

transparent and reactive. Although smart governance faces various challenges, one of the most important challenges is the effective, efficient, and humane management of a city.

Many authors are of the opinion that all six dimensions are of equal importance. Yet, Kumar and Dahiya (2016) claim that the dimension of smart people is the most important one, because without smart people the practicality of a smart city would be at risk.

GOALS OF A SMART CITY

What aspects and challenges does a city have to manage in order to become a successful smart city? The solution to this question is that a smart city has to improve its public value. Public value is a general term which includes aspects like mobility, economic growth, quality of life, social aspects, ecological aspects, utilisation of modern ITC, competitiveness, and sustainability.

CONCLUSION

After having discussed the dimensions, the conditions and challenges, and the goals of a smart city, an accurate definition of what it actually is can be derived from the literature. From my point of view, the most accurate definition based on the aspects discussed in this short paper is provided by Rohde and Loew (2011: 6):

Smart city is a city that systematically uses information and communication technologies as well as resource-conserving technologies to enter a post-fossil society, reduce the consumption of resources, improve the quality of life of citizens and the competitiveness of the local economy to permanently increase the economy, and thus to improve the sustainability of the city. At the same time, at least the areas of energy, mobility, planning, and governance are considered. The basic characteristic of a smart city is the integration and networking of these areas in order to realize the environmental and social improvement potentials that can be achieved in this way. A comprehensive integration of social aspects of the city society as well as a participatory approach are essential.

Although this definition seems to include all conditions and goals of a smart city, one has to be aware of a possible change in goals, challenges, and dimensions, as new possibilities are very likely to arise over the years. A definition which seems to describe smart city the best possible way and thus considered valid today might not be applicable in 50 years from now, as technologies, societies, and governance are expected to constantly change and adopt themselves to new trends.

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INNOVATIVE FINANCIAL INSTRUMENTS AND RISKS FOR COMERCIAL BANKS

Limited financial resources for innovation in the enterprises hinders the modernization of production potential of Ukraine. Lack current level of financing innovation is confirmed by the fact that the total cost of production and sale of industrial products innovation costs do not exceed 1,0-1,6% (during 2005-2016), for comparison, see Table. 1. In this volume of financing innovation almost impossible enhanced innovation and technology play in industrial production and restructuring the economy through of scientific and technological achievements.

THE COST OF INNOVATION IN THE AGGREGATE AMOUNT OF SALES IN 2016

Nº	Countries	Costs innovation, %
1	Germany	3,4
2	South Korea	4,9
3	Canada	5,7
4	Sweden	6,9
5	Ukraine	1,2

The defining trends of innovation financing in Ukraine is the limited financial resources of its own subjects and sources of funds. The key sources of innovation financing are own funds and borrowed funds. The absolute volume of business spending on innovation by self ranged from 7.96 billion USD (2007) to 4.78 billion USD (2010), 6.97 billion USD (2013) 7.1 billion. USD. (2015).

According to the State Statistics Service of Ukraine in 2015 of innovative activity in the industry involved 824 enterprises, or 17.3% of the surveyed industry. In terms of economic activities should be highlighted, in particular, companies producing computers, electronic and optical products 37.5% (in 2014 - 34.0%).

Expensive credit for industry was profitable enterprise is insolvent borrowers, which attract long-term financing for innovative activity are virtually inaccessible.

State support of innovative activity in Ukraine carried out in various forms - direct budget financing and a favorable credit, tax and customs policy, the creation of specialized state (municipal) innovative financial institutions, state guarantees to commercial banks that are lending to priority projects and more innovative.

Financial innovation in the form of structured financial instruments have a complex structure. They are the most at risk and able to hedge it. This is their contradictions. Such financial innovation as the end product of implementing innovative solutions to meet specific client objectives. For their development specialists involved in various areas of finance.

Further improvement of risk management on the basis of financial innovation and innovation in banking institutions is proposed through the development of: Principles and criteria for the identification and risk assessment strategy of innovative development and banking risks within the financial impact of innovation and innovative banking risks; Methods of forecasting and modeling risk situations related to innovation activities, evaluation and analysis of their implications for the adoption of the most effective measures for their prevention and elimination; Monitoring methods and innovative risk management according to the accepted uniform risk management; Principles of involvement and coordination staff in the management of innovation risk, including definition of competencies for specific officials and information links between them.

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BEHAVIOR ASPECTS OF TAX EVASION: THE CASE OF UKRAINE