

## SECTION 5. MONEY, FINANCES AND CREDIT

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**PROSPECTS OF DEVELOPMENT OF CREDIT-COOPERATIVE  
MOVEMENT IN UKRAINE**

Credit co-operatives – is a form of mutual aid, which effectiveness shows a generation of German peasants and workers, as well as a generation of Ukrainian.

The founder of the first credit cooperative is considered German Hermann Schulz. The introduction of economic innovation in the same time in German was engaged by Wilhelm Raiffeisen. He published the first work “Loan Offices – Help in Trouble Farmers, Artisans and Workers.”

Significant development of credit movement was in North America. In Ukraine, the first credit cooperative Gadyach emerged in the Poltava region. Cooperatives in Ukraine lasted until 1919, and some of them existed until the collectivization had started.

In the world purely Ukrainian credit unions are operating in Canada (5), USA (7) and other countries. In the Diaspora the credit unions gradually developed and became

stronger. Today in the US there are 23 Ukrainian-American credit unions.

After the independence of Ukraine credit movement began to be revived. Most amounts of credit unions in Ukraine were as of 01.01.2009. Due to the global economic crisis and the events of 2014 the number of credit unions, membership in unions, their assets, loans, and equity capital is constantly decreasing. According to our calculations, by 2020 in Ukraine would operate 517 credit unions, which would be count 718.6 thousand members. The volume of loans will amount to 1,757,800 hryvnias, capital – to 930,600 hryvnias.

These figures are significantly lower than figures from developed countries cooperation; therefore it is necessary to study in more detail the experience of credit unions of developed countries and to improve legislation.