

## **ECONOMIC CONSEQUENCES OF ACTIVITY OF FINANCIAL PYRAMIDS FOR THE STATE**

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Article is devoted research of economic consequences of activity of financial pyramids for a society. Characteristic lines of financial pyramids, such as are considered: advertising of profitability, which much more, than in bank sector; absence of the information on object of investments; anonymity or, on the contrary, extraordinary popularity and authority of heads and the high-ranking organizers of the project; sufficiency of the minimum sum of investments for participation in the project.

It is established, that the financial pyramid is the organization physical or legal bodies by means of use of methods of psychological influence on consciousness of the person. Its purpose is realization of operations with financial actives without carrying out of economic activities which are based on entering by its participants money, some payments and reception of incomes, is exclusive from attraction of new participants depending on their quantity. Thus transactions with financial actives which are made by financial institutions during granting of the financial services defined in article 4 of the Law of Ukraine by them "About financial services and state regulation of the markets of financial services", such as: release of payment documents, payment cards, checks, clearing and other forms of maintenance of payments; management of financial actives by proxy; activity on a currency exchange; attraction of financial actives with the obligation of their returning; financial leasing; credit granting, including the financial credit; granting of guarantees and guarantees; remittance etc. is not financial pyramids.

It is defined, that the most unsafe for national economy is infringement of effective monetary circulation, criminality growth in financial sector, delay of development of branches of a domestic production because of derivation of money resources from their investments in the course of financial frauds, unemployment growth, deterioration of well-being of the population etc.

On a concrete example it is shown an essence of the mechanism of attraction of means in the financial pyramids which feature is that growth of a monetary stream occurs on a geometrical progression until when process of attraction of new participants in a pyramid stops. It is proved, that functioning of any financial pyramid has destructive character that specifies in its inevitable destruction as in its bases two mathematical principles - a geometrical progression and balance in the form of balance a prize - loss are put in pawn. Last principle is based that the increasing quantity of people is enriched at the expense of increase in the same quantity of people which have lost the investments.

It is offered to bring in curriculums of high schools, average and higher educational institutions corresponding programs of legal and financial literacy. Necessity of carrying out of explanatory work with the population, by means of mass media, for the purpose of its protection against swindle with use of financial pyramids is proved. Besides, in order to avoid negative economic consequences of activity of financial pyramids, current legislation perfection, namely introduction of the bill forbidding pyramids in Ukraine which provides punishment for creation, the organization and activity of financial pyramids is necessary.

It is proved, that at the state level working out and realization of the co-ordinated national program on struggle against financial pyramids which would provide monitoring system creation over quality of the financial services offered the population, carrying out of educational and scientific conferences, symposiums, the round tables, devoted to financial pyramids is necessary.

***Keywords:*** a financial pyramid, economic consequences, a society, financial frauds, financial services, the current legislation, a geometrical progression.