages of officially employed citizens; the second stage has been frozen since 2019 and has not received a chance to be implemented for the period 2023; and the third pillar non-state pension provision. Active Plus firms are in the third stage, suffering widespread challenges as a result of war.

There was also an examination of the efficacy of the work of non-state pension providers. The current conditions in the country have had and continue to hurt the dynamics of development in this area, as well as destabilization caused by internal resettlement, the departure of the female population from Ukraine's territory in the form of refugees, as well as a decrease in wages, which changes the population's prioritization towards covering the current needs of life and psychological mood and tension in the context of survival. However, the importance of non-state pension provision has not reached a critical level and has a high possibility of becoming a powerful alternative source of long-term funding in the form of private pension supply.

An extensive plan covering three levels of influential groups in the form of the population, the state, and non-state pension funds with prescribed mutual functionality for the development of non-state pension provision, which is one of the alternatives for preventing poverty in European countries, was provided. Thus, the main aspects are increasing financial literacy among the population, which has a positive effect on economic movements within each country, the state's willingness to promote development, the active role of non-state pension funds, and transparency in the provision of information. The essential issue, however, remains the maximum contribution or relative uniformity on the part of each participant, because even two-thirds will be characterized by subsidence in the remaining one, reducing the odds of success.

Furthermore, a program was developed to both prevent and reduce the current degree of workplace inequality. This program is distinguished by a focus on the indirect or hidden causes of the spread of discriminatory behavior. It also aims to raise employee awareness of the risks associated with this sort of conduct and to accurately assess the psychological impact of this manifestation. This program is a universal capsule because, unlike the financial parts of each country's economy, this manifestation is moral and ethical.

As an assessment of the relevance of the adequacy, as well as the appropriateness of the use of the two programs described above, an analysis was carried out based on a modified SWOT matrix analysis, which, in contrast to its usual goal of assessing the performance of one company, was aimed at clearly highlighting the strengths and opportunities to stimulate an alternative way non-state pension provision, which is a prospect for investing in long-term social security, as well as sharing responsibility for the financial well-being of the population with the state. As a result, dangers and weaknesses in the form of a strong bureaucracy, as well as the likelihood of divergence from the state emphasis in the context of development, were recognized.

Additionally, special conditions were added everywhere and prescribed for each of the indicators related to the Ukrainian side of the issue, due to the specifics of being in a country subjected to military terror, which has made and is making its own adjustments that negatively affect the indicators of economic development and stability, as well as related social factors.

As a result, the goal was met by conducting comprehensive research on the economic, social, political, and historical variables influencing the current condition of indicators in the context of inequality and poverty in the European Union, and then utilizing this study to identify the main trends in these areas.

In addition, universal solutions in the form of capsules were provided, which serve as the foundation for initiating the development of non-state pension provision as a social guarantee, as well as preventing and reducing discriminatory behavior while considering various cultural characteristics caused by historical events in each member state of the European Union. The evaluation was carried out in the context of these programs' practical application in real life.

LIST OF REFERENCES

1. Aktiv Plus (2004). Retrieved January 30, 2023, from <http://aktiv-plus.kiev.ua/>
2. Azcona, G., Bhatt, A., Encarnacion, J., Plazaola-Castaño, J., Seck, P., Staab, S. and Turquet, L., 2020. *From insights to action: Gender equality in the wake of COVID-19*. United Nations Entity for Gender Equality and the Empowerment of Women (UN Women).
3. Bernanke, B.S. and James, H., 1990. The gold standard, deflation, and financial crisis in the Great Depression: An international comparison.
4. Bernhard, M., 2021. Democratic backsliding in Poland and Hungary. *Slavic Review*, 80(3), pp.585-607.
5. Boulhol, H., 2019. Objectives and challenges in the implementation of a universal pension system in France.
6. Crifo, P. and Mottis, N., 2016. Socially responsible investment in France. *Business & Society*, 55(4), pp.576-593.
7. Damayanti, S.M., Murtaqi, I. and Pradana, H.A., 2018. The importance of financial literacy in a global economic era. *The Business & Management Review*, 9(3), pp.435-441.
8. Davis, E. P. and Hu, Y. (2004). Is there a link between pension-fund assets and economic growth? - a cross-country study. Public Policy Discussion Papers 04-23, Economics and Finance Section, School of Social Sciences, Brunel University.
9. Donnelly, S., 2014. Power politics and the undersupply of financial stability in Europe. *Review of International Political Economy*, 21(4), pp.980-1005.
10. Edmondson, A.C., 2018. *The fearless organization: Creating psychological safety in the Workplace for Learning, innovation, and Growth*. John Wiley & Sons.
11. Eige.europa. (2007). Retrieved December 2, 2022, from <https://eige.europa.eu/publications/gender-equality-index-2020-report> <https://eige.europa.eu/publications/gender-equality-index-2020-report>
12. Eläketurvakeskus Pensionsskyddscentralen . (1994). Retrieved December 7, 2022, from <https://www.etk.fi/> <https://www.etk.fi/>
13. Finnwards. (2019). Retrieved December 7, 2022, from <https://www.finnwards.com/working-in-finland/gender-segregation-in-the-finnish-labor-market/> <https://www.finnwards.com/working-in-finland/gender-segregation-in-the-finnish-labor-market/>

14. Haque, U., Naeem, A., Wang, S., Espinoza, J., Holovanova, I., Gutor, T., Bazyka, D., Galindo, R., Sharma, S., Kaidashev, I.P. and Chumachenko, D., 2022. The human toll and humanitarian crisis of the Russia-Ukraine war: the first 162 days. *BMJ globalhealth*, 7(9), p.e009550.
15. Helemäe, J. and Saar, E., 2015. Estonia: visible inequalities, silenced class relations. *East European Politics&Societies*, 29(3), pp.565-576.
16. Hietaniemi, M. and Ritola, S., 2007. The Finnish pensions system
17. Honkapohja, S. and Koskela, E., 1999. The economic crisis of the 1990s in Finland. *Economic Policy*, 14(29), pp.400-436.
18. HowToGermany. (1998). Retrieved November 5, 2022, from <https://www.howtogermaany.com/pages/german-retirement.html> <https://www.howtogermaany.com/pages/german-retirement.html>
19. Hunt, J., 2001. Post-unification wage growth in East Germany. *Review of Economics and Statistics*, 83(1), pp.190-195.
20. IZA Institute of Labor Economics (1998). Retrieved November 15, 2022, from <https://covid-19.iza.org/crisis-monitor/france/> <https://covid-19.iza.org/crisis-monitor/france/>
21. James, N., Menzies, M. and Radchenko, P., 2021. COVID-19 second-wave mortality in Europe and the United States. *Chaos: An Interdisciplinary Journal of Nonlinear Science*, 31(3), p.031105.
22. Jõgi, P., Soeorg, H., Ingerainen, D., Soots, M., Lättekivi, F., Naaber, P., Toompere, K., Peterson, P., Haljasmägi, L., Žusinaite, E. and Vaas, H., 2021. Prevalence of SARS-CoV-2 IgG antibodies and their association with clinical symptoms of COVID-19 in Estonia (KoroSero-EST-1 study). *Vaccine*, 39(38), pp.5376-5384.
23. Juranek, S., Paetzold, J., Winner, H. and Zoutman, F., 2021. Labor market effects of COVID-19 in Sweden and its neighbors: Evidence from administrative data. *Kyklos*, 74(4), pp.512-526
24. Jyrkinen, M. and McKie, L., 2012. Gender, age, and ageism: experiences of women managers in Finland and Scotland. *Work, employment and Society*, 26(1), pp.61-77.
25. Koval, N., Priamuhina, N. and Zhmurko, I., 2020. Analysis of the economic-financial experience of the world countries in the system of pension insurance.
26. Laub, N. and Hagist, C., 2017. Pension and Intergenerational Balance-A case study of Norway, Poland, and Germany using Generational Accounting. *Intergenerational Justice Review*, 3(2).

27. Laurimäe, M., Paas, T. and Paulus, A., 2022. The effect of COVID-19 and the wage compensation measure on income-related gender disparities. *Baltic Journal of Economics*, 22(2), pp.146-166.
28. Lewis, D., 2014. *Non-governmental organizations, management, and development*. Routledge.
29. Lieksnis, R., 2013. Evaluating the financial performance of Latvian and Estonian second-pillar pension funds. *Research in Economics and Business: Central and Eastern Europe*, 2(2).
30. Macrotrends. (2010). Retrieved December 7, 2022, from <https://www.macrotrends.net/countries/BGR/bulgaria/unemployment-rate>
31. Macrotrends. (2010). Retrieved January 10, 2023, from <https://www.macrotrends.net/countries/UKR/ukraine/population>
32. Malliet, P., Reynès, F., Landa, G., Hamdi-Cherif, M. and Saussay, A., 2020. Assessing short-term and long-term economic and environmental effects of the COVID-19 crisis in France. *Environmental and Resource Economics*, 76(4), pp.867-883.
33. Meleshko, O.V., 2010. Problems of non-state pension funds in developed countries as a consequence of the global financial crisis.
34. Minkus, L. and Busch-Heizmann, A., 2020. Gender wage inequalities between historical heritage and structural adjustments: A German–German comparison over time. *Social Politics: International Studies in Gender, State & Society*, 27(1), pp.156-186.
35. Nebaba N.O. The system of non-state pension provision in Ukraine: *current state, problems and prospects for development* / N.O. Nebaba // *Young scientist*. — 2014. — No. 12. — C 41-44.
36. Paśławska, P. and Popielska-Borys, A., 2018. The phenomenon of fake news. *Social Communication*, 4(s1), pp.136-140.
37. Pavel, C., 2019. THE YEAR OF 1990—CHANGE OF COMMUNICATION PARADIGM IN EUROPE. *KNOWLEDGE MANAGEMENT: PROJECTS, SYSTEMS AND TECHNOLOGIES*, p.95.
38. Peraud, W., Quintard, B. and Constant, A., 2021. Factors associated with violence against women following the COVID-19 lockdown in France: Results from a prospective online survey. *PLoS One*, 16(9), p.e0257193.

39. Robbins, S.P., Judge, T.A. and Campbell, T.T., 2017. *Organizationalbehavior*. Pearson.
40. Robinson, D. A., 2017 *Workplace Discrimination Prevention Manual: 2017 Edition*
41. Schmidt, V. A. (2016). Varieties of capitalism: a distinctly French model? In: R. Elgie, A. Mazur, E. Grossman, & A. Appleton (Eds.) *The Oxford Handbook of French Politics*: 606-635. Oxford: Oxford University Press.
42. Smirnova, I. I., & Khachikyan, S. A. (2021). NON-STATE PENSION SECURITY IN UKRAINE: DEVELOPMENT TRENDS AND PROBLEMS. *Economic space*, (176), 124-129. <https://doi.org/10.32782/2224-6282/176-22>
43. Statista (2007). Retrieved November 6, 2022, from <https://www.statista.com/statistics/1086315/women-and-men-by-net-income-germany/>
44. Süßmuth, R., 2009. The Future of Migration and integration policy in Germany. *Washington, DC.–2009*.
45. Tataryn, N., Kovalchuk, Y. and Tsyniuk, S. (2021), “Private pension funds: update, trends, and problems of development in Ukraine”, *Ekonomika ta derzhava*, vol. 5, pp. 82–86. DOI: 10.32702/2306-6806.2021.5.82
46. Terziev, V., 2019. Factors influencing employment and unemployment policies in Bulgaria. *IJASOS-International E-journal of Advances in Social Sciences*, 5(14).
47. Titma, M. and Rämmer, A., 2006. Estonia: Changing value patterns in a divided society. In *Democracy and political culture in Eastern Europe* (pp. 289-319). Routledge.
48. Tkachenko N. Vectors of development of investment activity of non-state pension funds in Ukraine. *Problems and Prospects of Economics and Management* (electronic journal), no. 1(17), pp. 200–206.
49. Trading Economics. (2008). Retrieved December 8, 2022, from <https://tradingeconomics.com/poland/proportion-of-population-aged-65-79-years-eurostat-data.html>
50. Trading Economics. (2008). Retrieved December 6, 2022, from <https://tradingeconomics.com/finland/unemployment-rate>

51. Trading Economics. (2008). Retrieved December 8, 2022, from <https://tradingeconomics.com/bulgaria/employed-persons>
52. Trading Economics. (2008). Retrieved December 8, 2022, from <https://tradingeconomics.com/poland/unemployment-rate>
53. Trading Economics. (2008). Retrieved March 10, 2023, from <https://tradingeconomics.com/germany/inflation-cpi>
54. Trading Economics. (2008). Retrieved December 1, 2022, from <https://tradingeconomics.com/estonia/unemployment-rate>
55. Trading Economics. (2008). Retrieved December 2, 2022, from <https://tradingeconomics.com/estonia/coronavirus-cases>
56. Trading Economics. (2008). Retrieved January 10, 2023, from <https://tradingeconomics.com/ukraine/unemployment-rate>
57. Trading Economics. (2008). Retrieved November 5, 2022, from <https://tradingeconomics.com/germany/unemployment-rate>
58. Trading Economics. (2008). Retrieved November 6, 2022, from <https://tradingeconomics.com/france/unemployment-rate>
59. Trappe Heike, Rosenfeld Rachel A.. 2000. How do children matter? A comparison of gender earnings inequality for young adults in the former East Germany and former West Germany. *Journal of Marriage and Family* 62 (2): 489–507.
60. van Dalen, H.P. and Henkens, K., 2018. The making and breaking of trust in pension providers: An empirical study of pension participants. *The Geneva Papers on Risk and Insurance-Issues and Practice*, 43, pp.473-491.
61. Velev, V., Popov, M., Velikov, P., Dinkova, M., Ilieva, V., Gospodinova, G., Tcherveniakova, T. and Pavlova, M., 2020. COVID-19 and gastrointestinal injury: a brief systematic review and data from Bulgaria. *InfezMed*, 28(suppl 1), pp.37-41.

62. Vitanski, D., 2019. The Concept for Equal Opportunities for Employment, Affirmative Measures and "Positive Discrimination" in the Public Administration. *KNOWLEDGE-International Journal*, 31(1), pp.345-350.