

# **PUBLIC POLICY AND ECONOMIC DEVELOPMENT**

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**Section 1.**  
**ECONOMY AND MARKETING RESEARCH**

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## STATE MECHANISMS OF MANAGEMENT OF MARKETING ACTIVITIES OF HIGHER EDUCATIONAL INSTITUTIONS

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*The article is devoted to the analysis of the state mechanisms of management of marketing activities of higher educational institutions in Ukraine. This is due to the fact that there is no clearly defined approach to determine the scientific foundations and directions of state regulation of higher education institutions' activities in the conditions of systemic changes and lack of funding in the scientific community in the studies undertaken nowadays. It is concluded that we must consider the dual nature of education as the process and the outcome, which is defined in such manifestations of human activity as motivation, setting goals and the relationship between human being and the environment. Moreover, in the educational sphere both process and result are only partially characterized as labor and product. That is what determines the specificity of production of the product in this area.*

*The significant role of educational services is reflected in a number of theoretical concepts of social and economic development, notably the concept of post-industrial society, the theory of human capital and so on. The most detailed growing role of knowledge and information in social development is disclosed in the concept of information society. In the past, land, labor and capital were key factors of production. Nowadays information becomes the main component. Global changes in the society and the economy led to the need to develop effective methods of organization and management of the management system of higher educational institutions as the most important component of the economy that functions under market conditions.*

**Keywords:** *higher education institutions, state regulation, concept, state authorities, educational services, management.*

**Romin A.W. Mechanizmy zarządzania publicznego w zakresie kształcenia na poziomie wyższym.**

*W artykule przeanalizowano aktualny stan szkolnictwa wyższego i zarządzania instytucjami szkolnictwa wyższego, określono jakościowe i ilościowe parametry usług edukacyjnych i ich rolę w poprawie sytuacji ekonomicznej uczelni.*

**Słowa kluczowe:** uczelnia, regulacje państwowe, koncepcja, organy władzy państwowej, usługi edukacyjne, zarządzanie.

**Ромін А.В. Механізми державного управління наданням освітніх послуг у вищих навчальних закладах**

*В статті проаналізовано сучасний стан розвитку системи вищої освіти та управління вищими навчальними закладами, розглянуто проблеми кількісних і якісних параметрів надання освітніх послуг, їх роль в покращенні економічного стану вnz.*

**Ключові слова:** вищий навчальний заклад, державне регулювання, концепція, органи державної влади, освітні послуги, управління.

**Ромин А.В. Механизмы государственного управления предоставлением образовательных услуг в высших учебных заведениях**

*В статье проанализировано современное состояние развития системы высшего образования и управления высшими учебными заведениями, рассмотрены проблемы количественных и качественных параметров предоставления образовательных услуг, их роль в улучшении экономического положения вуза.*

**Ключевые слова:** высшее учебное заведение, государственное регулирование, концепция, органы государственной власти, образовательные услуги, управление.

.....

## **Introduction**

The gradual transformation of Ukrainian economy is directly related to the formation of its new structure, one of the main components of which is the sphere of higher education that provides strengthening the position of its the most effective institutions – higher educational institutions.

In other words, the success of reforms undertaken in all areas, spheres and sectors of the economy is directly related to the development of the system of higher education, which in turn ensures efficient functioning of all structures of the economic system in the country.

This is to some extent confirmed by the international experience, which shows that the reform of higher education is impossible without the prior identifying the main priorities of state policy that define the main direction of state regulation of higher education in any country. There is no doubt in the fact that the sphere of education in general and higher education in particular due to its special position in the society is not so much the purpose of carrying reforms as the mean of getting out from the continuing crises, the condition for sustainable progressive development of the country's economy, which is particularly important for modern Ukraine.



### **Analysis of recent research**

Managing the competitiveness in the sphere of the provision of educational services is a new object of study in the administrative science both in Ukraine and in other countries. The considerable contribution to the development of the theory of educational management was made by foreign and domestic scholars, including Y. Petrunya, M. Matviyiv, I. Ivanova, L. Karamushka, M. Niyazova, A. Kratt, B. Korolyova, S. Mamontov, T. Matviyiv, T. Obolenska, N. Ushakova, Y. Hrykov and others.

However, there is no clearly defined approach to determine the scientific foundations and directions of state regulation of higher education institutions' activities in the conditions of systemic changes and lack of funding in the scientific community in the studies undertaken nowadays.

#### **Statement of research objectives**

The article aims to analyze the state mechanisms of management of marketing activities of higher educational institutions in Ukraine.

### **Results**

The experts acknowledged that the marketing concept of institutions' management is the most progressive one. Exactly this concept makes it possible to combine in the best manner the interests of the organization itself, the interests of consumers of its services and society in general. The main advantages of marketing as a management concept are as follows [3, c. 138]:

- understanding the company's dependency on the state of the external environment;
- target orientation of the company on the final result;
- attention to quality characteristics of the process of relations within the company and the company's relations with its partners;
- systematic approach to the consideration of management process and organization of the company's activity in the market.

These features can be summarized as follows:

1. The undeniable fact is that universities play a special role in society. Higher education is the main factor of social and economic progress. The mission of universities is to prepare professionals, whose activities are aimed at the development of society in different areas - economic, political, cultural, and social. Herein lies the special significance of public educational needs. That is higher educational institutions in planning their activities (especially in determining the range of specialties) should primarily focus on the social needs and only then take into account individual demand for educational services.

2. The educational process is long in time. Therefore, the institution of higher education has the task of forecasting future demand for specialists considering the time required for training them. That is why higher educational

institutions should focus not only and not so much on meeting the current needs for specialists as on meeting the needs of perspective ones.

3. It is important to take into account the specificity of the educational product as the product of “innovational promotion”. The individual and, often, the collective consumer are unable to clearly determine what characteristics the product should have. For example, what amount of knowledge is needed for the specialist; through which programs and methods the training should be conducted. Only the producer of educational services (higher education institution represented by the faculty) can identify this set of characteristics. Naturally, the ideas of the faculty developing curricula and courses should be based on valid, but not verbally articulated educational needs. Therefore, the universities should work according to the concept of “creative marketing”, according to which the consumer should be offered what he/she is unable to describe, but what he/she really needs.

4. Individual consumers of educational services are often not able to assess what specialists will be in demand in the labor market. The choice of specialty may be taken under the influence of fashion, subjective perceptions of prestige of the profession, sometimes influenced by personal emotions.

5. One of the most important functions of an educational institution is a function of cultural and moral education of the individual, which also requires a cautious attitude to the benefits of individual consumers of educational services and their implementation.

6. The institution of higher education has an important task to support and develop scientific schools, including related to such fields of knowledge that are not demanded by the public.

7. It is important for educational institutions to maintain relationships with other actors in the market of educational services based not on confrontational competition, but on long-term mutually beneficial cooperation, because knowledge and scientific achievements cannot be inviolable property of one educational institution. The constant exchange of information in the scientific and educational environment for a permanent increase of intellectual capital and the improvement of its value are required.

From the above mentioned it follows that the higher education institution in the research process of the external environment should focus not so much on the study of spontaneous demand of educational services by the individual consumers, but mainly on the current and future needs of society for specialists. The strategic objectives of higher educational institutions should be connected with meeting the needs of precisely this kind, while the needs of individual consumers, with whom the higher educational institutions deal directly, should also be taken into account [2].

Given the above, in our opinion, management of educational activities of higher education institutions is a set of organizational, economic, financial plan-

ning, information and analytical activities of higher education institutions and education management bodies. It is aimed at developing the higher education in a comprehensive manner, meeting current and future demand for education from the population, controlling quality of educational services, ensuring coordination of higher education institutions and their departments in order to improve the effectiveness of providing educational services to consumers.

In our country the system of management of higher education institutions' activities includes the management bodies of state power at national and regional level represented by the Ministry Education and Science of Ukraine, relevant departments of local state administrations and local governments, civil society organizations and management system in higher education institutions.

The higher education institutions act as specialized personnel training and research centers in accordance with industry's programs at the expense of industries. As subjects of region the higher educational institutions are centers of accumulation of intellectual, industrial, commercial, financial and philanthropic resources, the use of which is not contrary to the purposes of society, state regulatory acts and it provides reproduction of region's intellectual potential.

The sphere of higher education undergoes significant transformations in the context of modern market modernization and globalization of Ukrainian economy.

It is manifested in the appearance of adequate meso- and macro-economic realities of new forms of regional organization of educational services' market; in the formation of a single branch space of the largest universities; in the growing influence of complex of regional and local factors on functional environment of higher education sphere; in the growth of asymmetry and fragmentation of higher education area; in the further increase of the interdependence between educational activities and regional organization of the economy as a whole.

However, the issue of state regulation of management system of higher education institutions is a problem that has been widely discussed in the world. The variety of concepts and practical approaches to the management of higher education institutions in Ukraine and foreign countries is caused by significant differences in the organizational structures of the systems of higher education, in their legal bases, national traditions prevailing in each country, and in the paradigm of economy's management in general. At the same time, the common trends can be seen in this issue, the main of which are decentralization and democratization of public administration, expansion of autonomy of higher education institutions with simultaneous strengthening their inclusion in solving problems of socio-economic development, organization of management and funding of the educational process based on market models. A retrospective analysis of trends in higher education in Ukraine showed that the current state

of this economic sector of the country is characterized by active processes of modernization, during which changes are made both in organizational and functional structure of the education system and in content and technology of learning process. The contradictions and challenges both within the education system and in macroeconomics in general cause an increased interest of researchers to the analysis of the situation and development both individual segments of this sector (for example, universities), and the whole functional subsystems (such as of lifelong education system).

The research also confirms that the management system of higher education institutions of Ukraine does not fully meet the needs of rapidly alternating society. The qualification level of human resources, which in many ways is inadequate to the requirements of modern economic development, is explained by the gap of systemic linkages between humanitarian, natural, scientific, technical and technological components of higher education.

The problems of higher education in Ukraine should be considered in the context of a global transformation of the institutional foundations of education (including the active promotion of paradigm of the Bologna process) in the conditions of the information society and globalization of politics and economics.

Consequently, global changes in the society and the economy led to the need to develop effective methods of organization and management of the management system of higher educational institutions as the most important component of the economy that functions under market conditions.

The identification of areas of higher education institutions' reform in Ukraine must take into account the specific content of the educational process, as well as qualitative and quantitative parameters of its most important component - the economic potential of higher education.

The transition of Ukrainian socio-economic system to a market model of development is accompanied by the spread of market forms of management on those activities that are traditionally considered unproductive. This confirms the importance and the role of higher education sphere as an essential component of social and economic progress. The intellectual potential of citizens, their level of education is now the head condition, the factor of well-being and sustainable development of modern society that determines the special role of the education system.

The investigation of the economic content of the education system's economic relations is complicated by the specificity of the good (product), which is produced and implemented in the sphere of educational services. There is no common point of view on the content and form of the economic mechanism's functioning of the education system in the market conditions in modern scientific literature dealing with the problem of managing the system of higher education.

Two basic approaches to the definition of educational services can be identified in the studies of local economists:

- educational services – a system of knowledge, information and skills that are used to meet the diverse needs of the person, the society and the state;
- a set of services that are directly related to the implementation of the main goals of education, the exercise of its social mission, is called educational services.

Analyzing the given definition, we can conclude that the objective function of education is the increasing the value of the human being as a person, an employee, a citizen. Specificity of educational services is found in their classic characteristics (intangibility, inseparability from the source, volatility of quality, impossibility of preserving) and individual terms.

The impossibility of preservation of education services is detected in two ways. Firstly, we cannot provide services in full in advance and store them as material goods in anticipation of increased demand. Secondly, over time people forget the information and knowledge received. Moreover, the aging of knowledge also occurs with the development of scientific and technological progress.

The specific features of educational services are the following [4, p. 193]:

- high capacity of intellect;
- delayed detection of effectiveness and the results' dependency on the conditions of future work and life of a graduate student;
- the relative duration of execution;
- the need for future maintenance and renewal of services;
- the dependence of services from the place of their provision and the place of potential students' residence;
- high cost;
- inability to resale etc.

The high intellectual capacity may be mediated by a high level of marketability of educational services as an economic form of management.

Let us consider the nature of the educational activity of subjects of the educational market, that is higher education institutions and determine what the specificity of educational activity is and whether it can be compared with the activity in other areas. The activity itself is perceived as free creativity or outside conditioned activity – work. The work in terms of commodity production appears as the most conscious and purposeful physical or mental activity, which acts as human response to the external environment and is the means to meet its physiological and social needs that are different from the needs to improve one's own personality. And the creativity is consciously perceived by man as the activity proceeded from inner desire for self-realization that is not reproduced both in the process and as other people's activity a result and therefore it can be compared with activities of other people.

The main driving force that can ensure the progress of society is a creative person with a high level of professional training, who has the ability to reveal his/her abilities, to show herself/himself from the best side and to gain recognition from society. The peculiarity of society model with a developed economy is the optimal balance between industrial production and services sector as the expansion of services is not so much the result as an important stimulus to the growth of material production, social and spiritual progress of society as a whole.

The concept of “education” means the mechanism and at the same time the environment, in which the formation and development of the individual, and thus, society and humanity in general occurs. Under education, we understand the centralized process of education and training for the benefit of the person, the society and the state, accompanied by human achievement in educational levels set by the state. Normativity of this definition lies in specifying the need to achieve certain state educational levels (educational standards) combined with training and education. As for the practical implementation of the convergence of interests of the individuals, the society and the state, this combination of today’s Ukraine is extremely unbalanced [1, p. 28].

The significant role of educational services is reflected in a number of theoretical concepts of social and economic development, notably the concept of post-industrial society, the theory of human capital and so on. The most detailed growing role of knowledge and information in social development is disclosed in the concept of information society. In the past, land, labor and capital were key factors of production. Nowadays in many sectors of industries information becomes the main component.

### **Conclusions**

Thus, specifying the above cited provisions, one must consider the dual nature of education as the process and the outcome. It is defined in such manifestations of human activity as motivation, setting goals and the relationship between human being and the environment. It should be noted that although the form of the product of labor may be different, it is indisputable that it is such good that directly or indirectly satisfies material needs of the producer. Thus one of the main characteristics of the product of labor is its reproducibility that is the ability of the individual to create a similar product under similar conditions. At the same time product of labor in the exchange process may move from one individual to another. However, in the educational sphere both process and result are only partially characterized as labor and product. That is what determines the specificity of production of the product in this area. Since the educational services are characterized by a large degree of intelligence and are presented by a wide field of personal contacts of producer and consumer, the activities in the

field of education can be characterized, on the one hand, as labor and, on the other hand, as creativity.

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## ECONOMIC SECURITY AS A CATEGORY OF PUBLIC ADMINISTRATION

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*The article analyzes the various aspects of economic security such as a form of governance. We derive the main bases for provisions of economic security in higher education institution and consider the basic threats to the stability and persistence in formation of economic security at the national level*

*The author believes that the time has come for a serious approach to economic security problem at the state level in all spheres of economic life in order to obtain the results of the state program "Economic Security" to be shaped in specific forms and fill up an arsenal of economic methods of economic management.*

*As economic security of higher educational institution the author considers a state of university and interests of its members of being economically protected from external and internal threats that can reliably save and use its economic potential for effective fulfilling its mission.*

*The mission of universities as a subject in economics is meant meeting the needs of the population (individuals), and companies and organizations (legal entities) in educational services and research through the creation and implementation of intellectual property.*

**Keywords:** governance, higher education, economic security.

**Kowregin W.W. Bezpieczeństwo ekonomiczne jako kategoria administracji publicznej.**

*W artykule przeanalizowano bezpieczeństwo ekonomiczne jako kategorię administracji publicznej. Szczególną uwagę zwrócono na podstawy bezpieczeństwa ekonomicznego w szkolnictwie wyższym. Rozpatrywano główne zagrożenia dla stabilności ekonomicznej. Zaakcentowano konsekwencje zapewniania bezpieczeństwa ekonomicznego na poziomie krajowym.*

**Słowa kluczowe:** zarządzanie, wykształcenie wyższe, bezpieczeństwo ekonomiczne.

**Коврегін В.В. Економічна безпека як категорія державного управління**

*Стаття присвячена дослідженню економічної безпеки як категорії державного управління. Особлива увага зосереджена на основах*



забезпечення економічної безпеки у вищих навчальних закладах. Розглядаються головні загрози стабільності, наголошується на послідовності у формуванні економічної безпеки на національному рівні.

**Ключові слова:** управління, вища освіта, економічна безпека.

**Коврегін В.В. Экономическая безопасность как категория государственного управления**

*Статья посвящена исследованию экономической безопасности как категории государственного управления. Особенное внимание сосредоточено на основах обеспечения экономической безопасности в высших учебных заведениях. Рассматриваются главные угрозы стабильности, делается ударение на последовательности в формировании экономической безопасности на национальном уровне.*

**Ключевые слова:** управление, высшее образование, экономическая безопасность.

## **Introduction**

The traditional understanding of security often comes to national security, defined as a security guaranteed by constitutional, legislative and practical measures to ensure national interests of citizens and the country.

The problem of economic security is now the subject of detailed study and research. The evidence of this is a rapid growth of publications in scientific and professional literature.

The economic security of any state is a very complex and multifaceted structure. As part of the overall national security system, it also includes its foundation, the basis for the formation and functioning of all other elements included in its structure: military, technological, environmental and food safety information. World experience shows that only a reliable and effective system of economic security can serve as a real force to ensure the sovereignty and independence of the country, its stable and sustainable socio-economic development.

## **Statement of research objectives**

The article aims to analyze the economic security of higher education institution, as an object of state administration.

### **Analysis of recent research**

The problems of economic security in Ukraine were considered both Ukrainian and foreign scientists [1,2,3,4,5], but on the direction of the economic security in higher educational institution while entering the economic market there are no fundamental works and monographs, as well as scientific researches that could enter the systematic state program.

## **Results**

Interpretation of economic security is quite ambiguous. Based on the world experience of economic security provides the following definition: economic

security is a set of conditions and factors that ensure the independence of the national economy, its stability and resistance, the ability to self-improve and continuously update” [2].

Some authors interpret economic security as a “critical qualitative characteristics of the economic system, determining its ability to maintain normal living conditions of the population, ensuring sustainable economic development resources, and consistent implementation of national and state interests of Ukraine” [4]. They also believe that the main criterion of economic security should be the “minimum cumulative damage to society, economy and people.”

To specify this approach we take a criterion of special security “border zone” as a sign of the critical state of socio-economic system, beyond which there is a threat or the degradation and destruction of the system takes place. We basically share the opinion of the authors mentioned above and consider association the concept of economic security with the concept of risk reasonable.

However, economic security is also determined through “the ability of the economy to provide effective satisfaction of public needs at the national and international levels.” In other words, they link the economic security to a set of internal and external conditions causing effective dynamic growth of the national economy and its ability to meet the needs of society, the state, the individual, to ensure competitiveness on external markets, preventing from all sorts of threats and losses. The authors correctly point to the importance of the internal factors of socio-political and military stability of the state, including the crisis of the Ukrainian economy. Some of them, in terms of economic security, were not researched, although their effect on all areas of the economy was bigger than the external. (For example, the denial of extensive shadow economy presence in the country from ideological considerations has caused huge economic and moral damage to society).

The original interpretation of economic security has been given by other authors [3, 5]. They refer to economic security as a set of condition properties of its productive (in the broad sense) subsystem, the ability to achieve the objectives of the entire system. However, under the subject of economic security of Ukraine for the transition period we understand “the economy of a great power,” i.e. economy, firstly, is able to provide a decent standard and quality of life of its citizens, their economic security, and, secondly, they must be adequate to actual military and political status of Ukraine in the world today.

Thus, economic security is a certain qualitative state of the economy, which in terms of society is desirable to preserve or develop to the progressive scale. Partly economic security is understood as the ability and willingness of the economy to provide decent living conditions and personal development, socio-economic and military-political stability of society and the state, to resist the influence of internal and external threats as well as the level of economic

development that ensures economic, social and political and military stability in terms of adverse factors.

The essence of economic security is often linked to the concepts “development” and “persistence”. If the economy does not develop, it dramatically reduces the possibility of its survival, resistance and adaptability to internal and external threats. In this regard, it seems appropriate to consider the relationship of the concepts “persistence” and “stability” of the concept of “economic security” [1].

The concept of “stability” of higher education institutions is quite new to the educational sphere, really so far no one could have imagined that the high school, college, and etc. may be on the verge of financial and staff collapse. Entering the market has radically changed our understanding of the stable performance of educational institutions. Perhaps that’s why the vocabulary aspect of this term is less close to the social and economic systems and has more pronounced technical nature. Stable - means strong, steady, persistent. In the encyclopedia of Economics “Political Economy” the term “stability of currency” was considered as the measures taken to support the resistance rate of the national currency. Financial and Credit Vocabulary examines the organization of “currency stabilization funds” designed to implement financial support to countries for supporting the national currency.

Any development, not to mention the balanced performance, can occur only if the system is resistant – otherwise it may simply fail to get out of another crisis. The problem of resistance is a the subject of many scientific developments, including serious mathematical ones, however, as in the case of development, the area of applicability for each of them is quite narrow and is more related to specific cases rather than to a wide range of systems.

With regard to complex systems in an extremely abstract form are the following types of resistance:

The apparent resistance of the 1st type. It is, in fact, not a resistance, and it is its pseudo analogue, the essence of which is that due to the incorrect organization of observations, one thing is been changing and another is recorded. Obviously, after having accumulated these changes the system may at some point simply fall apart, very “unexpectedly” for the observer.

The apparent resistance of the 2nd type. It appears in the case when there are immutable traits in environment and the system does not have appropriate compensatory mechanisms - for example, tropical plants are vulnerable to frost. In constant environment such system can be arbitrarily resistant, however, any change in the relevant signs will lead to loss of resistance.

The group resistance. This is a case of true resistance in which the system has available a complete group of compensatory mechanisms to all possible in principle types of changes (including “damage” of the mechanisms). Repeatedly

doubled support systems of space and underwater ships, nuclear power plants and hazardous industries have such type of resistance. The implementation of this mechanism is without doubt extremely wasteful, as well as unpredictable.

Adaptive resistance of 1st type. It presupposes the existence of a system with limited (intentionally incomplete) set of mechanisms which, however, are able to compensate for external disturbances by creating chains of adaptive combinations of existing elements. Resistance of the 1st type wherein the series of disturbance are dissipating on the elements of the chain, causing the output zero result. For example, self-cleaning mechanisms of biological systems or industrial treatment plants act so.

Adaptive resistance 2nd type. It has a similar mechanism of compensation, but in this case the is not linear but closed in a cycle so that it is possible for several “passes” to compensate disturbance, with a power higher than capabilities of a single chain. In essence, it is a feedback mechanism or homeostasis, which is well studied in cybernetics.

Deferred resistance. The latest one at this level of resistance group, which implies the absolute possibility of the system “to go away” from the action of revolting factor without having appropriate compensatory mechanisms. A herd of deer, for example, changes a pasture after the pasture have been exhausted, goes to another point in space and snowdrops “go away” from competitors over time due to early flowering.

It is obvious that of all considered resistance groups the most effective, in practical terms, is the last one in which it is possible not to have compensatory mechanisms at all while successfully solving the problem of providing resistance. Herewith spatial mechanism to mankind seems to be exhausted with the end of last aggressive war and at national level it is not going to be applied, although for some fallow lands it will always be working perfectly. The most promising is the time mechanism, which essentially involves forecasting future changes and taking measures to prevent them or compensate. In the latter case it is extremely effectively to apply the adaptive mechanisms as the least excessive ones and, therefore, requiring the least resources.

This allows us to formulate the main idea that should be taken as a basis for sustainable development: “sustainable” means here, first of all, assumed and then controlled by any other actions.

Studies on economic stability showed that a new approach to its implementation has appeared recently, which is in core study of the economic security operation and development of complex socio-economic systems and, according to the author, reflects an essence and meaning of the research problem in the best way.

Thus, the resistance of economy characterizes the strength and reliability of its elements, vertical, horizontal and other relationships within the system,

the ability to withstand internal and external loads. Safety is a state of an object in its system relations to its capacity for development in conditions of external threats. Therefore, economic security is defined as a state of economies and government institutions, in which guaranteed protection of national interests, socially directed development of the country as a whole, and sufficient defense capabilities are provided.

Of the many known researches and studies the most fundamental is a monograph [4] devoted to a wide range of issues related to the development of the conceptual foundations of security and stability of the state and society, it considers many social essence of the processes occurring in our country; the authors attempt to propose the system solutions to the crisis, the forms and methods to ensure the stability of the state.

The structure of economic security is represented by the following organization of different levels through its economic relationships: economic level of family - economic interests of every citizen of the country; microeconomic level.

Considering the situation in Ukraine, we allocate a number of major threats to economic security affecting the interests of almost all the above objects:

- Higher concentration of national wealth by criminals;
- Increased criminalization of various sectors of the market;
- Bribery in the credit and financial sector;
- Mistakes in the management of state property;
- Inconsistent and contradictory tax policy;
- Commercialization of the media against the weak legislative support;
- Contradiction and vulnerability of the legal framework, that poses difficulties even for high skilled lawyers;
- Lack of adequate criminal law protection of legitimate business;
- Instability in the legal and law enforcement areas;
- Corruption and organized crime;
- Lack of the state's role in protecting the interests of the economy subjects.

There is also the presence of external economic factors, the cumulative effect of which forms one of the most fundamental sources of threats to economic security: a large external debt, the lack of a coherent regulatory framework governing foreign trade, import dependence, lack of infrastructure to support the country's exports, the loss of developed markets, leak of intellectual property and brain drain, overseas export of currency and raw materials and others.

Considering the source of threats to the economy we can derive general recommendations to ensure the economic security of chosen subjects. Thus, the conceptual model of economic security can be represented as follows:

**Conceptual model of economic security provision**

Informative and analytical actions	Monitoring information on the vulnerability of vital interests and combating threats; Development of current and prognostic assessments of economic relations in the country in terms of crisis prevention; Development of proposals for improving the effectiveness of economic security and etc
Regulatory actions	Localization and neutralization of threats to the vital interests of the country; Removal of crisis tendencies in the sphere of economic security and etc.
Direct Combating actions	Counteraction to-holders of threats to the vital interests of the country Supervision of economic relations in the country; Program of overcoming the economic crisis and etc.

Economic security is regarded to the country, regions, enterprises and individuals.

The economic security of the region is a set of current status, conditions and factors that characterize stability, resistance and sustainable economic development of the region in a certain independence and integration with the economy of state, expressed in the forms we have described.

Such approach to economic management from the standpoint of economic security can be implemented only if special attention is given to subsystems that provide the development of the main factors of economic growth (personnel, material resources, information, etc.), as well as branches, which are in modern terminology attributed to macro level complex systems (science, education, health, finance, etc.). With regret we have to say that in a vast range of public programs for development of economies the blocks devoted to theoretical research and practical developments in the field of economic security are not presented enough. Out of this list there is a special programs directly targeted at creating theoretical, scientific and methodological foundations of economic security management for all levels of management, importance and relevance of which, judging by grandiloquent speeches in literature, hardly can be over-emphasized. The author believes that the time has come for a serious approach to economic security problem at the state level in all spheres of economic life in order to obtain the results of the state program "Economic Security" to be shaped in specific forms and fill up an arsenal of economic methods of economic management.

## **Conclusions**

Using the given approach to the definition of economic security, we try to formulate such one for a university. We think it might look like following.

As economic security of higher educational institution we take a state of university and interests of its members of being economically protected from external and internal threats that can reliably save and use its economic potential for effective fulfilling its mission.

The mission of universities as a subject in economics is meant meeting the needs of the population (individuals), and companies and organizations (legal entities) in educational services and research through the creation and implementation of intellectual property.

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## **PUBLIC PROVISION OF INSTITUTIONAL REFORMS IN THE COURSE OF ECONOMIC MODERNIZATION**

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*The article is devoted to the analysis of the main components of institutional environment of modernization in Ukraine and of institutional reforms efficiency. A state and formal institutions are determined as having a predominant role in creation of a propitious institutional environment for economic development. The possible strategies of institutional transformation (long-run and short-run) and their negative consequences as the appearance of institutional lock-ins are studied in the paper.*

*The conclusions concern the low efficiency of modern institutions functioning (competitiveness provision, court independence, tax administration, corruption overcoming, infrastructure development, labor market regulation, entrepreneurship liberalization, energy security) and of their legislative and organizational support. It is indicated that certain positive changes were typical for many institutions; however, their insufficiency was caused by the lack of political will, social culture of legislation enforcement, and imperfect mechanism of resource allocation between actors of the certain reforms.*

*The analysis of Worldwide Governance Indicators for Ukraine for the period of 1996-2014 revealed that the crisis of 2008-2009 significantly worsened the achievements of public administration. In 2014 the improvement was observed in such indicators as Voice and Accountability, Government Effectiveness and Control of Corruption. There are problems left in the area of Political Stability, Regulatory Quality and Rule of Law.*

*Thus, the institutional environment formed by a state is more oriented for now on overcoming the crisis in economy and in political sphere than on economy modernization.*

**Keywords:** government, public policy, institutional environment, modernization, institution, legislation.

**Liachowec O.O. Zabezpieczenie państwowe przeksztalceń instytucjonalnych w procesie modernizacji gospodarki.**

*W artykule zbadano rolę państwa w zapewnieniu otoczenia instytucjonalnego dla modernizacji gospodarki. Na podstawie zmian w ustawodawst-*



wie i zmian organizacyjnych w administracji publicznej przeanalizowano skutki i efektywność reform instytucjonalnych. Oceniono kluczowe wskaźniki działalności państwa w zasadniczych obszarach rozwoju instytucjonalnego.

**Słowa kluczowe:** rząd, polityka publiczna, środowisko instytucjonalne, modernizacja, instytucja, ustawodawstwo.

**Ляховець О.О. Державне забезпечення інституціональних перетворень в ході модернізації економіки**

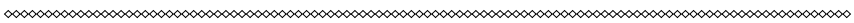
У статті досліджується роль держави у забезпеченні інституціонального середовища модернізації економіки. На основі змін у законодавстві та організаційних змін в державному управлінні аналізуються наслідки та ефективність проведених інституціональних реформ. Піддаються оцінці основні показники діяльності держави в ключових сферах інституціонального розвитку країни.

**Ключові слова:** уряд, державна політика, інституціональне середовище, модернізація, інститут, законодавство.

**Ляховець Е.А. Государственное обеспечение институциональных преобразований в ходе модернизации экономики**

В статье исследуется роль государства в обеспечении институциональной среды модернизации экономики. На основе изменений в законодательстве и организационных изменений в государственном управлении анализируются последствия и эффективность проведенных институциональных реформ. Подвергаются оценке основные показатели деятельности государства в ключевых сферах институционального развития страны.

**Ключевые слова:** правительство, государственная политика, институциональная среда, модернизация, институт, законодательство.



## **Introduction**

The wide range of public regulation institutions is typical for any national economy. Due to the evidence of many countries, in general, they are the institutions which support the innovation, industrial and agrarian policy implementation. The particular attention in scientific studies is paid to the establishment of the institutions in a democracy. The formation of development institutions that can become an impetus for the launch of the modernization necessary for the national economy plays a great role in this process.

Current institutional transformations in Ukraine in substance are at variance with established beliefs, customs and socio-psychological portrait of Ukrainian people that gives rise to the certain incentives for their changes. However, in general the existing institutional framework is slightly congruent with the institutions established by a state that is why the effectiveness of institutional reforms is quite low at this stage of economic policy implementation.

Besides, because of inefficiency of many created earlier development institutions sooner or later they are subjected to liquidation or reduce their presence on the market independently although their meaning for modernization can be crucial, e.g. as for leasing for agricultural businesses, business incubators and techno parks.

### **Analysis of recent research**

The problem of implementation of institutional reforms is reflected in scientific studies of domestic and foreign scholars. The last are especially represented by the experts of the World Bank which do permanent monitoring of the state of the basic democratic institutions in the world countries – Worldwide Governance Indicators.

The issues of the interaction between the government and business, of new institutions formation for economic modernization, the impact of institutional environment on modernization were also studied by such Ukrainian and foreign economists as O. Vlasiuk, S. Havrov, A. Mokiy, R. Nureev, L. Olifrenko, T. Panova, L. Polischuk, O. Safronova etc. However, the complex estimation of the directions of improvement of institutional environment for modernization processes impetus in Ukraine in the modern conditions was not made.

### **Statement of research objectives**

The purpose of the study is the determination of the current state of public institutional reforms in economics and formation the directions of increase the efficiency in the course of economy modernization.

### **Results**

Modernization as a process and modernity as its consequence once emerged in the Western world become widespread globally in XX century. In its turn, as affirmed the modernization is not self-sustaining, self-progressing process. Rather, it can be considered as transference of patterns, models and achievements of developed countries to their own's [1, p. 30]. The launch the modernization processes is possible only if there is a totality of the appropriate conditions, combined by the concept of institutional environment of modernization. The significant role in this belongs to a state.

The neoclassical theory affirms that market economy without a state and market economy with the state differ by different extent of efficiency in resource allocation, and, respectively, by the distinct level of welfare of their people. But there are no fundamental differences in their functioning. According to Keynesian theory government intervention in the economy increases the effectiveness of its functioning. Due to the institutional approach the market economy cannot normally function without government regulation. It is stipulated by that fact that a state creates and supports the existence of formal institutions correcting

the market failures. In this regard the government is an important determinant of favorable institutional environment establishment for the modernization breakthrough in attempts of overcoming the retard of transformation economies from the Western countries.

There is an opinion that gradual implantation of new institutions in the course of modernization will rather negatively impact the state of the economy due to the reforms need much time (long-run reforms) [6]. In turn, the simultaneous transformation or implantation of new institutions as the fastest way of modernization is the most progressive approach. At the same time such an approach may become a reason of institutional traps emergence. They appear as a consequence of the lack of complementarity of newly created institutions and are in the nature of compensatory mechanisms of the low institutional efficiency. The problem is that they are able to settle in institutional framework and to penetrate the sphere of informal regulations.

Thereby the government should meticulously count the results of the reforms and make subsequent adjustments of institutional environment because the untimely actions may cause the proliferation of institutional traps up to the extent when their elimination will need the significant resources.

One of the most spread approaches to formation of the institutional reforms strategy is the strategy of the World Bank oriented on three basic mechanisms, which provides reforms efficiency:

- 1) internal rules and regulations – for example, the system of internal accounting and auditing systems, independence of the judiciary and the central bank, civil service and budgeting rules, and rules governing ombudsmen and other internal watchdog bodies;

- 2) “voice” and partnership – for example, decentralization to empower communities, service delivery surveys to solicit client feedback, and “notice and comment” regulatory rulemaking;

- 3) competition – for example, competitive social service delivery, private participation in infrastructure, alternative dispute resolution mechanisms, and privatization of certain market-driven activities [9, p. xiv].

In the context of these directions let us consider the current situation with institutional and organizational provision of Ukrainian economy modernization (Table 1).

**Institutional and organizational provision  
of Ukrainian economy modernization**

| <b>The component of institutional environment</b> | <b>Regulating organizations</b>                                                                                                                                     | <b>Legislation provision</b>                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provision of competitive mechanism                | Antimonopoly Committee of Ukraine                                                                                                                                   | Laws of Ukraine “On Protection of Economic Competition”, “On Protection against Unfair Competition”, “On the Antimonopoly Committee of Ukraine”, “On Natural Monopolies”                                                                                                                                                                                                                                                           |
| Independence of the judiciary                     | High Council of Justice of Ukraine                                                                                                                                  | Laws of Ukraine “On the Judicial System and Status of Judges”, “On the Right to Fair Justice”, “On the State’s Guarantees of Execution of Court Resolutions”, “On Restoration of Trust in the Judicial Power in Ukraine”                                                                                                                                                                                                           |
| Tax administration                                | Ministry of Finance of Ukraine, State Fiscal Service of Ukraine                                                                                                     | Tax Code of Ukraine, Customs Code of Ukraine, Law of Ukraine “On Collection and Registration of the Single Contribution for Mandatory State Social Insurance”                                                                                                                                                                                                                                                                      |
| Overcoming corruption                             | Ministry of Justice of Ukraine, State Agency on e-governance of Ukraine National Anti-Corruption Bureau of Ukraine, Specialized Anti-Corruption Prosecutor’s Office | Laws of Ukraine “On Grounds of Corruption Prevention”, “On the Principles of State Anti-Corruption Policy in Ukraine (the Anti-Corruption Strategy) for 2014-2017”, Resolution of the Cabinet of Ministry of Ukraine “On Approval the State Program of Implementation the Principles of State Anti-Corruption Policy in Ukraine (the Anti-Corruption Strategy) for 2014-2017”, “On the National Anti-Corruption Bureau of Ukraine” |

Continuation of tab. 1

|                                 |                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                            |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure Development      | Ministry of Infrastructure of Ukraine, Ministry of Regional Development, Building and Housing of Ukraine, National Commission on Regulation the Energy and Utilities, State Agency of Highways | Resolution of the Cabinet of Ministry of Ukraine “On Approval of Regulations of Ministry of Infrastructure of Ukraine”, Orders of Ministry of Infrastructure of Ukraine, Ministry of Regional Development, Building and Housing of Ukraine                                                                                 |
| Regulation of labor market      | State Employment Service of Ukraine, Ministry of Education and Science of Ukraine, Ministry of Social Policy of Ukraine                                                                        | Labor Code, Laws of Ukraine “On Employment”, “On Education”, “On Higher Education”                                                                                                                                                                                                                                         |
| Entrepreneurship liberalization | Ministry of Economic Development and Trade of Ukraine, Committee of Verkhovna Rada of Ukraine on Industrial Policy and Entrepreneurship, State Regulatory Service of Ukraine                   | Decree of President of Ukraine “On Some Measures to Deregulate Business Activities”, Laws of Ukraine “On the Permit System in the Field of Economic Activity”, “On the Main Principles of State Supervision (Oversight) in the Area of Commercial Activity”, “On the Principles of Regulatory Policy in Economic Activity” |
| Energy security provision       | Ministry of Energy and Coal Industry of Ukraine, National Commission on Regulation the Energy and Utilities                                                                                    | Laws of Ukraine «On Energy Industry», «On Energy-Saving», «On Alternative Energy Sources», «On Oil and Gas», The Code of Ukraine on Bowels, Order of Cabinet of Ministers of Ukraine «On National Action Plan on Renewable Energy for the Period 2020»                                                                     |

*Source: developed by the author*

The functioning of competition mechanism in Ukraine is provided by the set of laws (see Table 1), and regulation is realized by Antimonopoly Committee of Ukraine. Legislature base is characterized by relative stability; especially Law of Ukraine “On Protection of Economic Competition” adopted in 2001 had only 12 amendments for the whole period; and the Law of Ukraine “On Protection against Unfair Competition” adopted in 1996 has been changed only for 4 times. On the other hand, these laws do not actually work because of imperfection of Antimonopoly Committee functioning especially in the issues of handling complaints

about participation of businesses in the public procurements. The implementation of pilot project of e-system of public procurements ProZorro in 2015 due to the experts' estimations improved the situation of competition in this sphere and expanded the access to bargaining for businesses not linked with power structures.

Independence of the judiciary is an important institution of democracy and should provide the justice and impartiality of the adjudications. High Council of Justice of Ukraine has an impact on the assignment of the judges and their elimination or dismissal. This institution is a collegial, permanently functioning and independent body (article 1 of Law of Ukraine "On High Council of Justice of Ukraine". Laws of Ukraine "On the Right to Fair Justice", "On Restoration of Trust in the Judicial Power in Ukraine" adopted respectively in 2015 and 2014 are aimed at increasing the authority of judicial branch of Ukraine and the trust of citizens to the judicial branch of power. At the same time there are some questions of specification of regulations which will allow reducing the duration of legal proceedings in civil and criminal cases, and increasing the level of executive discipline of decisions of national courts. This factor plays an important role in creation of institutional environment of modernization where the transaction costs of business and individuals would have been lower.

The taxation as an institution of the market economy can be considered from the effectiveness for business point of view and the effectiveness of the reforms point of view. The first point means that the effectiveness of taxation and ease of administration are the essential part of the favorable environment for economic modernization. Changes in legislation in 2015-16 years were aimed at fulfillment of the demands made by IMF. As the result the tax rates on income of individuals were raised, however, the payroll taxes were reduced. Also the changes to the simplified tax system were made in spite of the requirement to remove it. In general, the predictions of Ministry of Finance of Ukraine concerning tax collection are quite optimistic but certain types of business (for example, agricultural producers) were deprived of the benefits which negatively affected the general socio-economic situation. Reforms stimulating the modernization at the present time most likely will not have the necessary effect that is why they are postponed to a later time.

The problem of corruption in Ukraine remains unsolved in spite of the changes in the structure of authorities (for example, the foundation of National Anti-Corruption Bureau, police, Specialized Anti-Corruption Prosecutor's Office). Their efficient functioning depends both on legislation and socio-economic and political factors. The adopted laws "On Grounds of Corruption Prevention", "On the Principles of State Anti-Corruption Policy in Ukraine (the Anti-Corruption Strategy) for 2014-2017" in 2014 ensured the availability of a more effective mechanism to reduce corruption than the developed in the previous laws. However, there are internal causes of the lack of efficiency of new laws which remained unsolved. They include, at first, the impossibility of full realization of

the mechanism because of insufficient level of political will and responsibility, and secondly, the lack of social culture of compliance with laws. Eliminating these causes requires a long time and efforts from the government and society.

An appropriate infrastructural provision is the necessary condition of the economy modernization because it stipulates the improvement and facilitating economic relations. Publicly provided socio-economic infrastructure requires substantial funding or development of public-private partnership to attract some investments as there is a close relationship between the economic growth and socio-economic infrastructure. In this sphere the legislation plays a key role in the system of infrastructural services quality evaluation – roads, transportation, telecommunications, electric power supply, and water supply etc. Ministry of Infrastructure has a broad range of powers including functions of services quality control, but the realization of the powers is bounded by low level of political will.

The processes of economy modernization should be provided by the appropriate personnel – engineering, medical etc., brainpower. In this regard there is a necessity of relationship harmonization among the components of labor market formation: 1) higher education; 2) availability of jobs; 3) state priorities. In this sphere Ministry of Education is aimed at technical specialties but in the result the labor market cannot provide jobs on these specialties. It requires working specialties while many enrollees choose professions easy to get or to find a job. Such contradictions generate significant imbalances in the labor market. The solution of the problem is a harmonization of national economic policy – the stimulation of high technological production, pioneering work etc. together with personnel training and investments attraction.

In the entrepreneurship activity the removal of excessive administrative barriers can cause the multiplication effect and stimulate the development of all sector of the economy. It is especially topical because of a state excessive interference which can have such repercussions as decline of motivation to entrepreneurship, investment attractiveness, its “shadowing”. The misuse of institutions (information asymmetry, manipulation of institutions, institutions subjections) can cause the distortion of the institutional environment [6].

The implementation of the policy of deregulation of entrepreneurship by way of adoption in 2011 of Law of Ukraine “On Amendments to Law of Ukraine “On the Permit System in the Field of Economic Activity” contributed to a breakthrough in the licensing system – the transit from permissive principle and declarative.

Due to Law the number of appropriate permissions was reduced (from 227 to 91). The licensing of 18 types of economic activity (freight, alternative energy, tourist services) [7, p. 190]. A new version of Law of Ukraine “On the Permit System in the Field of Economic Activity” from 02.03.2015 №222-VIII significantly facilitates the procedure of obtaining licenses, reduces the number of types of economic

activities subjected to licensing what increases the rating of Ukraine in favorable conditions for entrepreneurship development due to the World Bank ratings.

The estimation of the results of changes in legislation showed some system transformations in the entrepreneurship deregulation. However, the quality of laws and the level of their enforcement are not sufficient. To make the reforms implementation more efficient it is necessary to indicate the appropriate accents in the public economic policy. In the crisis it is rather complicated to do because the priorities of public administration differ from those needed for modernization; specifically they are the filling of the budget, provision of strategic branches of the economy, the implementation of international financial organizations' requirements.

Energy independence, energy saving technologies are the necessary condition of industrial modernization, because energy consumption is the significant part of the production costs. Since 2003 the government through Law of Ukraine "On Alternative Energy Sources" tries to stimulate the use of alternative energy sources. However, their effectiveness in the modern market conditions is rather insufficient, very often the produces need to re-equip the production and this requires a significant amount of investments. Law of Ukraine "On Energy Saving" from 01.07.1994 №74/94-VR is aimed at complex use of economic instruments and incentives for redirection of administrative, academic and technical and economic activity of enterprises, institutions and organizations to rational use and saving of energy resources.

The estimation of public authorities in 2015 made by VoxUkraine group [2] on four criteria: 1) experts estimation; 2) public estimation; 3) legislative activity; 4) implementation of the program of Cabinet of Ministers of Ukraine, showed the rating of ministries, which can indirectly testify the effectiveness of reforms. Among ministries mentioned in Table 1 the best ones are Ministry of Economic Development and Trade of Ukraine, Ministry of Finance of Ukraine, Ministry of Justice of Ukraine, Ministry of Social Policy of Ukraine. The average rating belongs to Ministry of Regional Development, Building and Housing and Ministry of Infrastructure of Ukraine. Ministry of Energy and Coal Industry of Ukraine, Ministry of Education and Science of Ukraine are the least effective.

Ministry of Finance of Ukraine succeeded in external debts restructuring and implementation of the e-Data system. In its turn, the interaction concerning the amendments to Tax Code of Ukraine and approval of a state budget were the main failures.

Ministry of Economic Development and Trade of Ukraine succeeded in the implementation of the system of electronic procurement tenders, increase the level of deregulation (through reducing the number of certificates and licenses). At the same time the economic policy was not gradual, and the privatization plan failed.

Ministry of Justice of Ukraine imposed new online services facilitating the access to administrative services of individuals and legal entities, opened new



registries. However, at this stage it is unable to support the judiciary reform.

Ministry of Social Policy of Ukraine in general had problems with efficiency of the Pension Reform.

Ministry of Education and Science of Ukraine succeeded in creation of regulatory norms for the free competition of education programs of different universities and provision of their autonomy, what can improve the situation with training and methodological support of strategic professions.

Ministry of Infrastructure started reforms in the railway transport sphere.

Ministry of Energy and Coal Industry of Ukraine succeeded in reducing the dependence of energy sphere on Russia and occupied territories. However, it continued the trade of energy and electric power with occupied territories.

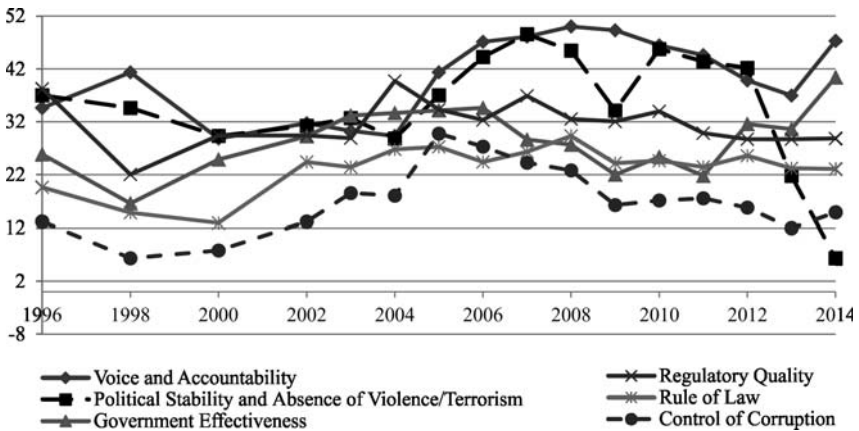
Ministry of Regional Development, Building and Housing established an effective cooperation with Ministry of Economic Development and Trade in the area of fiscal decentralization.

From the legislative activity point of view there were four the most active Ministries – Ministry of Economic Development and Trade of Ukraine, Ministry of Finance of Ukraine, Ministry of Justice of Ukraine and Ministry of Social Policy of Ukraine.

The general trends in main institutional priorities provision can be estimated with use of the World Bank’s Worldwide Governance Indicators [10] – Graph 1.

Graph 1

**Worldwide Governance Indicators, Ukraine, 1996-2014,  
percentile rank**



Source: The World Bank [10]

Their dynamics from 1998 to 2008 evidences the improvement of stimulating economic development institutions. The Government Effectiveness indicator is the exception, it started to decline in 2006, Control of Corruption indicator which reached the highest point in 2005 and has been declining up to 2014 year. The indicators of Rule of Law and Regulatory Quality are stagnant during last four years. The most significant decline was shown by Political Stability and Absence of Violence/Terrorism, which is the principal factor along with corruption affecting the investments in the Ukrainian economy. At the same time the mechanisms of electoral process and government effectiveness has improved. The values of the indicators remain at quite a low level. Taking into consideration that the maximum value is 100, Ukraine has the best indicator of 50 percentile, while the lowest value in Poland in 2014 is 71 percentile (Control of Corruption).

### **Conclusions**

1. We can summarize that development institutions in the Ukrainian economy require a special attention of state authorities because:

- the definition of institutions aims and tasks is fairly blurred, they are not completely aimed at general economic challenge solution – production modernization on the base of innovation technologies;

- there is no transparency and objective control in the institutions activity;

- financial resources, allocated to the problem solution of institutions functioning are insufficient;

- low capitalization of development institutions stipulates the reduction of their potential in the realization of big modernization and innovation projects [5, p. 50].

2. A state is a part of autopoiesis system aimed at self-reproduction due to more accomplished mechanisms of their functioning. The attainment of such state of the system it is necessary both to develop and implement the mentioned mechanisms in the form of legislation and to attach all market agents to enforce the laws.

The “creation of future” for self-reproduction of socio-economic macro-system and its security requires the overcoming of existing structural and institutional distortions: corruption, society and economy shadowing, destruction of the integrity of state macrosystem, losses of human capital and degradation of culture as a basis of development.

3. The state of components of modernization institutional environment in Ukraine evidences about rather neutral trends than about the success of public reforms. It is related to the low level of legislation enforcement by society and government bodies because in general most reforms are completely reasonable and potentially successful. Political Stability and Absence of Violence/Terrorism and Rule of Law are the most problematic spheres in Ukraine.

4. Insufficient efficiency of institutional reforms held by a state is also stipulated by the fact that the budget financing is allocated to the organizations which are not responsible for the results.

Thus, fundamental institutional transformations for economic modernization should be carried out after the crisis taking into account all necessary investments.

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### **THE USE OF NATURAL AND RECREATIONAL AREAS FOR TOURISM DEVELOPMENT: EUROPEAN EXPERIENCE**

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*The article is devoted to the development of natural recreational areas on the example of leading countries of the European Union. The key factors, trends and prospects of formation of the recreational areas for the needs of the tourism industry were identified. The article proves that an important task of effective development of natural recreational areas is to reduce the negative impact of the economic environment and creating high-quality tourism products in the EU. Recreation and tourism activities in the nature reserve fund is organized according to the functional zoning and projects of the territory of national parks and regional landscape parks, conservation, restoration and recreational use of natural systems and facilities projects of the organization, territory and biosphere reserves, protection of natural systems and maintenance projects and reconstruction of parks, monuments of landscape, architecture projects of the territory zoos, botanical gardens, arboretums. The European experience of creation and development of protected areas is analyzed, using a range of international, pan-European and regional conventions and EU directives aimed at preserving biodiversity and creating the basis for effective professional service and exquisite practical environmental education, eco-tourism and thematic tours. It is necessary to ensure a balanced development of Ukraine natural areas and use their potential to organize tourism activities. Some recommendations are proposed to further accelerate the development of natural recreational areas in Ukraine. Due to insufficient proportion of area of territories of nature reserve fund is necessary to develop multi-level target complex programs of natural and recreational areas, as they are they are a powerful tool of activization of reserves of the economic and social growth of the regions.*

*The development of natural and recreational areas will provide the necessary guidance that will allow you to determine dominant trends, the approximate quantitative parameters of socio-economic and environmental development, its place in the interregional division of labor, to set and adjust in the predicted*

development of national and regional markets have their own regulatory impact on economic and social processes.

The implementation of development programs will help to ensure the effective functioning of the regional economy, use of natural, recreation and tourism, human resources and scientific production potential, geopolitical position, improve the quality of life of the population of regions, as well as sustainable socio-economic growth.

**Keywords:** natural recreation area, tourist activities, the European experience, capacity, resources, Nature Reserve Fund.

**Чычкэліук Т.О. Розв'язок абсарв'у натурално-рекреацыйных: дошвядченя еуропейске.**

Артыкул застал пошв'ячаны развожу абсарв'у натурално-рекреацыйных на прыкладзе паіств Унї Еуропейскей. Окрэслано г'ловныя чыныкн, тендэнцы і перспектывы кшталтаваня тэрэн'у рекреацыйных для патрэб браншы турыстычнай.

В артыкуле узасаднано, же важным заданнем ефэктыўнага развожу абсарв'у натурално-рекреацыйных jest змнїежсненя негатыўнага в'п'ыву оточэння гаспадарчага і тварэння прадуктаў турыстычных высокей якасці в УЕ. Дзяталнасць рекреацыйно-турыстычна в натурално-рекреацыйных абсарвах повинна уваг'лядаць вымагн: загаспадараваня прастэрэннага oraz пражектаваных парк'у народowych і рэгіанальных парк'у крајобразowych; охроны, консервацы і выкорыстаня рекреацыйных натуральных сysterмаў; пражектаў рэзерват'у бясферы oraz охроны сysterмаў натуральных і утрыманя пражектаў і рэканструкцы парк'у, зabyтк'у архітэктуры крајобразу пражектаў zoo, огрод'у ботанічных, парк'у дендралагічных.

Аналізавано дошвядченя еуропейске тварэння і развожу абсарв'у хроніонных пры ўжыцці шэрегу міжнародowych, еуропейскіх і рэгіанальных канвенцы і дырэктыв УЕ маючых на целу захаваня р'азнароднасці біалагічнай і тварэння на іх падставе ефэктыўных і заавансаваных услуг практычнай едукацы екалагічнай, екотурыстыкн і выцечек тэматычных. Дзяталаня тэ с'я канечныя з увагн на заавансаваня зр'авнаважаня развожу абсарв'у прыроднічных Україны, абы выкорыстываць іх патэнцаў для дзяталнасці турыстычнай.

Прэдставіано рэкамэндацы для заавансаваня далшага прыспяшэння развожу абсарв'у натурално-рекреацыйных на Україне.

**Слова клучовыя:** абсары натурално-рекреацыйныя, дзяталнасць турыстычна, дошвядченя еуропейске, патэнцаў, засобы, натуралны фондусь рэзервовы.

**Чычкэліук Т.О. Розв'язок прыродно-рекреацыйных тэрыторій: еуропейскій досвїд.**

Статтю прысв'ячано разв'язку прыродно-рекреацыйных тэрыторій на прыкладі првідних країн Європейского Союзу. Визначено голівні

фактори, тенденції та перспективи формування рекреаційних територій для потреб туристичної індустрії. У статті обґрунтовано, що важливим завданням ефективного розвитку природно-рекреаційних територій є зменшення негативного впливу оточуючого економічного середовища та створення якісних туристичних продуктів в країнах ЄС. Рекреаційно-туристична діяльність на території об'єктів природно-заповідного фонду організовується відповідно до функціонального зонування та проектів організації території національних природних парків і регіональних ландшафтних парків; охорони, відтворення та рекреаційного використання їх природних комплексів і об'єктів; проектів організації території біосферних заповідників та охорони їх природних комплексів, а також проектів утримання та реконструкції парків-пам'яток садово-паркового мистецтва, проектів організації території зоопарків, ботанічних садів, дендропарків.

Аналізується європейський досвід створення і розвитку заповідних територій, використовуючи низку міжнародних, всеєвропейських, регіональних конвенцій і директив Європейського Союзу, орієнтованих на збереження біорізноманіття та створення на їх основі ефективних і вишуканих професійних послуг практичної екологічної освіти, екологічного туризму і тематичних екскурсій. Для цього необхідно забезпечити збалансований розвиток природних територій України та використовувати їх потенціал для організації туристичної діяльності.

Запропоновано рекомендації для забезпечення подальшого прискорення розвитку природно-рекреаційних територій в Україні.

**Ключові слова:** природно-рекреаційна територія, туристична діяльність, Європейський досвід, потенціал, ресурси, природно-заповідний фонд.

**Чичкалюк Т.О. Развитие природно-рекреационных территорий: европейский опыт.**

Статья посвящена развитию природно-рекреационных территорий на примере ведущих стран Европейского Союза. Определены главные факторы, тенденции и перспективы формирования рекреационных территорий для нужд туристической индустрии. В статье обосновано, что важной задачей эффективного развития природно-рекреационных территорий является уменьшение негативного влияния окружающей экономической среды и создание качественных туристических продуктов в странах ЕС. Рекреационно-туристическая деятельность на территории объектов природно-заповедного фонда организуется в соответствии с функциональным зонированием и проектов организации территории национальных природных парков и региональных ландшафтных парков; охраны, воссоздания и рекреационного использования природных

комплексов и объектов; проектов организации территории биосферных заповедников и охраны их природных комплексов, а также проектов содержания и реконструкции парков-памятников садово-паркового искусства, проектов организации территории зоопарков, ботанических садов, дендропарков.

Анализируется европейский опыт создания и развития заповедных территорий, используя ряд международных, всеевропейских, региональных конвенций и директив Европейского Союза, ориентированных на сохранение биоразнообразия и создание на их основе эффективных и изысканных профессиональных услуг практического экологического образования, экологического туризма и тематических экскурсий. Для этого необходимо обеспечить сбалансированное развитие природных территорий Украины и использовать их потенциал для организации туристической деятельности.

Предложены рекомендации для обеспечения дальнейшего ускорения развития природно-рекреационных территорий в Украине.

**Ключевые слова:** природно-рекреационная территория, туристическая деятельность, Европейский опыт, потенциал, ресурсы, природно-заповедный фонд.

Introduction

The modern tourism industry – is one of the most highly profitable and most dynamic sectors of the world economy. The main reasons for this are the growing demand for travel and a relatively high level of profitability of the industry. In most countries, tourism plays a significant role in the economy, promoting social development of regions, filling the state budget. Tourism accounts for about 10% of the world’s gross national product, the world investments, all workplaces and world consumer expenses.

For any state tourism, both outbound and inbound, is of great importance, as it is a serious item of financial income. There are many countries where it is one of the main sources of income. Of course, important for the development of both international and domestic tourism of the country are its tourist resources that are the main purpose of travel. Tourism resources of the country can be divided into three groups: recreational (natural), objects that represent the historical and cultural past of the country, and objects that show modern economic achievements of the country. Tourism development involves the maximum use of natural, historical and cultural features of territories, infrastructure and productive and non-productive sectors of the economy, administrative-territorial division with the requirements of Natural Resources and Environment [5].

Lately the actual problem is to preserve natural areas of tourism and recreation of people. Among the varieties of special tourism prevalent forms of

tourism, carried out mainly in recreational areas of national parks, biosphere reserves, regional landscape parks.

### **Analysis of recent research**

The research perspective of efficiency of development of natural-recreation areas and modern recreational nature management in the areas of environmental value have been studied by many domestic and foreign scientists including Andreeva N.A., Bohatiuk I.G., Vorobyov O.A., Goral L.T., Diadechko L.P., Zhukov M.O., Zorin I.V., Kadnichanska M.I., Kyfyak V.F., Korzhyk V.P., Kiptenko V.K., Malska M.P., Poletaev L.M., Savchenko Y.V., Tkachenko V.I., Fedorov G.V, Chornen'ka N.V., Shvets I.Y., Shkola I.M., Shulgina L.M., etc.

### **Statement of research objectives**

The purpose of this article is to study the experience of European Union countries in the development of natural and recreational areas and natural resources of protected areas in the implementation of measures to promote tourism and recreation.

### **Results**

Natural and recreational area, as defined by the International Union for Conservation of Nature (IUCN) is a territory or water area intended for protection and maintenance of biological diversity, and of natural associated cultural resources, protection of which is established by law or by other means.

The IUCN defines six categories of protected areas:

1. Biosphere reserve: the area with the highest level of protection, protected for conservation and scientific research;
2. National Park: protected area, intended primarily for the protection of ecosystems and eco-tourism;
3. The natural monument: a protected area, designated mainly for conservation of specific features of nature;
4. Reserve: the area of the protection of individual species: a security area, intended primarily for the protection of certain species, often with the deliberate interference into the ecosystem;
5. Protected relief: protected area, intended primarily for the protection of the relief/landscape and tourism;
6. The territory of controlled nature: protected area, intended primarily for long-term economic use of natural ecosystems [6].

An international policy on protected areas dates back to 1972, when the Stockholm Declaration of the UN Conference on the environment was signed. It found that the protection of samples of all major ecosystem types should be a fundamental requirement of national programs for the conservation of nature. Since that time, the protection of such ecosystems became the guiding principle for the establishment of biological reserves, supported by several international treaties and UN resolutions – in particular the world natural Protocol of 1982,



the Declaration of Rio de Janeiro in 1992, and Johannesburg Declaration 2002. It was one of the first signed international conventions in Paris in 1902, which aim was the protection of birds that benefit agriculture. And in 1950, again in Paris, it was signed a new concept for the protection of wild birds generally.

In February 2, 1971 the convention in the Iranian city Ramsar was signed with the initial aim of drawing global attention to the problem of saving water - wetlands where breeding, resting and wintering waterfowl. Gradually the purpose of the Convention was expanded and now it covers all aspects of conservation and sustainable use of wetland ecosystems, valuable for the conservation of biological diversity and human existence. This Convention is the first global agreement on the protection and conservation of natural resources. The mission of the Convention is to halt the loss of wetlands and to preserve existing. The Convention contains legislation for the conservation of wetlands and other important environmental documents [8].

As of April 25, 2014 the participants of the Convention are 168 states on which territories there are 2.181 Wetlands of International Importance of 208,545,658 hectares of total area. In 1979 it was signed the Convention on the Conservation of Migratory Species of Wild Animals (Bonn, Germany) in order to create conditions for the conservation of migratory species and areas of their existence. One key was the Convention on Biological Diversity (Rio de Janeiro, Brazil, 1992), which sharpened attention to the conservation of biological diversity, sustainable use of its components and equitable sharing of benefits arising from the utilization of genetic resources. In 1979, in Switzerland, it was concluded the Convention on the conservation of wild flora and fauna and natural environments, which provided for the conservation of wild flora and fauna, particularly of species that are endangered or vulnerable, and in 1995 in Sofia (Bulgaria) it was concluded the Convention on the conservation strategy of biological and landscape diversity. The purpose of this event was to reduce threats to biodiversity and landscapes; improving the environmental integrity of the whole Europe and most importantly full involvement of the public in matters of conservation of biological and landscape diversity.

In 1992, in Bucharest, in order to reduce pollution of the marine environment of the Black Sea, and environmental protection, it was signed the Convention on the Protection of the Black Sea against pollution. Chronologically, the next event was the European Convention on cooperation for the protection and sustainable use of the Danube River (Sofia, Bulgaria, 1994). It also provides for sustainable use of water resources, rational use of surface and underground water catchment area of the river [2]. A good example of the protection of wild birds and their habitats, through the creation of special protected areas demonstrated by a number of European Union Directives on the conservation of wild birds, flora, regulation of trade in wild fauna and flora threatened of extinction.

An important contribution to environmental protection was the project “Environment for Europe”, initiated by the European Environment Commission of the UN, which included international meetings at various levels, most important of which were the Pan-European Conference of Ministers of Environment. The first of these conferences was held 21-23 June 1991 in Dobryshi (former Czechoslovakia), which was attended by ministers from 34 European countries. The next conference was held in Lucerne (Switzerland), 28-30 April 1993, where the number of states - participants reached 45. Nearly 5 years (23 - 25 June 1998). Aarhus (Denmark) hosted a meeting of over 50 countries that have confirmed their intentions to improve the environment of Europe. In May 2008, Kyiv became the center of the events of the “Environment for Europe”, which also discussed biodiversity strategy, strategy of environmental education for sustainable development, and others. As the main conclusion of solving this problem it is showed the need for the establishment of protected areas. Significant role in the creation of nature - protected areas play an international environmental organization. Thus, in 1962 the UN General Assembly adopted resolutions on the protection of nature, which identified the protection of the environment following decade. Since 1973 a specialized Agency “UN environment programme” (UNEP) began to operate, which aims the establishment of a worldwide system of stations for monitoring the status and changes of the biosphere.

Significant contribution to the development of protected areas has made the international Union for conservation of nature and natural resources (IUCN), which was established in 1948 in Fontainebleau near Paris. Constant attention to the IUCN focuses the creation and protection of reserves and national parks, improvement of legislation on nature protection, promotion of environmental knowledge and environmental attitudes, the training of specialists for the protection of nature [1].

In 1963 the World Wildlife Fund was founded, whose main task was assisting in the establishment and improved operation of nature reserves and national parks, collecting environmental information and sharing.

In addition, protected areas are the basis for environmental education, which creates a sense of harmony in human relations with nature and environmental optimization. In fact, in all European countries now established national environmental institutions to which we belong reserves, national parks, landscape parks, natural museums, which are habitats implementation of environmental education, conducting educational activity. The effective nature of such institutions is that they are scientific and educational personnel, there are well developed information base, is the ecological monitoring of the natural environment, there are opportunities through libraries, museums to combine theoretical and practical aspects of scientific research.

According to the World Tourism Organization, tourism in protected areas is among the five key strategic directions of tourism development for the period till 2020. The development of tourism is closely linked to the history of separation of territories, particularly attractive from an aesthetic and recreational point of view, the development of standards of use and protection [2].

There are 280 national parks, which together cover an area of 11.8 million ha in Europe. By the number of such parks in the top five are Finland, Sweden, Poland, Norway, Italy, and by the size of their territories – Norway, Italy, UK, Romania and Germany. Significant areas of unspoiled nature have been preserved in Northern Europe. There are 3 national parks, a natural floral reserve, and 15 shelters for the birds on the Islands of Svalbard (Norway). The share of natural areas in the total area of this country is 30.5%.

The natural heritage of Poland – is its natural scenery. National parks, nature reserves and the vast majority of natural areas, which occupy a total of about 35% of the entire country, are protected.

The territories located in the northeastern part of the country (“Green lungs of Poland”), and the areas of Transcarpathia have special value. There are totally 23 beautiful national parks in Poland.

South-East Poland is widely known as a region with unique natural features. Valuable natural areas are protected by law. There are two national parks (it is planned to create a third), 70 nature reserves, 11 landscape parks, 21 landscape reserve and over 1200 natural monuments. Mentioned areas occupy 50% of the area of the Polish part of the Carpathian Euro region.

National Parks of Poland occupy less than 1% of the territory. In some national parks conservation area in Poland does not allocated because almost the entire territory of the park is occupied by recreational areas and hiking trails. An example of such an organization is Babia Góra National Park – a modern tourist “Mecca” of Poland.

A visit to almost all Polish national parks may occur without the accompaniment of a guide. The only exception is the area of full protection of the Białowieża national Park, where the size of groups of visitors is limited and visits is accompanied by a guide. However, in this case the number of groups of visitors is not limited. Therefore, groups can visit the area of full protection one after another [7].

Norway has 44 national parks, 37 – on the mainland and 7 – on Svalbard archipelago. Their stunning beautiful landscapes from underwater mountain peaks are waiting for you. Several national parks have arrangements for outdoor recreation, as well as marked trails for hikes and overnight, organized both in hotels and cottages. In vulnerable areas the impact of visitors and tourists is limited by the minimum selection of routes and places of residence.

There are 14 National Park Information Centres for visitors. In each of them you can obtain General information on all Norwegian national parks and

detailed information about the places of visit. You can also learn about available entertainment and active tourism in nature, local history and cultural heritage.

In Norway everyone has the right of free access to nature, including visiting national parks.

France reserve fund system consists of 9 national parks located both in European France and its overseas territories, 49 regional parks and hundreds of small protected areas, forming one of the largest ecological zones in Western Europe. The government Agency – Management of national parks (FR. Parcs Nationaux de France) manages parks in France. Regional nature parks were established by agreement between local authorities and Central government, and their territory is reviewed every 10 years.

National parks of France occupy almost 9% of its area (about 48.7 thousand sq km), they are visited by 7 million people a year. The French reserves are not purely natural in the usual sense – in their territory active tourism is actively developing; there are plenty of historical monuments and cultural heritage sites, agricultural areas and forest areas. It is not surprising that the share of protected areas account for 10% of foreign visitors. Most French are much more active in this regard – to 23% of domestic tourism in one way or another have to reserves [4].

In Ukraine half (56%) of the area of natural reserve fund occupied territories and objects of national importance. Among them, 19 natural and 4 biosphere reserves, 17 national parks, 306 nature reserves, 132 natural monuments, 18 botanical gardens, dendrological 19 and 7 zoological parks, 88 parks, monuments of landscape architecture. The share of area of territories and objects of certain categories in the NRF is: nature reserves of 5,5%, biosphere reserves and 6,7%, national parks – 32,5%, regional landscape parks – 17,3%, reserves – 34,2%, nature monuments 0,7%, and reserved tracts of 2,6%, Botanical gardens, dendrological parks, Zoological parks and parks-monuments of landscape art, together with 0,5% [1].

Since 1991 the area of the NRF of Ukraine has more than doubled or 2,0 million ha. Now it includes 7739 territories and objects with total area of over 3,5 million ha, which represents 5,7% of the territory of the state.

But despite this, the NRF area in Ukraine is insufficient and remains much lower than in most European countries where the fraction of wilderness protection is 15%. The extent of protected areas in Europe per person is about 2220 m<sup>2</sup>, 570 m<sup>2</sup> in Ukraine.

According to the scientists to preserve the steppe ecosystem and maintain ecological balance in the steppe regions the percentage of protected areas should be about 8-10%.

About the prospects for growth are worth noting such discrepancies in the legislative acts. For example, the draft National program of development of reserves for the period up to 2020 envisages an increase of up to 10% (by 2020),

while in the Law of Ukraine “About State program of forming of national ecological network of Ukraine” to 10.4% by 2015 [3].

### **Conclusions**

The relevance of development in the territories of the NRF recreation and tourism activity, in our opinion, is obvious. Under article 9 of the Law of Ukraine “On Natural Reserved Fund of Ukraine”, one of the uses of territories and objects of the NRF is the use of the wellness and other recreational purposes.

Given the advanced experience of European countries in Ukraine there is a need to develop multi-level target complex programs of natural and recreational areas, as they are a powerful tool of activization of reserves of the economic and social growth of the regions.

Their implementation will allow to solve regional problems caused by state financial difficulties. Development of programs of development natural and recreational areas will provide the necessary guidance that will allow you to determine dominant trends, the approximate quantitative parameters of socio-economic and environmental development, its place in the interregional division of labor, to set and adjust in the predicted development of national and regional markets have their own regulatory impact on economic and social processes [8].

The implementation of development programs will help to ensure the effective functioning of the regional economy, use of natural, recreation and tourism, human resources and scientific production potential, geopolitical position, improve the quality of life of the population of regions, as well as sustainable socio-economic growth.

Therefore recreational and tourist activities are organized in accordance with functional zoning and the organization projects of the national natural parks and regional landscape parks, protection, reproduction and recreational use of natural complexes and objects, projects for the management of biosphere reserves and the protection of their natural systems and projects maintenance and reconstruction of parks-monuments of landscape art, the project organization of the territory of zoos, botanic gardens, arboreta [4].

Recreational activities within the sanctuaries and monuments of nature can be carried out while ensuring the protection and preservation of their natural complexes in accordance with the provisions of the reserves and security obligations of owners or users of land, water and other natural features, declare protection areas or natural monuments.

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**Section 2. INTERNAL POLICIES**

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## **GENESIS OF EXECUTIVE POWER REFORMING OR WHAT HINDERS UKRAINE TO CONDUCT REFORMS**

Ukraine's ratification of international treaties, including the Agreement on Association between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other hand, new challenges such as democratization of society, urgent reforms, fight against corruption, purification and renewal of power, and other factors necessitated the creation of developed and stable democracy, market economy and also realization of political, social, economic, legal and institutional reforms, gradual adaptation of Ukraine legislation to the EU standards. The research results of genesis of executive power reforming in Ukraine are disclosed. Some main strategic documents, the creation of legislation system and processes that accompany the reforms in public administration and civil service are analyzed in time. Methodological approaches to the implementation of a new integrated mechanism of public administration that can solve any problems on the way of creation of legal democratic country were determined, scientifically substantiated and suggested. The necessity of setting up of an independent national organ with appropriate powers at the time of the public administration and civil service reforming was proved. Affective, transparent, open and flexible structure of public administration should be established. It is determined that the effectiveness of the reformed system will depend primarily on the availability of a sufficient number of trained public servants who have the skills to take management decisions in specialty "Public management and administration." It requires urgent work within national legislation adopted to the EU legislation, new standards and syllabi with European experience and requirements for training of future specialists of appropriate levels of training (Bachelor, Master, PhD, Doctor of Science). Also marked that is also needed to take into con-



sideration the deficiency of personnel - retraining of civil servants and local government officials to improve their professional competence for the proper performance of their duties.

**Keywords:** public management and administration, public administration, complex mechanism of public administration, administrative reform, decentralization, administrative and procedural code, Twinning, TAIEX, SIGMA programs, reforms in public administration and civil service.

**Jemeljanow W.M., Stojan O.J. Co przeszkadza Ukrainie realizować reformy albo geneza reformy władzy wykonawczej.**

W artykule przedstawiono wyniki badań genezy reformy władzy wykonawczej na Ukrainie, przeanalizowano kilka istotnych dokumentów strategicznych, tworzone ustawodawstwo i procesy, które towarzyszą reformie administracji publicznej i służby cywilnej. Ustalono, naukowo uzasadniono i zaproponowano podejście metodologiczne do wdrożenia nowego zintegrowanego mechanizmu administracji publicznej, zdolnego do rozwiązywania aktualnych problemów i zadań w procesie tworzenia demokratycznego państwa prawnego.

**Słowa kluczowe:** zarządzanie publiczne i administrowanie, administracja publiczna, złożony mechanizm administracji publicznej, reforma administracyjna, decentralizacja, kodeks administracyjno-procesowy, program Twinning, TAIEX, SIGMA, reforma administracji publicznej i służby cywilnej.

**Ємельянов В.М., Стоян О.Ю. Що заважає Україні проводити реформи або генеза реформи виконавчої влади**

У статті висвітлено результати досліджень генези реформи виконавчої влади в Україні, проаналізовано у часі деякі головні стратегічні документи, створення нормативно-правової бази та процеси, що супроводжують реформування державного управління та державної служби. Визначено, науково обґрунтовано і запропоновано методологічні підходи до реалізації нового комплексного механізму публічного управління, спроможного вирішувати будь-які проблеми та завдання на шляху створення правової демократичної країни.

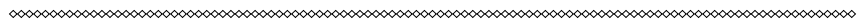
**Ключові слова:** публічне управління та адміністрування, публічна адміністрація, комплексний механізм публічного управління, адміністративна реформа, децентралізація, адміністративно-процедурний кодекс, програми Twinning, TAIEX, SIGMA, реформування державного управління та державної служби.

**Емельянов В.М., Стоян А.Ю. Что мешает Украине проводить реформы или генезис реформы исполнительной власти**

В статье отражены результаты исследований генезиса реформы исполнительной власти в Украине, проанализированы во времени некоторые главные стратегические документы, создание нормативно-правовой базы и процессы, сопровождающие реформирование государственного

*управления и государственной службы. Определены, научно обоснованы и предложены методологические подходы к реализации нового комплексного механизма публичного управления, способного решать любые проблемы и задачи на пути создания правового демократического государства.*

**Ключевые слова:** публичное управление и администрирование, публичная администрация, комплексный механизм публичного управления, административная реформа, децентрализация, административно-процедурный кодекс, программы Twinning, TAIEX, SIGMA, реформирование государственного управления и государственной службы.



### **Introduction**

Recently, the number of publications regarding realization of deep reforms initiated by the government in our country is increased in the Ukrainian media.

New challenges – the democratization of society, urgent reforms, fighting against corruption, purification and renewal of power and more. In fact, we are talking about fundamental changes in the development of society. An additional catalyst, except internal factors that led to the acceleration of these processes was a series of international agreements ratified by Ukraine, including the Ukraine–European Union Association Agreement ( a treaty between the European Union, European Atomic Energy Community and their Member States and Ukraine). This significantly increased the level of authorities and civil society responsibility because the necessity of conducting reforms became obligatory for Ukraine. The following became commitment for Ukraine:

- developed and stable democracy, market economy;
- respect for democratic principles of the rule of law and good governance, human rights;
- strengthening of cooperation in the field of environmental protection on the principles of sustainable development;
- implementation of political, social, economic, legal and institutional reforms, gradual approaching of Ukrainian law to EU standards in accordance with the directions specified in international agreements.

This is not an exhaustive list of obligations.

However, despite the commitments, effective and systematic reforms declared by the Government of Ukraine and issued in strategic documents, unfortunately, are not occurred. Criticism of the Ukrainian top officials from EU and the US affirms it. Former European Commissioner for enlargement (2010-2014 years) Stefan Füle said:

“... Kyiv... does not fully understand what reforms are necessary first of all, how to monitor the implementation and introduce changes in the European way... The reforms are realized slowly in the country as there is no effective system of responsibilities assignment, implementation schedule and coordination.” [1]

### **Statement of research objectives**

The aim of this article is an attempt to analyze some major strategic documents, creation of legal system and processes that accompany the reform of public administration and civil service. "... When we talk about the success or failure of reforms in Ukraine, treason or victory we must start from the main things... From the reform of government start all further reform, without it they are doomed to failure and braking ... Therefore, the first and absolutely necessary reform is the reform of the government, or rather the system of executive branch of government... Internal contradictions, closure and isolation from society, excessive centralization, the remains of "sectoral approach", complexity of procedures, lack of coordination, low efficiency and corruption will be and are the specific features of Ukrainian state machine." [2]

### **Results**

In support of the key words " will be and are " we will cite an assessment made in a study of the executive authorities in 2009-2010. "...Executive branch of power in general and government in particular do not fulfill their purpose - do not encourage social development ... Politicians are appointed to ministerial posts with no idea of the necessary reforms, they care mostly about their access to resources ... Total corruption and populism, manual control and work in the "firefighting" unsystematic character and financial insecurity of many government decisions make qualitative changes in the country impossible [3, c.132].

Such assessment of executive power effectiveness is inherent in all the governments of Ukraine, especially over the past 10-15 years. Since independence the society has not received almost any systematic reform. That is why there are major positive expectations both in Ukraine and abroad for reforming the government in the conditions of a great distrust of the executive branch of government (less than 2% according to social researches).

The European Union will provide Ukraine with assistance, including financial, to reform the civil service, said the Head of the EU Delegation in Ukraine Jan Tombinski "...EU assisted and can assist to improve a new service. But Ukraine will get this help providing a new law on public service will be adopted. This law is to clearly define the areas of reforms, tasks and strategies to achieve its performance" [4].

Unfortunately, the society has not been officially informed of the consequences or any other results of the reforms initiated in Ukraine after the implementation of the Concept of administrative reform (1998). The principles of this concept were the basis for public administration reform in Ukraine. The ultimate goal of the process of changes was the creation of fundamentally new modern and effective system of governance, its new institutions based on the best practices of developed democracies. By the way, the European direction of our country development was defined by strategic documents before the year 2000.

Among topical questions, the implementation of which provided the achievement of the goal, were:

- introduction of new ideology of executive power and local government that ensure the implementation of the rights and freedoms of citizens, as well as providing of state and public services;
- organization of public service and service in local government based on new principles;
- forming of an effective organization of power at all organizational and legal levels of government etc.

State Commission was created for organizational providing with administrative reform.

In the absence of official information, only thanks to scientific researches of Ukrainian scientists, who monitored the process of the administrative reform, we may ascertain that the reform occurred without standard program and action plan. Time frameworks and stages of reform implementation, list and terms for the preparation of draft of normative and legal providing, the amount of material and financial support were not defined. But the main drawback of this reform was not democratic nature of the process of reform and the lack of support from civil society [5].

On June, 8 2004 the Civil Service Development Program for 2005-2010 years was adopted by the Resolution of the Cabinet of Ministers of Ukraine № 746 (with amendments No. 776 as of 03.09.2008). The aim of this Program is to define and implement the measures aimed at ensuring of the effectiveness of government and achievement of European social standards according to Decree of the President of Ukraine No. 278 as of 05.03.2004 “On Concept of adaptation of public service in Ukraine to EU standards”. The document is in force as of 11/24/2015 and quite seriously and thoroughly prepared, but there is no information about the program implementation.

National Agency of Ukraine on Civil Service as a central body of executive branch of government was established on July 18, 2011 according to Decree of the President of Ukraine No.769/2011 through the reorganization of the Main Department of Civil Service of Ukraine. The Law of Ukraine “On State Service” No. 4050 – IV has been passed on 17th November this year.

Concept of the State Target Program of Civil Service development was passed on June, 27 2012 by the Resolution of the Cabinet of Ministers of Ukraine No. 411-p, the State Target Program of Civil Service development up to 2016 was ratified on May, 13 2013 by the Decree of the Cabinet of Ministers of Ukraine No. 350. These legal acts are not in force as of 11.24.2015. Any information about the implementation of this program is also absent despite the fact that from April 2004 according to Decree of Cabinet of Ministers of Ukraine No.485 Center for support of the civil service institutional development

for information, analytical and organizational support of public administration, strengthening the institutional ability of the civil service in Ukraine and its adaptation to EU standards was created in Ukraine. It is interesting that the mission of the Center is precisely the development of new legislation in the civil service, the introduction of the principles and procedures of public policy for the realization of the rights and freedoms of citizens of Ukraine. Where are all the achievements of the Centre and information about them?

Taking into consideration Ukraine's commitments to the EU member states and intentions of the legislative branch of power prescribed in Section VII, paragraph 2 of the Coalition Agreement "Decentralization and reform of public administration," the Cabinet of Ministers of Ukraine, approving the Strategy of reforms in public service and service in local government for the period until 2017 (hereinafter called the Strategy) in Resolution No. 227-r as of 03.18.2015, defined an integral part of strategic transformation "... approaching to European principles which are put forward to candidate countries for accession to the EU as well as the principles of" good governance" which are consolidated by the decision of the Council of Europe.

As it is defined in the Strategy, its purpose is "... to establish adequate conditions of implementation of the civil service and local government reformation in Ukraine in the medium term," and the main direction of its realization is harmonization of conformity of new Ukrainian legislation on civil service and service in local government to international and EU standards [6]. In other words the adoption of two new laws and some legal acts aimed at implementing these laws will create appropriate conditions for the implementation of the scheduled reform. Is not this just another formal unsystematic reform? The change of only two, even important laws without a radical change of administrative law, including the adoption of necessary Administrative Procedural Code of Ukraine will not approach the executive power of Ukraine to European standards. In fact, the Strategy does not even hint at the need to solve these problems. Paragraph 6 of the Action Plan regarding Strategy implementation provides the analysis of functions, authorities, structure and number of employees of central executive bodies during 2015-2017. After summarizing the information they should develop proposals concerning optimization of executive power and deregulation of state functions. In our opinion it emphasizes the lack of systematic work, including the involvement of scientists for nearly 20 years of all previous attempts to reform the Public Administration and Civil Service in Ukraine and the lack of specific proposals at the beginning of the new reform. The question as to developments of the National Agency of Ukraine on Civil Service as the national coordinator of introduction of European instruments for institutional building of Twinning, TAIEX, SIGMA. Sigma program provides support for public administration reforms in candidate countries for EU accession. Coordinating Council

on the organization and governance assessment baselines SIGMA was established according to the Resolution of the Cabinet of Ministers of Ukraine No. 186-r as of 05.04.2006 (hereinafter - Council).

Numerous meetings with the participation of the ministers and heads of other departments of Ukraine were conducted. There is no assessment and proposals which are given by the Council according to the Resolution of CMU No. 196-r as of 10.04.2006 and No. 1072-r as of 06.08.2008. SIGMA program in the sphere of modernization of public administration can be provided in the condition of the development and implementation of administrative reform.

In 2005 the European Commission decided to distribute the Twinning program in Ukraine which made possible to obtain professional systematic assistance in harmonization and adaptation of Civil Service to EU standards and requirements. One of the basic principles of Twinning projects is the requirement to envisage the elements of institutional and structural reform that after the project completion should operate independently. The implementation of Twinning facilities was approved by the Decree of the President of Ukraine as of 06.10.2005 No. 1424 and CMU No. 154 as of 07.02.2007 and other legal acts. Weren't any projects finished in that period?

In January 2012 Twinning project "Support of Civil Service in Ukraine" started. It provided European expert assistance in the preparation of quality legal acts, according to the best European practices, that are necessary for the implementation of the Law of Ukraine "On civil service". Another program SIB, with its proper implementation, could receive substantial support from the European Union for the public administration reform in Ukraine.

So we can conclude that either we have completed administration reform and there are concrete results, which should be elaborated or work involving programs Twinning, TAIEX, SIGMA has not given any results and we should start from the beginning, as it is actually written in paragraph 6 of the Action Plan.

In our opinion it is also necessary to pay attention to the necessity for proper coordination while determining the order and complexity of the reform in accordance with the Strategy for Sustainable Development "Ukraine-2020", approved by the Decree of the President of Ukraine No.5 as of 01.12.2015, including:

- a "vector of development", which defines the priority of the civil service reformation and optimization of public authorities;
- a "vector of responsibility" outlines the priority of decentralization and public administration reform.

The main purpose of the reform of public administration is building of a transparent system of governance, a professional institute of public service and ensuring of its effectiveness. As a result an effective, transparent, open

and flexible structure of public administration should be established. On this basis, having declared the departure from the centralized model of governance, public administration and civil service reforms should be done simultaneously and comprehensively, using European principles of rule of law, public service, public administration, international standards, regulating the procedures of interaction between public authorities and participants of legal relations. In this process, it is necessary to mention the draft of Administrative Procedural Code of Ukraine as of 11.14.2012 No. 11472. Despite the position of the public, the legal profession and experience of EU member states it has not been accepted yet.

Only at the legislative level, after defining the limits of administrative authority, procedure of citizen relations with the state and regulating many administrative procedures might ensure the protection of human rights and interests. All developed democratic countries have laws and codes of administrative procedures that limit the self-will of officials. The existing Law of Ukraine “On Administrative Services” is only the first positive step, but it does not solve the main problem – consolidation of human rights and freedoms, which is the main function of the state. State priority over a person, a citizen must be left in the past [7].

Therefore, taking into consideration all given the above, a comprehensive reform of public administration and civil service should define the forms, methods, principles of activities of all executive authorities and their officials. This should be the standards of national legislation with international experience and the real possibilities of their implementation. It is obvious that conducting the reform in this way we may mention in the Strategy comprehensive systemic change of legislation and steps to be taken in implementing Ukraine’s legislation to EU one. Perhaps the situation with reforms can radically change the National Council of reforms established by the Decree of the President of Ukraine as of 07.23.2014 No. 614. The National Council of reforms is a special consultative - advisory body under the President of Ukraine, its main task is to prepare proposals for strategic planning of reforms, their coordinated implementation and monitoring of its implementation.

We think it is necessary to note the position of the relevant Committee of the Verkhovna Rada of Ukraine on state construction, regional policy and local government, who took the logical position in civil service reforming. The draft of the Verkhovna Rada Decree No. 2552-a “On taking measures concerning civil service reform in Ukraine” was rejected while voting in the Verkhovna Rada of Ukraine and set fully correct tasks for the Government of Ukraine.

Why do you think it is necessary to talk about the complexity of public administration reform and civil service?

The answer is obvious. This reform will essentially create a new integrated mechanism of public administration that is able to solve any problems and tasks towards the creation of a democratic country. In this process the institute of the

civil service will always be primary due to the fact that in the administration, as in a social phenomenon, a person is a subject and object of administrative influence serving. The organs of the executive branch of power have specific staff, the majority of whom are civil servants who held post and perform their functional duties in accordance with the Law of Ukraine “On civil service”. By changing the legislative, implementing a series of coordinated measures on completion of reforms we will be able to get the institute and new organizational structure of public administration.

The world scientific thought and practice developed a peculiar concepts and categorical apparatus, including: public government and politics, public administration and public management, public service and public administration bodies, the principles of public administration etc. The essential distinction of the principles of public administration is that they are always secured by various legal acts and this gives them the necessary weight in the relationship between public authorities and citizens. It is necessary to improve current legislation, not only on the civil service and service in local government, but also the system of public administration and administrative law because of the lack in Ukrainian existing laws of these concepts, legal definitions, the role of which is very great. By the way it relates to the new draft legislations No. 2490-1 and No. 2489 (“On Civil Service” and “On service in local government”).

Ukrainian scientists-specialists in public administration, lawyers have sufficient theoretical and practical developments, including in administrative and legal science, knowledge on the legislation of EU member states, especially in the sphere of European principles of administrative law. They can provide the necessary counsel and a real help to the authorities in public administration and civil service reforming.

Among scientists, there is also reasoned viewpoint regarding the terms of the European model of public administration realization in Ukraine, in particular:

“... We need to understand that the European model of governance is the result of long-term development of European countries, permanent scientific researches, experiments and coordination of innovation with civil society.... We can achieve it after a long and deliberate Europeanization of our own public and state entity. Despite the attractiveness of the European model of governance, it has become clear that it can’t be implemented in the current situation of Ukraine, as society and the state lack two things: the necessary level of economic, political, social, institutional maturity and good health in these aspects”. [8]

Perhaps at this point the Strategy defines the goal as the creation of the appropriate conditions for implementing civil service reform in the medium term. That is, without specifying in time and creating only proper conditions.

And the following, writing out of European principles and the principles of “good governance” in our laws and legal acts is not a big problem for the



executors. There is no need to develop the Strategy and spend a lot of time on it. Our scientists say that: "... Classification of the main European principles of administrative law in the relationship between public administration and citizens is developed with the participation of experts from the Council of Europe (CoE) and published in the manual CoE "Administration and You" (1996). It provides isolation of two main groups of relation principles between public administration and citizens ... 1) material principles ... 2) procedural principles ... that helps to clearly understand their meaning and application features ... previously mentioned classification should be refined and expanded considering the latest researches conducted under the auspices Council of Europe and the EU aimed at creating of Modular code of good administration [9]

Perhaps nevertheless, the essence of the reforming process in paragraph 1 of main part of the Strategy of the civil service and local government reforming in Ukraine till 2017 "... An integral part of strategic reforms, initiated in Ukraine, is approaching of civil service and service in local government to the European principles which apply to candidate countries for accession to the EU as well as principles of good governance which are enshrined by the decision of the Council of Europe". It leads to questions:

- Will Ukraine get reform completed or will it be another "approaching"?
- What is the limit of this approaching? And how must it be formulated in legal documents?

### **Conclusions**

Summing up, it is necessary to state that:

1. For more than 20 years of Ukraine independence the system of power has not been stabilized. Frequent changes of the Constitution of Ukraine and national laws and directions of internal and foreign politics made the country weaker. The lack of legal succession in processes of initiated reforms, including involving of European instruments of institutional development with changes of membership of the Verkhovna Rada of Ukraine, President of Ukraine and the Government of Ukraine, hinders or stops the sequential development of the state with developed and stable democracy, market economy, in which the rule of law, good government dominates, respect for the rights and freedoms of citizens ensures;

2. Ukraine definitely needs a radical change in the existing system of executive power, but establishment of a new system requires systematic and coordinated cooperation of Ukrainian and foreign experts in the theory and practice of management, administrative and private law, as well as civil society participation;

3. In conditions of uncompleted process of separating governance from political influence and politics from business, the executive branch of government can not be reformed by its own. Obviously we need an independent national

organ with appropriate powers at the period of reforms. World experience has such precedent;

4. Reforms always require time, significant additional financial and human resources, support in society and it requires reasoned action plans and appropriate proposals;

5. The low quality of civil servants proficiency and local government officials hinders the successful reforms. The effectiveness of the reformed system will depend primarily on the availability of a sufficient number of trained public servants who have the skills to take management decisions in specialty “Public management and administration.” It requires urgent work within national legislation adopted to the EU legislation, new standards and syllabi with European experience and requirements for training of future specialists of appropriate levels of training (Bachelor, Master, PhD, Doctor of Science). We should also take into consideration the deficiency of personnel - retraining of civil servants and local government officials to improve their professional competence for the proper performance of their duties. We hope that work on the creation of a National qualifier, the scope of training in the field of knowledge “Management and Administration” and specialty “Public Management and Administration” will be completed in Ukraine in a short period time according to the Strategy. It can ensure a high-quality training of specialists, taking into account the world experience on the principles of public administration and sustainable democracy. To complete our analysis, we consider the interview of European Commissioner for European Neighbourhood Policy Johannes Hahn to publishing house “European truth” 11.19.2015 to be appropriate in the part concerning civil service reform:

“... In fact – yes, civil service reform is very important ... Our state needs it, and we do plan to invest the most effort here ... But we will not finance it as long as there is no concept of reform. Ukrainian authorities must finally understand it. Until authorities in Kiev understand it, we will not reach the goal. We need concretization, which is not sufficient. And do not forget that there are well-qualified people in the civil service. This is exactly what we need to change the relations with Ukraine. In the past, we often financed promises. It is time to finance only results. Now there is not a civil service law, but the question is not only in it. Legislation is just a top. We must have a clear vision of where there is a need, where a problem. What are the threats to the success of the reform; what qualification requirements; what will happen in case of discharge of working people. All this should be in a reform concept.” [10].

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## **UNDERSTANDING PECULIARITIES OF POLITICAL CORRUPTION: STATE-ADMINISTRATIVE ASPECTS**

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*This article presents the topical issue of political corruption in the light of public administration, focuses on the conceptual and categorical apparatus and social component of corruption in the political sphere. The most dangerous for society is political corruption. Political corruption is not only bribery of officials and politicians at different levels at its core. First of all, it is corrupt actions that affect the process of government formation and cause the changes in political decision-making. The point is that political corruption can be either offense or completely legitimate activity. If sanctions provided by law, this type of corruption can be qualified as a crime. Accordingly, it's easier to bring to justice the offenders. Unfortunately, as it often happens, offenders have the opportunity to create an appropriate legal framework were their activity is fully authorized. It creates a certain incident when norms are substituted and public opinion on government dishonesty is formed. The manipulation of such kind with regulatory framework to some extent can be exposed by international standards due to its invariability. The difficulty lies in the fact that often political corruption is only assumed if political motives of obtaining, preserving or distribution of power is present. That's why the use of all opportunities to overcome such a phenomenon is important. It is important to attract the general public, conducting educational and information campaigns etc. The activity of NGOs in anti-corruption activities, especially in the political sphere, can really hinder the illegal or harmful actions and forming public opinion on this issue.*

**Keywords:** *political corruption, administrative activity, authority decisions, bribery, civil society.*

**Beglycia W.P. Specyfika rozumienia korupcji politycznej: aspekt publiczno-administracyjny.**

*W artykule przedstawiono aktualny temat korupcji politycznej w świetle administracji publicznej. Skupiono się na definicjach i komponencie społecznym korupcji w sferze politycznej.*

**Słowa kluczowe:** *korupcja polityczna, zarządzanie, decyzje władzy, lapówkarstwo, społeczeństwo obywatelskie.*

**Беглиця В.П. Особливості розуміння політичної корупції: державно-управлінський аспект**

*У статті розглядається актуальне питання політичної корупції крізь призму державного управління, робиться акцент на понятійно-категоріальному апараті та соціальній складовій корупційної діяльності в політичній сфері.*

***Ключові слова:** політична корупція, управлінська діяльність, владні рішення, хабарництво, громадянське суспільство.*

**Беглиця В.П. Особенности понимания политической коррупции: государственно-управленческий аспект**

*В статье рассматривается актуальный вопрос политической коррупции через призму государственного управления, делается акцент на понятийно-категориальном аппарате и социальной составляющей коррупционной деятельности в политической сфере.*

***Ключевые слова:** политическая коррупция, управленческая деятельность, властные решения, взяточничество, гражданское общество.*

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**Introduction**

When Ukraine had chosen European way of development the fight against corruption and its negative effects actualized. Such phenomenon can nullify many positive initiatives and transformations. Political corruption is characterized by especially negative impact, which exists in society, and can be latent at the same time. The scales of this type of corruption indicate on its inalienability in everyday life of Ukrainian society. So, for the further development of Ukraine and reforms implementation it is urgently needed to overcome the corruption that rooted in Ukrainian politics.

Uncorrupted style of behavior is only entering into everyday life in Ukraine, especially in political and authority activities. There is still strong resistance to fight with political corruption or worse, the use of such a fight in its own interests for getting rid of the opponents.

Law enforcement is a very vulnerable under the conditions of the operation of corrupt leaders. Although they were entrusted with the function of fighting corruption, they are powerless if any corrupt act is formally legal. The complexity of solving such a significant problem, reduces the effectiveness of governance, casts doubt on the fact of legitimacy of power, stimulating public disbelief in democratic norms and may even become a threat to national security.

**Analysis of recent research**

Numerous Ukrainian scientists devote their research to the issues of political corruption. The works of the following scholars is dedicated to theoretical and methodological understanding of this phenomenon: D. Klymenko [2],

G. Kokhan [3] M. Melnyk [5], M. Semendyay, and V. Grygoryev [9]. Research of A. Tinkov [10] is dedicated to the place of political corruption in the functioning of public administration, socio-political side of corruption in politics is examined by E. Nevmerzhytskyi [6] and O. Pukhkal [8]. O. Busol devotes his thesis to the legal description of political corruption [1]. Studying a psychological component in O. Lozynskyi's research is also found appropriate [4], and comprehensive analysis of political corruption in the informational and analytical materials of the Razumkov Centre [7].

### **Results**

Understanding complexity of the phenomenon creates certain terminological diversity. The definition of political corruption according to international anti-corruption organization "Transparency International" is somewhat laconic. Thus, political corruption means "the abuse of political power for private benefit." Such a brief statement does not allow describing the whole picture concerning this type of corruption, but only gives a general concept. At the same time it's accompanied with definitions. Thus, the subjects are the people who are politically empowered, officials. The purpose of political corruption is to receive personal benefits, private wealth. The content of the actions is determined by the change of collective goods in private by the use of authorities. It is noted that political corruption is characterized by the abuse of the legal norms. And if the previous determination is quite acceptable, the latter is quite wrong, since the hold of political office provides an opportunity to create one's own rules. Accordingly, the most favorable conditions for corruption that formally will not be defined as one can be created [9, p. 90].

Naturally, this type of corruption could be qualified as a crime if it defined by legal sanctions. Accordingly, it would be much easier to bring offenders to justice. Unfortunately, as it often happens, offenders have the opportunity to create an appropriate legal framework were their activity is fully authorized. It creates a certain incident when norms are substituted and public opinion on government dishonesty is formed. The manipulation of such kind with regulatory framework to some extent can be exposed by international standards due to its invariability. The difficulty lies within the fact that often political corruption is only assumed if political motives of obtaining, preserving or distribution of power is present.

It is typical for political corruption that it can be either offense or completely legitimate activity. It is quite originally described in the studies of the Razumkov Centre. "Political corruption is something more than a deviation from formal, written legal norms, professional codes of conducts and court orders. Political corruption occurs when politics abuse (violate) laws and regulations, ignore or bypass them or make laws and regulations so as to promote their private interests" [7, p. 6].

As for the term itself, Razumkov Center gives broad and detailed definition. “Political corruption is an illegitimate use of capabilities and powers by political actors and public authorities to obtain personal or group benefits (rent). Thus, there can be different forms of the benefits (rent) - from directly material to symbolic (power for power, social prestige, etc.) and the mechanisms of use of powers (capabilities) may take an illicit forms” [7, p. 7].

We believe that the accurate definition of political corruption is given by researchers M. Semendyay and V. Grygoryev. They understand political corruption as a separate type of corruption, which is a system of illegal acts, were the person endowed with administrative functions and public confidence acts within his selfish interests or interests of the third parties or organizations [9, p. 92].

The determining factor in the existence of political corruption is the motivation of its subjects, which can be divided into two categories.

The first category includes a group or personal enrichment. With the help of power significant financial, material and other resources are arrogated. It can be implemented in different ways, both illegal and entirely under the current legislation. The violation of moral norms and political commitments given before receiving the official post are the only things evident.

The second category of political corruption goals includes obtaining, expansion and preserving of power. Achieving the goal in a legitimate or illegitimate way and adjusting the regulatory framework under oneself is also takes place. To achieve purposes of the second category, the following means are used:

- A purchase of votes or political loyalty;
- A manipulation of law enforcement and supervisory authorities to avoid punishment;
- A purchase of specific government decisions;
- The use of budget funds to finance election campaigns and political parties general activity, and obtaining administrative position.

In this case, the range of subjects significantly expands through the candidates for deputy participation or a certain position. Due to this administrative system is especially vulnerable because thus unreliable people can get the power.

The existence of goals of two categories creates “full corruption cycle”. With the existence of such a scheme funds are used for gaining power, then for the empowerment and finally for the opportunity to manage budget funds. Eventually the cycle can be repeated many times [7, p. 5].

M. Johnston identifies the main types of political corruption:

- Bribery in the financial sector, based on black market activity, tax evasion, manipulation of financial documents and illegal financial transactions;
- Patronage system - occurs during the implementation of illegal agreements by the limited number of persons who attempt to usurp power;

- Nepotism is unjustified appointment on posts of relatives, partners, preference in tenders, trading, currency transactions, etc.;

- Crisis corruption is the activity of a significant number of big business representatives toward obtaining the necessary political and administrative decisions; as a result significant political changes or even a change of power may occur [3, p. 138].

Political corruption, as well as the other kinds of corruption inherent in almost all countries of the world, regardless of development level. Such social phenomenon can be found in both countries that are rising, and those that are recognized as a standard of democracy. However, the differences in this problem solving are sufficient. Some countries have rare cases that are quickly exposed to the public, and the participants are responsible politically, legally and morally. In other countries political corruption is common, accompanies social and political life at all levels, and most importantly - almost not exposed.

It is connected first of all with the politicization of the administrative apparatus. The scheme is forming within which officials depend on political parties, which in its turn depend on big capital. This situation helps create obstacles to positive social changes, and discredits the country in the global space [10, p. 227-228].

The researchers point out that political corruption is not only bribery of officials and politicians at different levels at its core. First of all, it is corrupt actions that affect the process of government formation and cause the changes in political decision-making. Also the accent is put on the element of betrayal of the civil society from the corrupt official of this kind. Actually corrupt behavior becomes a kind of a norm, which is relayed by political and administrative institutions. Society even may have tolerant attitude toward such crimes.

For a better understanding of political corruption it is advisable to consider the main features inherent in this phenomenon.

The first is so-called "kliyentyzm." Basically it is public relations, which are characterized by an activity of a politician or an official in the interests of his patron. Such behavior is placed higher than the sequence of democratic principles, the professional performance of duties etc.

The second place holds the statement that political corruption directly related to considerably less number of participants. In this case, corruption is mostly often hidden, and average citizen can not participate and not even aware of it. The offense participants are primarily the most authoritative representatives of the state political elite.

The third is such feature as the absence of material component in many cases. Corruption is often expressed in illegal actions, in using one's position to support individuals and groups. It helps to form some kind of barter where happens mutual exchange of services.



Fourthly, there is an opportunity to reveal political corruption in almost every sphere of socio-political life, since politicians and administrators, especially of higher level, have the ability to influence society in general.

Next feature - political corruption differs from ordinary by its almost legitimate character. Political circles, in the majority, perceive such facts as acceptable; ordinary citizens do not always judge it or even perceived it as an offense. Even if the public understands the harmfulness of political corruption, the attitude towards it is rather controversial and indifferent.

And, finally, political corruption latency. It may look like quite an ordinary procedure, about which the public do not even guess due to the complexity and multidimensionality of relationships [10, p. 230-231].

For societies that are in the process of civil society formation the following factors of political corruption are distinguished:

1) a disparity of the legal framework with the level of political culture of citizens - the availability of secured rights and freedoms does not mean its implementation, because society can be guided by other established standards;

2) the state systematically interferes in economic life and the private sector. This is due to fact that public needs an intervention because of the complexity of democratic state formation and the obstacles on the way to establishment of civil society;

3) a secretiveness of decision-making at all levels, minimization of citizen participation in this process;

4) the lack of clear allocation of the essence of political necessity and public interest – often the decisions of imperious nature are made in the interests of politicians, but explained as the state necessity;

5) the lack of openness of political parties and transparency of political parties creation and ways of financing - the parties are created not as much by ideological principle but by the business project [10, p. 231-232].

According to foreign researchers, business and government on the first stage are connected by the way of funding of parties with a big capital. This creates a corrupt government, and the parties lose public support.

In Ukraine, most political parties are created not on ideological basis, but based on business interests and temporary public preference. So instead of ideological postulates and evolutionary tendencies come pragmatic interests and the use of gullible citizens for own purposes. This is what explains a great number of political parties in Ukraine, as well as its creation for specific election campaign. It is negative for society that it is difficult to deal with the great variety of parties, to set realistic and populist program provisions.

The increase of business and policy is possible due to the following reasons:

- Membership fees are barely enough for party activities;

- Parties basic financial activity is not supported by state institutions;
- Control function is hardly used by the public and the state [7, p. 9].

Bureaucracy and politics in Ukraine is difficult to separate. Many problems prevent it from happening, among which are the four main:

- Rather high level of capitalization of powers, which creates wide field for corruption;
- Conventional political or national development programs have declarative character and insufficiently specified; it creates perspectives of manipulation of public opinion;
- It is quite difficult to separate policy and bureaucracy that entails the establishment of symbiosis of policy and bureaucracy;
- Semi legal or illegal activity is perceived as acceptable during policy implementation [10, p. 233].

According to D. Klymenko, when considering corruption it is needed to focus on the following aspects:

- Political – the symbiosis of criminal elements and the political elite and the use of its capabilities in useful, and sometimes criminal, purposes;
- Socio-economic - the distortion of state decisions in socio-economic sphere, access of unreliable persons to economic leverage;
- Legal - lobbying the interests of business circles when developing legal acts.

Scientists unanimously support the idea that corruption is a complex social phenomenon. It combines political, economic, legal and moral aspects of public life. The social nature of political corruption lies in the following:

- Social conditioning;
- Availability of social price that society pays for corruption;
- The impact on the most important social processes;
- Global nature;
- The ability to adapt to any changes, to develop a sort of immunity to fight it [2].

According to the researchers, political corruption tends to collectivization, because the nondisclosure of information on corrupt activity and the participation in it is much easier than revealing the information about corruption and confrontation. Isolated plots quickly turn into a permanent practice of criminal interaction of leaders, subordinates, partners or colleagues. According to the growth of political corruption, its public perception can change. The life in conditions of permanent corruption pushes to the belief in the inevitability of corruption [3, p. 144-145].

Political corruption can directly influence the formation of state structures and leads to the following consequences:

- The power is taken by people who by professional and personal qualities do not deserve to hold received office under the general party lists, on which the voters have no influence;

- The government seeks not to solve socially important issues and public interests, but is working primarily on getting their own benefit and to create favorable conditions for individual businesses.

Supporting the idea that political corruption is characteristic for different countries; researchers still distinguish some identical symptoms. For example, it is said about solidarity in the practice of illegal use of budget funds, loss-making contracts, the distortion of priorities of economic activities etc. Besides, there is a quite common practice to issue false information about opponents to voters in the political process. Such practice enables to remove unwanted people from power or vice versa - to create visibility of political struggle. In fact, the antagonists can work together to achieve common goals and to play their role to the public. Separately appears the lack of any responsibility for the political decision-making, failure to fulfill pre-election promises, and most importantly - the presence of parliamentary immunity and indemnity. It also said that broad use of administrative resources and leverages in the electoral process, combining it with explicit or implicit bribery of voters are a manifestation of political corruption. One of the destructive features that make it difficult to fight against political corruption is the fact that appropriate regulations cause legitimization of actions which are harmful to society, but are formally legitimate [2].

### **Conclusions**

Politicians or officials that are exposed in political actions, mostly often avoid any punishment. This is due to their official status, which allows using political, governmental and financial impact nullify the activity of the law enforcement and regulatory authorities. The complexity and ambiguity of the legal system contributes to this decision. Moreover, corrupt officials have the possibility to use their own position to form an appropriate legal framework. In addition, there is a real opportunity to influence the police not only to conceal their own involvement in the infringement. The negative thing is that they may use it to get rid of competitors or press unwanted representatives of law enforcement or regulatory authorities, deal with them.

Political corruption is often called one of the most destructive factors. It has negative impact on the social life of the country; create the conditions for crime development and citizens' distrust regarding politicians and officials. So this type of corruption is the most dangerous for society. That's why the use of all opportunities to overcome such a phenomenon is important. It is important to attract the general public, conducting educational and information campaigns etc. The activity of NGOs in anti-corruption activities, especially in the political sphere, can really hinder the illegal or harmful actions and forming public opinion on this issue.

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## **TRENDS OF MANAGEMENT BY OBJECTIVES OF REGIONAL SOCIAL SPHERE DEVELOPMENT**

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*The paper analyzes problems of managing the development of a regional social sphere, identifies the need for integrated resource management of all the functional components of the social sphere, and justifies the use of management by objectives to solve the problem of improvement of regional population's life quality.*

*The author concerns impossibility of solving the problem of regional population's life quality improvement within a time span that matches the period of planning for a region as a whole and each functional complex of the social sphere. Thus, for instance, the program of improving public health up to the set level can be scheduled for 7 years; the program of social security quality improvement – for 4 years; and the program of improving the quality of environmental protection – for 15 years. By comparison, regional development programs are designed mostly for the period of 5 to 10 years.*

*The one of the conclusions is that to solve the life quality problem, all the functional components of the regional social sphere should be utilized in a comprehensive manner within the framework of an integrated system for population's life quality improvement. This conclusion is stipulated by complexity of the problem, which is impossible to solve with funds of only one functional complex of the social sphere.*

**Keywords:** social sphere, public administration, method of management by objectives, regional level, system of social sphere administration.

**Diegtiar O.A. Obszary wykorzystania metody programowo-celowego zarządzania rozwojem sfery społecznej regionu.**

*W artykule przeanalizowano problemy zarządzania rozwojem społecznym w regionie, wskazano na potrzebę kompleksowego wykorzystania zasobów wszystkich podzespołów funkcjonalnych i społecznych. Uzasadniono zastosowanie metody programowo-celowej w procesie rozwiązywania problemów związanych z poprawą jakości życia w regionie.*

**Słowa kluczowe:** sfera społeczna, zarządzanie, metoda programowo-celowa, poziom regionalny, system zarządzania, sfera społeczna.

**Десять О.А. Напрями використання програмно-цільового методу управління розвитком соціальної сфери регіону**

*В статті проаналізовано проблеми управління розвитком соціальної сфери регіону, визначено необхідність комплексного використання ресурсів всіх функціональних складових соціальної сфери та обґрунтовано використання програмно-цільового методу при вирішенні проблем підвищення якості життя населення регіону.*

**Ключові слова:** соціальна сфера, державне управління, програмно-цільовий метод, регіональний рівень, система управління соціальною сферою.

**Десять О.А. Направления использования программного-целевого метода управления развитием социальной сферы региона**

*В статье проанализированы проблемы управления развитием социальной сферы региона, определена необходимость комплексного использования ресурсов всех функциональных составляющих социальной сферы и обосновано использование программного-целевого метода при решении проблем повышения качества жизни населения региона.*

**Ключевые слова:** социальная сфера, государственное управление, программно-целевой метод, региональный уровень, система управления социальной сферой.

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**Introduction**

At the present stage of development, management by objectives is gaining ground in the state's regulation of the social sphere. This trend is facilitated by both a large domestic experience accumulated in the field at the Soviet time, and the practices of using the method in the advanced countries. The method makes it possible to pool considerable resources, necessary for solving social problems at the national level, and promote their efficient allocation and usage. At the same time, management by objectives encounters a series of difficulties, the major difficulty being a high uncertainty of a programmed system. The reason is that program development is not only to be supported by tenable hypotheses, but should also include various options for updating during implementation i.e. mechanisms for improvement of a program without changing its objectives. It is especially important in the current context, since the external environment's changeability accounted for by the program is aggravated by the domestic instability, which threatens both the program efficiency and its implementation.

**Analysis of recent research**

The issues of improving administration of the social sphere at the regional level have been discussed in the works by such researchers as O. Chernysh [2], T. Chubarova [3], B. Danylyshyn [15], A. Khaletska [8], O. Kiliievych [5], T. Kirian [4], M. Koretskyi [9], V. Kutsenko [10], E. Libanova [11], O. Palii [11],

Yu. Pasichnyk[4], M. Puhachova [13], O. Romaniuk [5], I. Rozputenko [5], V. Skurativskiy [11], A. Shchetinin [14]and other scholars. Yet, despite numerous researches, the trends and possibilities of using management by objectives for social sphere development remain understudied.

### **Statement of research objectives**

The present paper objectives are: analysis of problems of managing the social sphere development in a region, determining the need for integrated resource management of all the social sphere functional components, and justification of using the method of management by objectives to solve the problem of life quality improvement of a region's population.

### **Results**

In the domestic system of administration of the national and regional development, management by objectives is an efficient mechanism, which helps focus efforts and capabilities to achieve the set priorities.

Application of the method of management by objectives allows the following:

- overcoming lack of intersectoral integration in solving multiple problems;
- attaining ultimate goals in good time by optimal allocation of material, labor, and financial resources;
- integrating different functional complexes into a unified system able to fulfill the set purpose by means of designing the appropriate programs;
- elaboration and comparison of different methods to attain objectives and choosing the most efficient one;
- coordination between the ultimate goals and available resources;
- using a complex of indices, which makes it possible to analyze and control the attainment of intermediate and ultimate objectives.

An objective need for regional program development and implementation, according to A. Shchetinin, arises, above all, when problems meet the following requirements:

- being multi-purpose and comprehensive by its nature, a regional problem is of national economic significance;
- a time limit for solving a problem does not fit the set middle- and long-term plans;
- a necessity arises to utilize resources of intersectoral and multipurpose significance in an integrated fashion;
- the existing forms and methods of management are insufficient for coordination of industry-specific or regional projects, having common objectives and tasks [14, p.85].

Most of target programs of the national and regional levels are oriented to develop specific functional complexes of the social sphere. However, the man-

agement theory and practice also involve programs of life quality improvement. For instance, Y.Animitsa, N.Novikova, and V.Sukhikh, having summarized the practices of forming a number of comprehensive programs for urban socio-economic development, worked out a complex program structure, which they recommended as a standard. One section of the program is titled "Improvement of population life quality" [1, p. 30]. Agreeing in essence with the ideas laid out in its paragraphs (public health service; law enforcement; mending environmental situation; protection of socially vulnerable groups; providing housing and utilities; landscaping and site finishing; household services and trade; education; culture and arts; transportation services; other spheres), we suggest focusing on life quality components.

Besides, it is to be noted that target programs should be designed in compliance with a regional strategy for social sphere development. The issues of coordination between target programs and strategies have not been studied thoroughly yet. To fulfill the task, we deem it expedient to apply the approaches as below.

First of all, a conceptual scheme of that coordination should be unified, its essence lying in the following: the main objective of a strategy for social sphere development i.e. improvement of life quality comprises a sequence of intermediate goals corresponding to specific life quality components. In order to attain each goal, a special goal-oriented program is designed, which is in line with strategic guides for developing the social sphere as a whole.

Secondly, in the process of designing target programs, feedback channels should be identified. For that end, while coordinating target programs with the relevant strategies, it is necessary to mirror program indices in a social sphere development strategy. The coordination of indices should be accomplished before strategic planning is approved.

Thirdly, it is important to provide for an intercoordination of programs in order to assure a mutual support for attainment of the set goals. Otherwise, one program is likely to be fulfilled at the expense of the others. This is why coordination of all the necessary indicators and indices should be performed on the basis of a strategy for developing the social sphere as a whole.

In the fourth place, it is essential to ensure coordination of actions of all those who participate in administration of the social sphere, emphasizing the actual need for creating within the organizational structure of a separate specialized unit authorized to govern a region. One of the key functions of such a structural unit would be coordination of all the projects, programs and plans of social sphere development.

Thus, coordination between the target programs and strategies of social sphere development will make administration of possible to manage the sphere in accordance with the common lines of action.



The principal model of program approach in administration of the social sphere, in our opinion, should include two parts: objective and program descriptions.

At the first stage, the objective description is performed, the objectives being formulated with consideration for the following requirements:

1. Feasibility. The desired condition of a socio-economic system to be achieved within the set time span should not be unattainable, since the process of target realization is related, first and foremost, to allocation of key resources.

2. Flexibility. In the market conditions, any socio-economic system operates under high uncertainty, which allows for an external environment's impact and variation of internal operational conditions. Therefore, the set objectives have to be adaptable (more exactly, adaptation capacity is to be included in them in advance) to potential changes of insignificant nature.

3. Measurability. It is desirable that every qualitative characteristic should have its quantitative content.

4. Provision of incentives for reaching the desired condition. Statement of objectives for socio-economic system development should give impetus to both the system as a whole and every participant in realization of the set goals.

5. A hierarchical pattern of development objectives structure. A formulated objective of socio-economic system development should correspond to the level of hierarchy where it would be realized (i.e. the level of managing the resources required to fulfill it).

6. Clearly defined statements helping participants understand target decisions. Formulating objectives is not a goal in itself, but rather one of strategic planning stages. Understanding of development objectives by the participants facilitates realization of target decisions, promoting to a large extent the process of socio-economic system functioning. Clear-cut statements contribute to raising the system's social status in the society, intensifying its relations with the state and socio-political organizations [3, pp. 24-25].

In keeping with the above requirements, the main objective of programs for regional social sphere development, to our mind, should be improvement of separate components of population's life quality. We suggest considering improvement of separate components of life quality as program intermediate goals.

Further, based on the totality of the formulated objectives, the program description part is developed, which is advisable to be done in several versions for choosing the most efficient one. In order to achieve the objectives, a complex of program actions is to be elaborated with application of various methods, in particular the expert analysis, factor analysis, and network methods. The programmed actions should be assigned to concrete performers—structural elements of the functional complexes of the social sphere. In the course of assignment of performers, a system for improvement of a specific life quality component

is formed, which implements the relevant target programs. This grouping allows joining efforts, using the available potential to the maximum to overcome collaboratively possible obstacles on the way to fulfillment of the objective of improving regional population's life quality.

During target programs implementation, the stages of detecting deviations and making corrections need monitoring.

The modern theory and practice of monitoring is quite popular, with numerous works by domestic and foreign scientists being published on monitoring problems. In addition, there are statutory regulations for that kind of activity. However, information systems of the regional authorities regulating the social sphere use a set of indices, the analysis of which does not allow an efficient administration of the regional social sphere aimed to improve the regional population's life quality.

In view of the matter's topicality, it is deemed appropriate to discuss the basic provisions of monitoring social sphere functioning and development. The essence of monitoring lies in a dynamic observation, evaluation and forecasting of the processes, taking place in the social sphere, with the aim of providing the authorities that regulate a regional social sphere with the latest complete and reliable information.

Among the main tasks of monitoring the regional social sphere functioning and development, one can discern the following:

- organization of collection and processing of data about the processes of functioning and development of the social sphere, its specific functional complexes, and trends of changing regional population's life quality;
- study and evaluation of the collected data;
- detection of deviations from planned lines of improvement of regional population's life quality in target programs and analysis of deviation causes;
- supply, in accordance with the established procedure, of information obtained during monitoring of functioning and development of the regional social sphere, regulating bodies, enterprises, institutions and organizations regardless of their subordination or forms of ownership, and the population;
- forecasting development of the regional social sphere and its specific functional complexes, as well as improvement of people's life quality;
- issuing recommendations for using the capabilities and strong points of social sphere development and prevention of a possible negative impact of external environment factors on social sphere functioning and development.

Building an effective monitoring system should be carried out based on the following principles [16, p. 25]: goal orientation; consistency; complexity; continuity of object observation; regular acquisition of data on changes for monitoring indices comparison in time; permanent upgrading of the system for monitoring of regional social sphere functioning and development.

Additionally, it is significant for the monitoring system to acquire information that is characterized as exact, timely and reliable [13, p. 101].

Using the results of scientific research and monitoring practices, we can propose the following monitoring procedure.

At the first stage, a choice of main monitoring lines is performed. It is expedient to conduct the monitoring according to the trends formulated in compliance with target programs: monitoring of health quality, education, recreation, housing, catering, providing of public amenities, social security, legal protection, environmental protection.

We suggest conducting the monitoring of each of the abovementioned areas on the basis of pre-set general indicators and personal indices of people's life quality, though adjusted with account of regional specificity. Besides, the obtained indicators and indices to be used during monitoring should be characterized according to their significance (rank) for reaching the next level parameter, which also takes into account specific conditions of every region. Ranking of monitoring parameters according to their significance will allow reducing their number due to exclusion of low-ranking ones. Subsequently, this will make it possible to facilitate the monitoring process and evaluation of results without lowering their accuracy.

At the second stage titled "Data collection according to defined parameters", the information framework for the suggested lines of monitoring regional social sphere functioning and development should be formed by data bases of public authorities and local governments, institutions and organizations of the social sphere; specialized data bases of monitoring the quality of health, education, catering, housing etc., created in accordance with the suggested lines of monitoring population's life quality.

The monitoring should be conducted according to the appropriate legal basis. Experts suggest adopting a special monitoring instruction to regulate the following:

- legal mechanisms for interaction between an information collection and authorities, establishments, and organizations authorized to conduct monitoring;
- legal forms of information protection;
- guarantees of information security [15, p.22].

The next monitoring stages are as follows: study and evaluation of information, detection of deviations and analysis of their causes; forecasting, scenarios of regional social sphere functioning and development, on the basis of which recommendations are given as to using capabilities and strong points and prevention of negative impacts of multiple environmental factors on the social sphere development, and therefore, on regional population's life quality.

For successful implementation of the model of "integrated systems for improvement of people's life quality", in our opinion, it is essential to evaluate the efficiency of regulating the social sphere.

The efficiency of social sphere administration is to be assessed not by quantitative indices of plans and programs fulfillment, but rather by the level of administration organization, capacity of authorities to regulate the social sphere, respond adequately to external and internal changes, find causes of actual results deviations from the planned ones, and prevent or eliminate negative trends.

The ultimate results of social sphere functioning depend on a dynamically changing system of internal relations, which necessitates a continuous influence on a varying relationship between the dynamics of complexity and dynamics of actually realized relations, causing a change in administration organization. In this respect, it should be emphasized that every index that describes the changes in the internal relations system consists of constant and variable components. The constant component is brought about in a natural way of key factors development, while the variable one is determined by the capacity of workforce of the social sphere administration system and can be regarded as efficiency of social sphere administration.

The systemic nature of the social sphere of the country, in our opinion, is also due to the following features:

- social sectors form a single complex, the results of which are aimed at improving the quality of human capacity in usually;

- the priority of the social sphere in matters of economics and politics, due to the social orientation of the state;

- social sphere focuses on the population of the whole country, so, unlike other spheres of activity, is tightly controlled by the government and requires government strategies for system development;

- social sector, unlike other has a system of state minimum social standards guaranteed by the state to every member of society, depending on income level, health status, etc.;

- a feature of the social sphere is also determined by historical traditions highlight it as a separate block of fields.

In our view, the peculiarities of social sphere of the controlled system due to the fact that the main element of the system – the person – is both an object and subject of management. Identity and convergence of object and subject of management, their close relationship and interdependence manifests itself most clearly at the regional level.

The efficiency is proposed to be evaluated by changing increments of integrated indices of population's life quality, rather than by absolute level or even by ordinary gain value. An actual conformity of indices growth rates to a "program standard" is taken as a measure of organization of the social sphere administration system, the standard being understood as interval values of integrated indices of people's life quality (by components), fixed in target programs of development – "integrated systems for improvement of people's life quality".

Besides, the program standard is regarded as an ideal theoretically determined measure of administration performance. In this connection, the task of evaluating the performance of social sphere administration system should consist in measuring the degree of conformity of the actual rates of achieving social sphere development results to the programmed (ideal) ones.

Analysis of the system of public administration of the social sphere proves that the administrative functions are not coordinated with objectives and tasks of authorities, which is especially important for planning the strategic development objectives. There are drawbacks stemming from the historical tradition of building the administration system in general. It should be noted that the existing system of social sphere administration at the regional level is little different from the previous system. In the current context, when regional authorities' role in making and implementation of administrative decisions has grown, with their financing remaining at the same level, an actual task is development of regional programs of social sphere administration, which would consider a territory's specific development conditions, making the most of its potential. Strategic programs of social sphere administration should be created by territorial administrative bodies with the use of the management by objectives method.

### **Conclusions**

Analysis of problems of social sphere administration, aimed to ensure regional population's life quality, allows making the first conclusion about significance of the problem of people's life quality, considering the priority of the individual in the value system of a socially-oriented state.

The second conclusion concerns impossibility of solving the problem of regional population's life quality improvement within a time span that matches the period of planning for a region as a whole and each functional complex of the social sphere. Thus, for instance, the program of improving public health up to the set level can be scheduled for 7 years; the program of social security quality improvement – for 4 years; and the program of improving the quality of environmental protection – for 15 years. By comparison, regional development programs are designed mostly for the period of 5 to 10 years.

The next conclusion is that to solve the life quality problem, all the functional components of the regional social sphere should be utilized in a comprehensive manner within the framework of an integrated system for population's life quality improvement. This conclusion is stipulated by complexity of the problem, which is impossible to solve with funds of only one functional complex of the social sphere.

The expediency of program solution of the researched problem also proves that the existing forms and methods of social sphere administration are not

enough to effectively address a range of intersectoral social issues, brought about by the need to improve people's life quality and their coordination with regional objectives and development tasks.

In summation, there exist all the preconditions for application of the management by objectives method in solving the problems of improvement of the regional population's life quality.

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### **PUBLIC FAMILY POLICY: THE THEORY AND PROBLEMS OF REALIZATION**

*Public family policy is essential component of public policy of any state and is considered as a powerful instrument on the development of family institute.*

*State of family in Ukraine characterized by such tendencies: low and low-est-low fertility rates; postponement of childbearing to a later age; a rise in birth outside marriage and lone parents; decreasing of the number of marriages and increasing of the number of divorces; widening of cohabitation, non-marital relationships; the decline in average family; population ageing. These features points to depopulation process, demographic crisis and crisis of family institute. The elements of crisis are interconnected, because of objective laws of demographic processes passing. Indicated tendencies influence on all spheres of society, are threatening from socio-economic point of view and even for the very existence of Ukrainian nation. In this situation a state can and should impact on this sphere.*

*The aim, tasks and content of public family policy in whole are defined by its outlook bases - conception. Exactly from conceptual, ideological understanding family policy depends practical content its trends, tasks, principles and fullness of normative acts, program documents, character of public agency activities in an appropriate sphere.*

*In common understanding public family policy can be defined as actions of state and other political subjects aimed to statement or change family relations, family as social phenomenon and which determined by political ideology concerning family values. Accordingly to conceptual understanding actions aimed to regulation of family relations can differ a lot. In the given work public family policy understanding as such that aimed to strengthening family and family relations.*

*In scientific discussion concerning conceptual bases of public family policy thoughts are stipulated two paradigms, crisis and transform. Attitude to process of family institute development, its estimating determinates practical content of compliant public family policy: or supporting egalitarian relations, or providing priority of family as integrity, consolidation of family living, advance of role and meaning of traditional family values.*





of conception bases of public family policy, this has determined choice of the given article theme.

### **Analysis of recent research**

The essence, intension, trends and role public family policy examined in the works of Ukrainian researchers Vakulenko, G.Kryshstal, L.Culachok, L.Melnichuk, A.Mishin, S.Nychiporenko, Y.Pidlisnyi [1], I.Semenets-Orlova, L.Slyusar [10], I.Chehovska; Western researchers D.E.Bloom, C.Brian, D.Canning, A.J.Kahn, A.Kalwij, S.Kammerman [7], D.Popenoe, W.Lutz, P.McDonald, S.Scherbov, H.-W.Sinn; Russian researchers A.Antonov [8], I.Beloborodov, A.Bogaevska, V.Vishnevskiy, S.Darmodehin, S.Caunova, G.Climantova, V.Medcov, A.Pyanov [9].

Along with considerable attention to the given subject-matter, the questions of essence and intension of public family policy are needed in further studying. This stipulated choice of the given article theme.

### **Statement of research objectives**

The aim of the work is defining of conceptual and the main practical foundations of public family policy.

### **Results**

The aim, tasks and content of public family policy in whole are defined by its outlook bases - conception. Exactly from conceptual, ideological understanding family policy depends practical content its trends, tasks, principles and fullness of normative acts, program documents, and character of public agency activities in an appropriate sphere.

As stated Y.Pidlisnyi, family policy as well as another policy always based on defined outlook foundations. Even if they are not defined in preamble or another part of document, they always will look through contents of corresponding laws and normative acts, and in practical consequences. Therefore, at the time of family policy forming it is very important to clarify outlook foundation of this policy for its integrity and consistency [1, p.1].

For defining the essence of family policy, it is necessary to advert to encyclopedic and reference literature. Thus, the authors of Public Administration Encyclopedia defined family policy as purposeful activity directed to development of marriage and family relation, making conditions for full and successful realization family's main functions, satisfaction of family needs and interests [2, p.514]. Similar definition is in demographic notional dictionary: family policy is defined as aimed activity of state bodies and other social institutes in the sphere of family strengthening, optimization of fulfillment family functions and improvement of the living conditions; strategic trends of family policy are determined by its tasks, causes and results negative tendencies in family functioning. Concrete actions of family policy are defined in frameworks of strategic trends taking into account economic, organizational, and other possibilities of realiza-

tion [3, p.271]. Thus, here is underlined determination of family policy by its conceptual, ideological, outlook bases generally accepted in a state and society.

Family policy intersects and has many common features with other public policies. In the first place this refers to social policy, which can be defined as system of actions of social and political institutes, oriented on ensuring optimum development of social sphere, welfare and satisfaction of needs of a society in general as well as single citizen. Social and political institutes are set of subjects which take part in realization of social policy.

Thus, social policy has more wide directivity on development all social sphere as compared with family policy. In this connection very often, family policy is considered as independent course of social policy.

Common sphere in family and demographic policy tied with process of reproduction of population and especially fertility which is regulated demographic policy, is one of the most important family function. However, reproductive function is not only the single, but also one of principal family functions, and there are other – educational, upbringing, communication etc.

Through one of the most important task – upbringing and child birth – family policy also closely connected with maternity and child welfare service, which is defined as system of actions of providing interests of a mother and a child through medical, material, and other kinds of state support [5, c.596].

Thus in Conception of public family policy accepted 17 September 1999 [6] one of the direction of family policy was defined assisting to families in child rearing and their all-round development by force of guaranteeing rights and liberties in all spheres; forming in outlook of children high humane beliefs about a family and its history, traditions, social directivity in the concrete historical conditions of state development; creation and support children's home of family type and foster homes for orphans and children without parental care etc.

One of the first research on family policy was "Family Policy: Government and Families in Fourteen Countries" of Sheila B.Kamerman and Alfred J. Kahn. In this work were separated states with "explicit" family policy and "implicit" family policy [7]. Explicit policy means that in state exists approved, legitimate, institutionalized conception; family is an object of political debates and tasks concerning family are established. Implicit policies haven't such features, although these states can have advanced policies aimed to a family. The difference is not always clear as conceptions change depending on political actors and with time.

All the same time public family policy is essential component of public policy of any state and is considered as a powerful instrument on the development of family institute.

In scientific discussion concerning conceptual bases of public family policy thoughts are stipulated two paradigms, crisis and transform.

The transform paradigm, which sometimes called “modernization of family” lie acceptance of priority individualistic interests on interests of a family and a society. Such effects as change attitude to marriage, family, childbirth, common devaluation of traditional family values etc. are estimated as positive and tied with transformation of family relations in frameworks of this concept.

The same phenomenon in crisis concept is estimated as negative. As stated A. Antonov, family policy is activity of a state, political parties, non-government organizations, interest groups etc, aimed to revival of family, family way of life, lost on a long historical familistic social culture, return to family social functions organically peculiar to it, aimed to strengthening family as a social institute ... family policy is a policy oriented to change of modern civilization design, which is hostile to a family indeed and unresponsive to its problems and diseases [8, p.246]. This approach based on rebuilding state and all social institutes for the sake of traditional complete family with children, strengthening and development of family mode of life, providing of family interests.

Attitude to process of family institute development, its estimating determinates practical content of compliant public family policy: or supporting egalitarian relations, or providing priority of family as integrity, consolidation of family living, advance of role and meaning of traditional family values.

As researcher A. Pyanov stated public family policy is independent direction of social policy, and is system of complex activity of state, aimed to family social institute with task of its consolidation and development, security of institutional rights and interests of family, providing its independence, relational autonomy and well-being; activation its subject role in social space, in which state and family are equal in rights subjects-partners [9, p.124-125]. Such understanding of family policy differentiates from other approaches such methodological features: orientation family policy on family as an integrated object, obligation of independence and relative autonomy from the direction of a state; the researcher attributes to the problematic of family policy not common social but only specific problems of a family. All of that logically leads to aiming of family policy on system solution of strengthening family and family values.

As stated scientist L. Slyusar, public family policy is one of directions socio-economic policy, aim of which is supporting family mode of life, strengthening of family institute, making favorable conditions for creation, functioning, development of family, first of all family with children [10, p.58].

The aim of public family policy can be defined as development of family relations, creation favorable conditions for achievement of family's functions.

It is necessary to say that in Ukraine accepted series of normative and program a document which straight or marginally refers to forming of family policy. But in this sphere terminological non-coordination exists. In particular the notion “public family policy” stays uncertain, and this is evidence of incomplete

elucidating of conceptual bases connected with understanding modern family, peculiarities of families' formation and appropriate public strategy.

Thus, top-priority state task is providing of national security and prosperity of a society. Preservation of traditional family values is a part and precondition of social development.

Family traditional values mean classical historical beliefs about a family. These are expressed in importance of official entering into a marriage, of integrity complete family with both parents – man and woman, traditional roles of a man and a woman, birth of children, faithfulness, the priority of marriage comparing divorce, and strong connection between generations.

Now, in situation of family institute crisis, a state can and should impact on this sphere. In the first place a state has real mechanisms and possibilities to decide challenges facing family. This is stipulated of the negative results of the family crisis in many countries.

At the present time the trends of demographic processes are the components of demographic crisis and depopulation as turn into the threat to the very existence of European nations.

One of the greatly social dangerous after-effects of low fertility rates, along with population reduction in whole, is decrease of children and youth quantity. This leads to extension of comparative part of aged persons, in other words, total ageing of population. This process is intensified by a decline in the number of birth or, in more positive terms, a general increase in overall life expectancy.

An “ageing” population structure determines whole series problems for societies, first of all social and economic. From economic point of view, increase the number of retirees lead to growth of pensioner payments, social service and health protection expenditures, necessity of enlargement gerontological institutions, care services network and other ageing-related expenditures.

All of that stipulates pressure on capable people from whose directly depend contribution to pension funds and at the expense of that, in fact, will supplied aged persons employment. The quantity of laboring reduces: each next generation less than previous. In contrary, the quantity of older people will increase considerably, since the post-war baby-boom generation reaches retirement.

Diminution on household size also makes deeper this problem. Part of aged persons who live with their own families, constantly lessens. This means that aged members of family as a rule do not live with their children or grandchildren, and young family members less and less ready to take upon theirselves care responsibilities of relatives. Thus, family as social institute parted by generations and doesn't able to providing care of own aged members.

All of that, along with rash increase of extramarital births, change in ratio marriages and divorces in favor of the last attest about crisis of family institute in whole.

As for causes of demographic crisis, today even in official documents noted that are value. Thus in Demography Report of European Commission noted: “changing value systems contributed to lower fertility rates and an increase in the number of childless couples” [12, p.73]; “changing social perceptions of the role of marriage and greater fragility of relationships have resulted in more extramarital births, including to lone parents, or in childlessness” [12, p.2]. These changes mean alteration in attitude of society towards to marriage, family, child bearing, general devaluation of family values. Family traditional values replaced by inverse values – individualism, emancipation of personality from family, idealization of comfort and consumerism, rejection of altruism.

This stipulate crisis of family which characterized separation of ages, nuclearization of family, the increasing childlessness, single life, monoparenting and other tendencies.

Value causes of crisis stipulate low effectiveness of socio-economic actions in this sphere, and also that which straight directed at fertility.

These actions are very diverse and include financial support for families through benefits, allowances, grants or benefit supplements, service provision, maternity and parental leaves, protection of mothers in the work place and others.

In spite of methodological variety there are doubts about their effectiveness, and this is confirmed by the results of many researches. Researches show that positive effect is achieved but only in minor degree so that very often can not achieve even the level of simple reproduction of population.

Demographic imbalance determines changes in attitudes to policy aimed to rising of fertility. In light of the dramatic decline of birth rates, more and more governments are reconsidering their position. As the United Nations system for monitoring government perceptions and policies on population have shown, between 1996 and 2003, the proportion of governments in Europe that perceive their fertility levels as too low has increased by on third, and those that perceive their rate of population growth as too low have almost doubled. The proportion of governments that have declared that they are putting in place policies to raise fertility levels and rates of population growth has increased respectively by twenty five, and by over fifty percent [13].

The consciousness of family value occurs and this is reflected in documents. A recently adopted Resolution by the Council of Europe “Investing in family cohesion as a development factor in times of crisis” states that, “The Parliamentary Assembly recognises the force that the family represents in meeting life’s challenges and considers that the family unit is a fundamental element to aid in the economic recovery, especially during times of adversity and change” [14].

A Parliamentary Assembly Recommendation calls for member States to “support regional and local policies to strengthen public services in order to bring about a truly family-friendly society and to develop intergenerational re-

relationships within families,” [14] thus recognizing the fundamental value of the family unit.

However, in forming of family policy definite conceptual contradiction exists. On the one hand, under threat of demographic collapse more and more recognized necessity of pronatal actions aimed to rise of birth rates. On the other hand, such strategy as well as support of traditional family values is incompatible with gender policy. Thus, Adviser of United Nations Population Fund Nikolai Botev pointed out that: «there are objections that prenatal measures can stand against achievements in the field of gender equality, as increased fertility could interfere with the educational opportunities and career aspirations of women and might confine them to the traditional family roles [13, p.6-7].

In other words, gender policy gains such as active part of women in socio-political, equality rights of men and women etc. conflict with setting aim of fertility rising, which include back to traditional norms, rejection of listed trends and principal revaluation of social priorities.

Ukraine is one of the most demographically unsuccessful states. At the present time the trends of demographic processes are the components of demographic crisis and depopulation as turn into the threat to the very existence of Ukrainian nation.

Depopulation is a steady tendency of Ukrainian demographic situation. Total fertility rate (TFR) in 2001 year fell to the record low level - 1,085 [15]. This is still considered as a “lowest-low” fertility country, with a TFR under 1,3 [16, p.1148]. The largest quantity of population 52,2 million persons was fixed in 1993 after what begin process of its unceasing cutting down. According to Ukrainian Statistics State Service on 1 February 2013 in Ukraine live 45539,1 thousand persons [15]. This means that population size decreased by more than 6,6 million persons.

The fertility structure is unfavorable. As the results of Ukrainian households survey, in 2012 76.0 % of families, which have children were families only with one child and only every fourth (21.2 %) have two children. Families with three and more children are rare, their unit weight doesn't exceed 3 % [15, p.10].

Separation of households by children number differs in urban and rural region. In a city 80.1 % of households bring up one child, in rural locality such households 65.9 %; two children – 27.9% in rural region against 18,6% in city, three and more children – 1.3 % in city against 5.3 % in rural region [15, p.10]

Negative trends in birth rate results to a lot of consequences for state and a society, such as lack of manpower resources, shortening of population, its ageing and deformation of structure, absence of generation replacement, threat to territorial wholeness and so on.

One of the greatly social dangerous after-effects of low fertility rates, along with population reduction in whole, is decrease of children and youth quantity.

This leads to extension of comparative part of aged persons, in other words, total ageing of population.

Consciousness of negative trends in birth rates as a threat to national safety and as a problem that needs to be solved is impetus for undertaking adequate measures of family policy. Forming the most favorable conditions for creation a family, child-bearing and upbringing, is one of the most important goals of family policy and basic instrument of overcoming negative trends.

On the practical level the impact of demographic factors on family policy forming and realization appears in the raise of expenses on social sphere in a whole, and particularly in enlargement service for families with children, different kinds of payments, and guarantees of employment to parents etc. However, the results of series of researches show that effectiveness of such methods stay insufficient. This means that only socio-economic actions can't decide all problems in this sphere.

### **Conclusions**

In common understanding public family policy can be defined as actions of state and other political subjects aimed to statement or change family relations, family as social phenomenon and which determined by political ideology concerning family values. Accordingly to conceptual understanding actions aimed to regulation of family relations can differ a lot. In the given work public family policy understanding as such that aimed to strengthening family and family relations.

Public family policy has own specific subject of influence – family and family relations, which is concrete and different from the other public policy directions. Accordingly it has own tasks and aim which can be formulated as development, strengthening of family institute, creation of favorable conditions for performance family functions from a state.

Important methodological significance has distinguishing of notions, specificity and object of influence family, social, demographic policy, and on the other hand interrelation of different spheres of public policy.

Perspectives of further researches connected with studying of trends, tasks, principles and functions of public family policy, methodological problems of its estimating.

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## DEVELOPMENT OF LOCAL SELF-GOVERNMENT LEGISLATION UNDER THE CONDITIONS OF PUBLIC ADMINISTRATION REFORM

*The challenges now faced by Ukraine, largely due to the fact that we failed to form a strong local self-government that would effectively solve local issues, ensuring better living standards of Ukrainians and releasing the central authority from no inherent functions. Although the necessity of local self-government reforming was discussed in the country almost 20 years, attempts to implement have not been successful. Today decentralization is not just desire to improve public administration, but a prerequisite for overcoming the political crisis that exists in Ukraine. One of the main reasons for this situation is seen in an imperfect legal regulation of relations in the sphere of local government, creating the need for its detailed analysis.*

*The legislation which regulates social relations in the sphere of local self-government is analyzed. A number of legal acts in this area in the context of their historical development are considered. It is determined that a major problem in ensuring strong local government is imperfect legal regulation, although it is constantly progressing. Some positive and negative aspects of valid legislation and proposed amendments to it are presented.*

**Keywords:** local self-government, legislation, legal regulation, Constitution, law.

**Girżew A.O. Rozwój ustawodawstwa dotyczącego samorządu w zakresie reformy administracji publicznej.**

*W artykule zbadano ustawodawstwo regulujące stosunki społeczne w sferze samorządowej. W szczególności przeanalizowano szereg aktów prawnych w tej dziedzinie w kontekście ich rozwoju historycznego. Wskazano, że jednym z podstawowych problemów w zapewnieniu silnego samorządu są niedoskonałe regulacje prawne, chociaż te regulacje cały czas ulegają rozwojowi. Ponadto, artykuł przedstawia kilka pozytywnych i negatywnych aspektów aktualnego ustawodawstwa oraz propozycje poprawek do niego.*

**Słowa kluczowe:** samorząd, ustawodawstwo, regulacja prawna, konstytucja, ustawa.



ered some aspects of the problem creating a need for a comprehensive analysis of local self-government legislation. This article is devoted to this subject.

### **Statement of research objectives**

The aim of this article is comprehensive analysis of legislation on local government.

### **Results**

The course of the creation in Ukraine of local self-government as one of the main elements of an independent, social, democratic and legal state was taken in 1991. The President Leonid Kravchuk in his speech to the Verkhovna Rada of Ukraine said that "... every citizen of Ukraine will have the right to participate in management of community affairs both directly and through their representatives in local government, and local governments will be equal in relation to local government" [4, c. 23].

In early 1992 two laws were passed - "On the Representative of the President of Ukraine" and "On the local councils of deputies and local government." First law introduced executive branch with the Representatives of the President in the regions that performed state executive power and controlled local government concerning their execution of delegated state functions. Law "On the local councils of deputies and local government" (1992) was aimed at creation of a system which would combine the principle of governance in the region through the state administrations headed by the Representatives of the President with broad autonomy of community and on the other hand, in settlements through organs of government with broad powers [9].

It should be noted that in 1993-1994, Ukraine has adopted a number of legislative acts that expanded the rights of regional and local self-government. In particular, the Resolution of the Cabinet of Ministers of Ukraine "On regional economic cooperation between Dnipropetrovsk, Donetsk, Zaporizhzhia and Luhansk regions" dated of June 21, 1993; the Decree of the President "On delegation of authority to manage the property that is in the state ownership to Dnipropetrovsk, Donetsk, Zaporizhzhia and Luhansk Regional State Administrations" dated of November 26, 1993; "On additional measures as to delegation of powers to manage the property that is in the state ownership to Dnipropetrovsk, Donetsk, Zaporizhzhia and Luhansk regional state administrations" dated of February 12, 1994 [7].

The next step was the adoption of the Law "On the formation of local government" in 1994. Local state administrations ceased to exist and the destruction process of legal background of state executive power vertical was initiated. This process was completed when the institute of Representatives of the President was abolished in June, 1994. The law was in force about half a year. During this short period of time bodies of local government had to solve all local problems. They were also delegated the authority of local government executive power

which had to be implemented through the activity of reestablished executive committees. At that time it was optimal when representative and executive bodies of local self-government are relatively independent and united under the guidance of the chairman of council. In the area of delegated powers the chairman and executive committee are subordinate to executive committees of councils, higher in the hierarchy, and the Cabinet of Ministers [19, c. 6-7].

During the elections in 1994, held under the Law "On elections of deputies and heads of village, district, city, borough, regional councils" (1994), chairmen of councils of all levels (except borough) were elected by the population of respective administrative units. To some extent, this was regarded as strengthening the status of not only officials, but local and regional governments in general, because the system of local government was created at all administrative and territorial levels with direct participation of the population. However, the Verkhovna Rada still has the competence to cancel decisions of local councils and to dissolve them. This fact leveled autonomy of local councils to some extent [19, c. 7].

This model of local government has received mostly ambiguous reviews of scientists. Some scientists think that it can provoke separatist tendencies among newly elected heads. Other scientists pointed to the threat of "democratic centralism" renewal and consider that its introduction causes a period of "acute crisis and confrontation of state authorities» [8, c. 7] and weakening the executive branch. At that time the newly elected President Leonid Kuchma did not want to accept it and insisted on the renewal of the executive power vertical. In this situation the search for an acceptable model of local government and its cooperation with the institutions of state power intensified [19, c.7].

Finally, the new law "On the state power and local government" was put into effect by entering into a Constitutional Agreement between the Verkhovna Rada and the President on June 8, 1995. According to it the model of local government, acting on the basis of the law 1992 was reestablished, local state administration were restored. They were subordinated from the top to bottom in accordance with executive vertical. Executive committees were dissolved again. Formal self-government remained only at the level of settlements. The system of local administration had, moreover, another controversial feature: the chairman of council (government) and the head of the relevant state administration (state power) is the same person, also elected by the whole population as the chairman of council, while the President received the right to appoint heads of administrations. The law was criticized greatly for a retreat from the achievements of the previous period regarding the development of local and regional self-government and democratization of power relations in general. Another negative feature was disrespect for the Constitution, which could be applied only to the part that does not contradict the Constitutional Agreement [19, c. 7-8].

Further formation of local self-government in Ukraine has been associated with the development and adoption of a new Constitution. Controversial constitutional process culminated in 1996. The Constitution of Ukraine was adopted and ratified. It fixed the basic principles of local government in Ukraine, which is governed by the law of the territorial community to solve local issues within the Constitution and laws of Ukraine.

The Constitution of Ukraine as the document of long-term actions identified only general guidelines for the development of local government in Ukraine. Therefore the further process of municipal reform began with the development and adoption of a comprehensive law on local government. The vagueness of certain provisions of the Constitution of Ukraine led to the development of different approaches to the new law development, as reflected in two drafts.

After long discussions, mutual concessions and compromises the Law “On local government in Ukraine” was passed on June 28, 1997. This law was introduced the institute of village, township head and mayor. The posts of chairman of the district and regional councils and chairman of district and regional administrations were split. The principles of state support, guarantees and judicial protection of local self-government were stated for the first time. It was also determined that the primary subject of local self-government, the main carrier of its functions and powers is not the council and its executive bodies, as claimed in previous laws but local community of village, and city (Article 6). Such procedural mechanisms of government as local initiatives and public hearings were introduced. The new provisions also include the separation of powers of government into own and delegated by the State [19, p. 8].

A number of presidential decrees aimed at developing and strengthening local government were approved: “The issue of the Foundation for local self-government in Ukraine” on December 19, 1995; “On provision of Foundation for local self-government in Ukraine and the staff of its board” on May 5, 1996 and “On the Coordination Council for Local Government” on May 13, 1997

A topical question was ensuring clear separation of 92 functions of local state administrations and local self-government in transitional period according to the strategy of administrative reform to decentralize government. Their role in the organization of people’s lives should gradually increase and preserve powers of state administrations. Local self-government in general had to be based on provisions of the Constitution and the law on local self-government, to take into account fundamental principles formulated in the Universal Declaration of Local Government and the European Charter of Local Self-Government. The latter was ratified by the Verkhovna Rada of Ukraine on July 15, 1997 and became an inseparable part of the legislation of Ukraine [8, p. 92-93].

Ratification of the European Charter of Local Self-Government shows that Ukraine recognizes the right of citizens to participate in the management

of public affairs at the local level. The state acknowledges that local authorities are one of the foundations of a democratic society, and the protection and strengthening of local government in the country is its duty and contribution to the building of a new Europe. Parliament adopted Law of Ukraine “On local state administrations” on June 3, 1997 which defined the functions and powers of state administrations and local bodies of government. However, this law was not signed by the President and was inactive for two years. Therefore, there was no separation of powers and this has led to the fact that these bodies often clashed through different understanding of the limits of performance of their functions and powers. The adoption of the Law “On local state administrations” by Parliament in 1999 was an attempt to solve this problem. The authorities tried to minimize the conflict between public administrations and councils at the regional and district levels. However, the impact of local state administrations on the agenda forming and decision-making in local councils remained. The state did not perform many of their functions as to expansion of the scope of government, successfully maintaining a high degree of centralization [21].

On May 25, 2001 Decree of the President of Ukraine “On the Concept of State Regional Policy”, and on August 30, 2001 Decree of the President of Ukraine “On state support of development of local government in Ukraine” were issued. They approved the program of state support for the local government in Ukraine [6, p. 10].

Particularly, the Law of Ukraine “On service in local self-government” was intended to regulate the legal, organizational, financial and social conditions for realizing the right to serve in local government by citizens of Ukraine, to determine general principles of work of local government officials, their legal status, procedure and legal guarantees of their service in local government [15].

Prior to the adoption of the Law of Ukraine “On service in local government” dated of 06.07.2001 service in the system of local self-government was regulated by the Law of Ukraine “On civil service”. In accordance with Article 2 of the Resolution of Verkhovna Rada of Ukraine On Implementation of the Law of Ukraine “On civil service” it was established that this law was applied to officials of local government, who were equal to the relevant categories of civil servants [1, p. 323].

The Law of Ukraine “On the organs of self-organization of population” was adopted on July 11, 2001. It determined the legal status, organization and functions of organs of self-organization of population [13].

It should be noted that from 1990 to 2002 more than three thousand legal acts were passed, including about 700 laws which considered directly or indirectly some aspects of local and regional development, including the question of the structure and activity of local government [6, p. 10].

The period from 2004 to 2006 is characterized by government reforming. It occurs under the influence of the Orange Revolution of 2004 and local elections in 2006. This stage is actually a preparation for the real constitutional reform of local self-government.

At this stage, Parliament adopted the Law “On elections of deputies of the Autonomous Republic of Crimea, local councils and village chairmen, city mayors,” “On the separation of state and municipal property” and laws on constitutional reform of local government (December 8, 2004 and December 23, 2005).

Law of Ukraine “On elections of deputies of the Autonomous Republic of Crimea, local councils, and village chairmen, city mayors” (dated of 04.06.2004, No. 1667-IV) initiated using two types of electoral systems: plurality voting system for the election of deputies of village councils and village chairmen, and city mayors, and for elections of regional, district and city councils – proportional representation system with closed lists in a single territorial district [17]. It should be noted that the previous law (“On elections of deputies of local councils and village chairmen, and city mayors” dated of 01.14.1998) mostly used a plurality voting system of relative majority.

Law dated of 04.06.2004 No. 1667-IV has not been criticized without grounds. The proportional system was criticized for the fact that it leveled the influence of voters on the nomination of candidates and the personal membership of elected councils. It broke contacts between voters and deputies, also helped business to establish control over the councils. This type of voting system unnecessarily increased the role and status of party leaders and transferred interparty debate to the local council, which would have solved economic issues pragmatically. It has one more significant disadvantage - promoting the transformation of district and regional councils to bodies which represent “narrow party or corporate interests of regional elites» [3, p. 126].

Plurality voting system of relative majority aroused criticism that there were too many nominated candidates in some places and people who scored less than 15% of all votes became village chairmen and city mayors. It did not provide them an adequate level of legitimacy. We should remind that on July 14, 2015 Parliament passed a new law “On local elections” which uses advantages of these voting systems leveling disadvantages. In particular, law determines that local elections will be held according to the following voting systems:

1. Elections of village councils are held under the plurality voting system of relative majority in single-member constituencies. The territory of village (several villages whose residents voluntarily amalgamated into one village community), the territory of united territorial community, established under the Law of Ukraine “On voluntary amalgamation of the territorial communities” is divided into single-member constituencies.



2. Elections of deputies of the Autonomous Republic of Crimea, regional, district, city councils are held by proportional representation system in multi-member constituency using electoral lists of local organizations of political parties, coalitions of local organizations of political parties on nomination of candidates in the territorial election districts. Multi-member constituency is divided into the territorial election districts that match to the territory of the Autonomous Republic of Crimea, region, district, city, under existing administrative and territorial structure, or the territory of united territorial community, district in city.

3. Election of city (cities, in which the number of voters is equal to 90,000 or more) mayors are held by the plurality voting system of absolute majority in a single-member constituency that match to the territory of a city, in accordance with the existing administrative and territorial structure, or the territory of united territorial community.

4. The elections of village chairman, city (cities, in which the number of voters is less than 90,000) mayor are held by the plurality voting system of relative majority in a single-member constituency, which includes the territory of relevant village (several villages whose residents voluntarily amalgamated into one village community), city under the existing administrative and territorial structure or the territory of united territorial community.

5. The elections of village headman are held by the plurality voting system of relative majority in a single-member constituency, which includes the territory of relevant village within the united territorial community [12].

According to the law they suggest to establish the number of members of relevant local councils. It will be determined by the Central Election Commission before the electoral process of next elections based on the number of voters who belong to the territorial community, live in the region, district, district in city. This provision is reflected in the Law of Ukraine "On local self-government in Ukraine". The right to determine the quantity of council staff was excluded from the jurisdiction of councils in Articles 26, 43, 45. In our opinion these changes are positive because they exclude the possibility of promotion of "their people".

Final approval of the European course of Ukraine (including the signing the political part on March 21, 2014 and economic part of the Association Agreement between Ukraine and the EU on June 27, 2014 [20]) has set a number of tasks to Ukrainian society.

Realizing it, the Cabinet of Ministers of Ukraine by its order dated from April 1, 2014 p. No. 333-p approved third Concept of reforming local government and territorial organization of power in Ukraine [14]. The first legal act that dealt with the reform of local government was the Concept of state regional policy, approved by decree of the President of Ukraine on May 25, 2001 No. 341/2001 [11]. The Concept of local government reform, in accordance with European standards, was approved by the Cabinet of Ministers of Ukraine on

July, 29 2009 No. 900-p, but it was unreasonably abolished in 2012 [2, p. 10]. It should be noted that implementation of the “new” Concept requires not only amending the Constitution, but changing and adopting regulations.

In particular, many innovations of the law “On local elections” and the Law “On local government in Ukraine” are directly related to the adoption of the Law of Ukraine “On voluntary amalgamation of the territorial communities” dated of 02.05.2015 No. 157-VIII.

This law aims to regulate relations arising in the process of a voluntary amalgamation of the territorial communities of villages and cities. However, in practice a number of problems that would be solved by this law, has not been resolved. Besides the law contains a number of contentious issues for which this law is actively criticized by both politicians and scientists.

The first problem is “voluntary” amalgamation. The communities actually have to unite under the pressure of the law according to which funding is only for those who amalgamated (Article 10) [10].

Besides, “Methods of forming competent territorial communities” developed by the government is controversial. In accordance with it, regional state administration (Council of Ministers of the Autonomous Republic of Crimea) is charged with developing draft of long-term plan of amalgamation. Then the Cabinet of Ministers of Ukraine approves it. Some authors consider these actions as flagrant interference of the government in the activity of self-government bodies, neglect of the European Charter of Local Self-Government and the Constitution of Ukraine (Article 140): “Local government is the right of a territorial community, residents of a village or a voluntary amalgamation of residents from some villages into one village community, towns and cities to solve local problems...»[18].

Most problems arose at the stage of providing conditions for voluntary amalgamation of the territorial communities determined by law. In practice, it turned out that the amalgamation plans developed by regional state administrations do not always match the wishes of the population.

In terms of these transformations it is expedient to note that the concept “village headman” came into being in the Ukrainian legislation for the first time. This post aims to replace village councils. However, according to the Law “On local government in Ukraine” a village headman does not actually have powers to solve problems previously resolved by village council. That is, in all cases a village headman will have to apply to the united council (which is in another locality) in order to solve any issues. As some authors note: “Easy to predict that the amount of work to be done will increase, councils will be simply overloaded with appeals from enlarged community” [5].

The purpose of new Constitution of Ukraine (draft law “On amendments to the Constitution of Ukraine (concerning decentralization of power)” dated

of 15.07.2015 No. 2217a [16] initiated by the President of Ukraine Petro Poroshenko, is to solve some of major problems regarding decentralization. We consider it is necessary to study the bill in details because it is the closest to the final stage of the constitutional process.

The purpose of the draft law is distancing from the centralized model of governance in the country, ensuring the capacity of the local self-government and creating effective system of territorial organization of power in Ukraine, implementing principles of subsidiarity, ubiquity and financial self-sufficiency of local self-government. To fulfill this task, the draft law proposes to amend Articles 85, 92, 106, 118, 119, 121, 132, 133, 140-144, 150, and Transitional Provisions of the Constitution of Ukraine.

These changes concern, first of all, decentralization of state power in Ukraine and strengthening constitutional and legal status of local government. It is proposed to establish that the administrative and territorial structure of Ukraine is based on principles of unity and state territorial integrity, decentralization of power, ubiquity and capacity of the local government, sustainable development of administrative-territorial units taking into consideration historical, economic, ecological, geographic and demographic peculiarities, and ethnic and cultural traditions.

The draft law provides that separation of powers in system of the local governments and their executive bodies follows the principle of subsidiarity that corresponds to the European Charter of Local Self-Government. Thus, in accordance with Article 4 of the Charter, organs of the local government, within the law, have full discretion to solve any issue, which is not excluded from their competence and solution of which is not assigned to any other authority.

In addition, local state administrations are excluded from the constitutional regulation. The institute of chairmen of local state administrations is also abolished. Instead, the main powers are concentrated in the community.

Material and financial basis of local self-government is determined (Article 142). In particular, it is determined that such basis is land, movable and immovable property, natural resources, and other objects of the communal property of territorial community; local taxes and levies, part of state taxes and other revenues of local budgets. In our opinion this article is particularly positive, as local taxes and levies, part of state taxes were defined as the basis for local self-government.

To supervise the compliance with the Constitution and laws of Ukraine local self-government bodies it is proposed to introduce the institute of prefects. Of particular note is the provision that the prefect stops the effect of acts of local self-government in explanation of their inconsistency with the Constitution or laws of Ukraine with a simultaneous appeal to court.

In addition, the draft law provides that in case of the adoption of the chairman of the community council, community, district, regional council act not in

conformity with the Constitution of Ukraine, posing a threat of violation of state sovereignty, territorial integrity or a threat to national security, the President of Ukraine stops the action of the relevant act with a simultaneous appeal to the Constitutional Court of Ukraine, temporarily stops the powers of the head of the community, the council of the community, district, regional council and appoints an interim state commissioner.

In case of recognition of the Constitutional Court of Ukraine Act of the chairman of the community, community council, district, regional council that does not correspond to the Constitution of Ukraine, the Verkhovna Rada of Ukraine on the recommendation of the President of Ukraine early terminate powers of the chairman of the community, community council, district, regional council and appoints early elections in accordance with the law.

Of particular note is the new version of Article 133, which provides for a new system of administrative-territorial system. According to this article system of administrative and territorial structure of Ukraine constitute administrative-territorial units: communities, districts, regions. The territory of Ukraine is divided into communities. The community is the primary unit in the system of administrative and territorial structure of Ukraine. Several communities constitute a district. Autonomous Republic of Crimea and areas are regions of Ukraine.

In our opinion, the term “community” is not well used to refer to the primary unit of administrative-territorial system because in the sphere of local government the term “local community” (enshrined in law) which indicates the residents of community is actively used. The emergence of similar terms (especially in one legal act) may confuse people who are not specialists in this area.

Also, it seems understandably references in Article 133 of the term “area” of Ukraine, while at the beginning of this Article stipulates that the administrative-territorial structure of Ukraine constitute communities, districts, regions, and there is no mention of “area” that actually should be replaced by the term “region”. Therefore, we think it would be appropriate to amend this article without mentioning the term “area”.

It should also be noted the changes proposed to the chapter on local government. So Article 140 was completely amended. In particular, according to part 1 of Article 140 of this draft law community carries out local government, both directly and through local authorities by independent public affairs management of local significance and management within the framework of the Constitution and laws of Ukraine.

We should mention that earlier part 1 of Article 140 contained a general definition of local government (local government is the right of a territorial community, residents of a village or a voluntary amalgamation of several villages into a village community, and cities, to solve local issues within the Constitution and laws of Ukraine). This definition is, in our opinion, the most appropri-

ate therefore its exclusion from the draft Constitution (though this definition is almost completely duplicated in the Law “On local government in Ukraine”).

As we see, the content of the draft law is generally positive, but the amendment of the Constitution is only the first step as features of legal regulation are established by special legislation. The changes to this special legislation are only developed.

### **Conclusions**

Having studied the legislation on local government in the process of its historical development, the author concludes that adopted and proposed changes to the legislation are generally positive. However, along with positive aspects, there are problems that must be solved. In particular “voluntary” amalgamation of communities is questionable, since financial pressure is seen in provisions of the law. Also, “Methods of forming competent territorial communities” developed by the government is very controversial. It has centralizing character (relevant state administration is charged with developing draft of long-term plan of amalgamation. Then the Cabinet of Ministers of Ukraine approves it. However, the most important problem is the lack of consistency of legal regulation, as it is expedient to adopt amendments to the constitution at the first stage of the reform (It would become the basis for the decentralization process,) and then based on it change other regulations.

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**MECHANISMS OF RADICAL REFORM OF LAW  
ENFORCEMENT AGENCIES IN UKRAINE  
AS THE MAIN REQUIREMENT OF INCREASING  
THE EFFICIENCY OF NATIONAL SECURITY**

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*This article is devoted to the investigation of mechanisms of radical reform of law enforcement agencies aimed at increasing the efficiency of national security and society. It is stressed that the principle of optimization of its structure as independent body of executive power should lie as a foundation of reform of the Ministry of Internal Affairs of Ukraine given the needs of Ukrainian society and the specifics of the law enforcement system. Renewed Ministry of Internal Affairs of Ukraine in the context of national security must deal with law enforcement, the protection of the constitutional system, territorial defense, migration activity, state border guard, fire-rescue activities. It is important to distinguish between political functions, securing them for minister, and professional functions, that have to be determined by the direction of the National Police and other bodies, which will be included in the structure of the Ministry of Internal Affairs of Ukraine. Demilitarization of the Ministry of Internal Affairs of Ukraine requires the establishment of civil model of activities and relationship among personnel. Therefore, police officers should be recognized as civil servants, not as soldiers. Moreover, suggested mechanisms of "active reforming" of the internal affairs bodies of Ukraine will contribute to the process of transformation of these militarized, authoritarian agencies into actually law enforcement agencies of the European standard, which will enforce the powers granted to them, protect rights and freedoms of the individual and, accordingly, the internal security of society.*

**Keywords:** *reform, law and order, the Ministry of Internal Affairs of Ukraine, internal affairs bodies, police, national security, Ukraine.*

**Kryshchanovych M.F. Mechanizmy radykalnej reformy organów praworządowych na Ukrainie jako główny warunek zwiększenia efektywności bezpieczeństwa narodowego.**

*Artykuł dotyczy ważnych aspektów współczesnej reformy organów ścigania. Analizowano podstawowe zadania i kierunki organów praworządowych na Ukrainie na drodze transformacji ich do policji standardów europejskich. Pro-*





to external conditions rather than to solve its problems altogether. Since the declaration of independence of Ukraine, the issue of reforming internal affairs bodies has been raised repeatedly. There have been nine attempts to reform the Ministry of Internal Affairs of Ukraine, but no reform was implemented to its logical conclusion. Absence of systemic measures and mechanisms for a long time aimed at real change of internal affairs bodies, caused a situation in which unreformed internal security sector generated risks inside of itself.

Despite all efforts, the system of internal affairs remained as repressive cumbersome machine as it was established in Soviet times. Events of Euro-aidan, when many people suffered from the police, and the total inaction of law enforcement officers during a confrontation in the Crimea and in eastern regions of the country, where separatist movements were unfolding there, became a further argument in favor of a radical reform of internal security sector.

Systemic problems of internal affairs bodies appeared in:

- excessively cumbersome structure of law enforcement agencies which, in addition, was complicated by the presence of overlapping and non-core functions;

- lack of opportunities in local communities to monitor police activities in its territory;

- imperfection of legislative regulation, presence of the large number of by-laws that are contradictory to the laws and Constitution of Ukraine;

- low efficiency of work of law enforcement agencies and the lack of evaluation system that reflect the actual activity results;

- the development of police marching toward the paramilitary structure, which led to the closure of the system and the lack of effective mechanisms of public control;

- not effective system of selection, education and training of police personnel;

- excessive use of force and special equipment by police;

- impunity for law enforcement officers [3].

Understanding public demand for immediate reform of the Ministry of Internal Affairs of Ukraine, experts from the public sector and the Reanimation reform package started drafting a law on police and police activities, in which they tried to combine all the best European practices and Ukrainian realities. It was the first draft of amendments to the work of police during the independence of Ukraine, which included public opinion rather than, as before, only the vision of the Ministry of Internal Affairs of Ukraine or the National Security Council of Ukraine.

The Cabinet of Ministers Ukraine also confirmed the intention to follow this way. The Cabinet of Ministers Ukraine issued the Resolution # 647 "On approval of the plan of priority measures to overcome the corruption" from July

2nd, 2014. It entrusted the Ministry of Interior Affairs of Ukraine, the Ministry of Justice of Ukraine, the Ministry of Regional Development of Ukraine and the Government Agent for Anticorruption Policy of Ukraine to develop and submit in the established order to the Cabinet of Ministers of Ukraine the draft law on the internal affairs bodies until September 1st, 2014. However, since that time the Ministry of Internal Affairs has not prepared a draft law that would regulate the work of revised police in the country.

One needs to take into consideration that the law enforcement bodies in modern Ukraine must first service their own country. Therefore, experts from public sector rightly emphasize that the policy will never truly reform itself, because why to cut the branch on which one sits? A group of experts from various organizations and institutions developed and submitted for public discussion the concept of police reform and a draft law on police and police activities in Ukraine to replace the outdated law on police. It was proposed to introduce development Strategy of the internal affairs bodies, which involves the formation of Internal Affairs of Ukraine as an institution of the European standard and the formation of the police as a major performer on ensuring internal security.

The proposed Strategy should focus on meeting certain requirements of the society to the police. Firstly, serving the needs of individual citizens, social groups and society as a whole must be a priority direction of in police work. These requirements for the content of police activity in a modern democratic society were formulated by the famous American researcher of police work D. Bailey based on the analysis of a wide range of regulatory requirements [4]. Secondly, the police should be held accountable before law, not the government. Thirdly, it must protect human rights, especially those that are needed to free political activity in democratic society. Fourthly, the police should be transparent in their actions. Police departments must be sufficiently open to forms of external control, including public control. Fifthly, partnerships with the public must take place within the model “community policing”. Sixthly, the Ministry of Internal Affairs of Ukraine must implement a gradual reduction of staff through redeployment of staff among other ministries and executive agencies, as well as through the dismissal of staff with the previous provision of services for additional vocational education. The National Police Service should consolidate the functions of crime prevention and protection of public order as the main performer. Because of this the service of district inspectors and patrol police that would concentrated 70% of service personnel, should be the main performers of police services.

Hundreds of suggestions and comments from experts from Ukraine and other countries were received and processed during the preparation of the draft law “On police and police activities”. There were a number of meetings, including with the representatives of the Ministry of Justice of Ukraine, the Secretariat of the Verkhovna Rada of Ukraine on Human Rights.

Projects of Reform and Development of internal affairs bodies were submitted on September 16th, 2014 at the meeting of the Expert Council under the Ministry of Internal Affairs of Ukraine. Experts of working group on reform of law enforcement agencies, who are also members of the Expert Council under the Ministry of Internal Affairs of Ukraine, provided comments and corrections to these projects to flesh out their content and lay the foundations of genuine reforms. On October 22nd, 2014 comments on the Concept of reforming the system of Ministry of Internal Affairs of Ukraine, the development Strategy of internal affairs bodies of Ukraine were submitted to the Government.

The expert from France, expert of the European Union “Support for Justice Reforms in Ukraine” divisional police commissioner M. Zherber also provided recommendations to policy documents to reform the law enforcement system adopted by the Ukrainian government in late October 2014. Among them one should pay attention to following: the ministry should leave only a supervisory role for law enforcement; it is necessary to develop a system of sanctions and their application in case of failure to obey the rule of law and appropriate system of appeal in the event of violations; abandonment of uniform can only be justified by secrecy of the assignment; community policing - in no case it has to mean direct participation of citizens or groups of citizens in performing the tasks of the police; to provide too much autonomy to services, including budgetary independence, because that would mean no need for the existence of the ministry; it is also important to consider that an automated management has never led to lower costs, often contrary [2].

It should be noted that reforming the police conducted since independence of Ukraine has been partial and incomplete. There were no conceptual approach and consistency mechanisms on implementation of the main tasks of the internal security of the country and society.

The Committee on Legislative Support of Law Enforcement of Verkhovna Rada of Ukraine emphasized that reform should take place in several stages indicating the timing and expected results. The first stage is the approval of the concept of reform, the adoption of the law on police and police activities, which should be based and reflect the content of the above-mentioned basic components of reform. The second phase is bringing the legal framework into compliance with the new law, the development and approval of regulations on the activities of law enforcement agencies (the police). The third stage is the introduction of reforms. In addition, it is necessary plan the development program of reform. Program should have stages and timing of reform, needed resources, criteria and indicators of evaluation of intermediate and final results.

The Ministry of Internal Affairs of Ukraine developed and submitted to the Verkhovna Rada of Ukraine in the beginning of January 2014 the draft law on creation of National police. As the Prime Minister of Ukraine Arseniy Yatseniuk at a government meeting, this bill eliminated a number of non-core functions of

the police, including “those post-Soviet departments to combat crime and corruption, which led crime and corruption” [8].

Directions of reforming the law enforcement system in Ukraine were discussed on December 15th, 2014 during a meeting with representatives of the European Union police of members of the Verkhovna Rada of Ukraine on Legislative Support of Law Enforcement. The President of the European Union Police Gerrit van de Kamp said regarding the reform of law enforcement system of Ukraine that there were many models of reforming the system in different countries. According to him, the question is that Ukrainians need to select the most appropriate model for them and the European Police Union is ready to assist in its implementation and share their experiences. [7]

It is clear that it is relatively easy to develop reform plans, formulate new objectives, goals and values, but implementation mechanisms on a durable basis are seen as more challenging task. In particular, tools are needed for reforms, but now Ukraine spends a lot of money on defense.

E. Zguladze received Ukrainian citizenship and was appointed the Deputy Minister of Internal Affairs by the Cabinet of Ministers of Ukraine on December 17th, 2014. This can we seen as the first step towards reforming the police. In the beginning of her work she stressed that much can be done already without money, for example, one can write a legal framework, make structural and systemic reform. The reform of law enforcement agencies was launched from the initiative of professionals and community activists. It was envisaged that functions of traffic police patrol should be given to patrol service, which will increase the number of patrol crews and expand the range of their duties. To test how effective the new measures will be the Ministry of Internal Affairs of Ukraine has decided to conduct the three-month experiment in Khmel'nitskiy - a city of about 300 thousand inhabitants. It was expected to summarize the experiment, after which it would be extended to other cities of Ukraine [6].

The principle of optimization of its structure as independent body of executive power should lie as a foundation of reform of the Ministry of Internal Affairs of Ukraine given the needs of Ukrainian society and the specifics of the law enforcement system. Renewed Ministry of Internal Affairs of Ukraine in the context of national security must deal with law enforcement, the protection of the constitutional system, territorial defense, migration activity, state border guard, fire-rescue activities. It was important to distinguish between political functions, securing them for minister, and professional, that have to be determined by the direction of the National Police, National Guard, Border Guard Service, Migration Service, State of Emergency, which will be included in the structure of the Ministry of Internal Affairs of Ukraine.

Demilitarization of the Ministry of Internal Affairs of Ukraine requires the establishment of civil model of activities and relationship among personnel with

the decline in the number of uniformed staff. The state had to change the status of the police and turn it from militarized formation to the service providing public services to ensure security and order. Police officers should be recognized as civil servants, not as soldiers.

It should be noted that a centralized system of setting targets to ensure the internal security of the state and society, without the mechanism of their coordination with the regions and corresponding adjustments did not allow differentiated approach to the planning of regional and district police units and to determine priorities before them, given the specificity of the area. In this regard, decentralization of the system of police units for flexible management and setting up a mechanism of coordination with the regions became necessary.

There was the task to resolve service functions of the Ministry of Internal Affairs of Ukraine, as well as the size and powers of the police services in legislation. The National Police Service was supposed to consolidate the functions of crime prevention and protection of public order as the main performer, because of what service of district inspectors and patrol police should become the main one. Regular parts, service detectives on disclosure of ordinary crimes, information services and logistic support should join the other units.

The reform of internal affairs bodies of Ukraine in the context of national security, according to international standards of law enforcement, is impossible without quality management of the personnel of law enforcement. It is important to develop new criteria and procedures for selection of personnel, reform the vocational training and improve the system of internal control over the actions staff from her community, NGOs, and local authorities to improve the efficiency in the implementation of the mechanism personnel policy, professionalization of staff.

These issues were addressed in Coalition Agreement that is in the chapter IU "Reform of law enforcement", which has provided a section on the system of training of police personnel. According to it, the system of training of police personnel should be a three-tier: several monthly general basic training for acquisition of initial positions; specialized training for acquisition of positions of middle management staff and specialized criminal police on the basis of BA degree; training of MA graduates at the Police Academy for manning senior positions.

Tasks in the field of law enforcement only at the expense of its technical staff and equipment, without the active assistance of the population, are recognized as impossible at the level of the Ministry of Internal Affairs of Ukraine. Therefore, close cooperation with the public and local communities involves creating service model of law enforcement agencies, focused on solving the problems of population as part of generally accepted approach to the world community policing. We must not talk about individual cases of attracting people to cooperate with law enforcement agencies, but about the creation of other

psychological conditions, different atmosphere around police work, when the population will not only observe, analyze and criticize the police for its shortcomings or failures, but also rather empathize and actively respond to proposals from police [1].

The development of legislative initiatives aimed at establishing a clear coherence of legal provisions in criminal, administrative, labor, civil and other branches of law regulating the activities of police personnel should become an important condition for increasing the efficiency of law enforcement agencies to ensure the internal security of the state and society. It is necessary to implement the mechanism of revision and update of normative base taking into account new recommendation documents of international institutions.

Tasks assigned to these or other internal affairs bodies should be developed taking into account European standards. Moreover, new internal and external evaluation criteria and methods of their functional activity should be introduced. However, we cannot allow mechanical copying foreign designs and ways to reform the police.

### **Conclusions**

Thus, suggested by author mechanisms of “active reforming” of the internal affairs bodies of Ukraine will fully contribute to the process of transformation of these militarized, authoritarian agencies into actually law enforcement agencies of the European standard, which will enforce the powers granted to them, protect rights and freedoms of the individual and, accordingly, the internal security of society. Reformed police, in our opinion, should take its rightful place in the subjects of enforcement agencies and, in general, the national security of Ukraine.

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## PERSPECTIVES OF FORMATION OF MECHANISMS OF GOVERNMENT CONTROL OF ELECTRIC POWER ENGINEERING IN UKRAINE

*The article offers the results of scientific investigation of the features of legal and organizational mechanisms of state regulation of electric power engineering. It was determined that the key elements of the organizational mechanism of state control of the development of the electric power branch are the subjects and the objects of the state influence. The grounds for the implementation of this mechanism consist of methods and means of legal mechanism of state control of the development of the electric power branch. It was proposed to understand the electric power industry, an object of the state administration, as a branch of economy, the purpose of which is to regularly provide customers with electric power in necessary amount and at well-grounded prices. It (the branch) is formed by certain sub-branches, in particular, heat-, water-, and nuclear power industry, as well as electric power stations, energy generating, energy supply and energy transmission companies. This definition of the electric power industry as an object of the state administration should be legislatively determined, mainly, in the Law of Ukraine "On electric power industry". It also presents perspectives of formation of legal and organizational mechanisms of government control of electric power engineering in Ukraine, in particular main organizational tasks for said industry reforming.*

**Keywords:** *mechanism of government regulation, electric power engineering, reform.*

**Jewdokimow W.A. Perspektywy powstawania mechanizmów regulacji państwa rozwoju elektryczno-energetycznego obszaru na Ukrainie.**

*W artykule przedstawiono wyniki badań naukowych dotyczących specyfiki mechanizmów prawnych i organizacyjnych państwowej regulacji sektora elektryczno-energetycznego na Ukrainie. Bezsporne jest, że kluczowe elementy mechanizmu instytucjonalnego państwowej regulacji sektora elektryczno-energetycznego są podmioty i przedmioty oddziaływania państwa.*

*Podstawą dla realizacji tego mechanizmu są metody i środki mechanizmu prawnego regulacji państwa rozwoju branży elektryczno-energetycznej.*

*Określono perspektywę poprawy procesu tworzenia mechanizmów prawnych i organizacyjnych państwowej regulacji sektora elektryczno-energetycznego na Ukrainie (na przykład podstawowe zadania organizacyjne reformowania branży).*

**Słowa kluczowe:** mechanizmy regulacji państwa, obszar elektryczno-energetyczny, reformowanie.

**Євдокімов В.А. Перспективи формування механізмів державного регулювання розвитку електроенергетичної галузі в Україні**

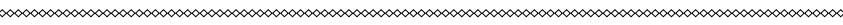
*У статті подано результати наукового дослідження особливостей правового й організаційного механізмів державного регулювання розвитком електроенергетичної галузі в Україні. Установлено, що ключовими елементами організаційного механізму державного регулювання розвитку електроенергетичної галузі є суб'єкти й об'єкти державного впливу. Підґрунтя для реалізації цього механізму становлять методи та засоби правового механізму державного регулювання розвитку електроенергетичної галузі. Виявлено перспективи вдосконалення процесу формування правового й організаційного механізмів державного регулювання розвитком електроенергетичної галузі в Україні, зокрема основні організаційні завдання реформування цієї галузі.*

**Ключові слова:** механізми державного регулювання, електроенергетична галузь, реформування.

**Евдокимов В.А. Перспективы формирования механизмов государственного регулирования развития электроэнергетической отрасли в Украине**

*В статье изложены результаты научного исследования особенностей правового и организационного механизмов государственного регулирования развития электроэнергетической отрасли в Украине. Установлено, что ключевыми элементами организационного механизма государственного регулирования развития электроэнергетической отрасли являются субъекты и объекты государственного влияния. Основу для реализации этого механизма составляют методы и способы правового механизма государственного регулирования развития электроэнергетической отрасли. Обозначены перспективы усовершенствования процесса формирования правового и организационного механизмов государственного регулирования развития электроэнергетической отрасли в Украине, в частности основные организационные задания реформирования этой отрасли.*

**Ключевые слова:** механизмы государственного регулирования, электроэнергетическая отрасль, реформирование.



## **Introduction**

Investigations of legal and organizational mechanisms of government control become more important under reforming of the electric power engineering. These mechanisms, like others, are a form of functionality of the governmental system. Despite the fact that the system includes subjects, objects, facilities, methods, functions, etc., the specified mechanisms are also marked by their totality. The legal and organizational mechanisms of government control of the electric power engineering have several economic and social tasks of importance and relevance. This way, the significance and actuality of determination of the current state of actions of legal and organizational mechanisms of electric power engineering government control to the above-mentioned theory structure makes no doubt.

## **Analysis of recent research**

The questions covering aspects of state administrative aspects of the energy management, involved A. Dyehtyar, B. Kal'chenko, S. Maystro, V. Shvedun and others. However, today there is a lack of development in the determination of perspectives of formation of mechanisms of government control of electric power engineering in Ukraine.

## **Statement of research objectives**

The purpose of the article is the research of the perspectives of formation of mechanisms of government control of electric power engineering in Ukraine.

## **Results**

The key elements of the organizational mechanism of government control are subjects and objects of the government influence. Organizational mechanism of government control of the electric power engineering is not exclusion- it represents a structure of organizational system of government control of electricity power engineering. The system provides internal ordering and coordinated cooperation of subjects and objects of the government influence. It also provides proper distribution and consistent implementation of the government functions, providing resources as well as their rational and efficient usage. At this, the background for implementation of organizational mechanism of government control of this sector is methods and legal facilities of government control of the electric power engineering.

In science, "Government control" is a generally accepted identification of an object of government control (regulation) with relations, events, and processes focused on immediate regulatory impact of government control subject. According to the most acceptable approach, the objects of government control are separate areas of society, economy sectors and fields, including electricity. As it is known, the sub-sectors of the latter are thermal, hydro and atomic power engineering.

We agree with O. Hubriyenko [1, p. 19] that "electric power engineering" is a multidimensional term, as can be considered in legal, technical, social and

economic context. However, under the legal framework analysis we can argue as of discrepancy in the definition of electric power engineering as an object of government control and the electric power engineering object itself (see. The Law of Ukraine “About the electric power engineering”). An electric power object includes: an electric power station (but for the nuclear part of atomic electric power station), electric substation, electric power network which are connected to the United Energy System of Ukraine, boiler houses, connected to the main heating system, and the main heating system.

The electric power engineering, as an object of government control, has signs as follows:

- it is a sector of Ukrainian economy and a part of the fuel and energy sector;
- it is of strategic importance both for the country in whole and for its economic and social system;
- it is directly connected with other sectors of the economy;
- it requires development and implementation of a special mechanism of government control, including principles, subjects, functions, forms, methods and other elements.

The electric power engineering as the object of government control can be characterized with underdevelopment or acceleration of its development through absence / presence of all the required laws and regulations. A social aspect has great impact on electric power engineering, which should be considered together with the economic one. Significant and unfounded domination of a social aspect over the economic one can slow down development of the electric power engineering, which can be confirmed with the presence of cross-subsidization.

Considering this, we offer understanding of electric power engineering as an object of government control, as the economic sector, designed for permanent and sufficient supply of consumers with electricity at reasonable price. This branch consists of thermal, hydro and atomic power engineering, as well as electric power stations, companies for power generation and distribution. We consider that determination of electric power engineering as an object of government control should be legally entered to the Law of Ukraine “About the Electric Power engineering” [7, cl. 1].

Now, development of electric power engineering, as an object of government control in Ukraine, covers reforming of functioning of the specified branch. However, under completion of reforming of electric power engineering, its functioning should be treated as the process, characterized by positive dynamics, in other words- the development of this branch.

It was determined that the main organizational tasks for Ukraine’s electric power industry reforming are the following ones:

- creation of conditions for the guarantee of the long-term development of the electric power branch by eliminating the energy resources shortfall risks;
- creation of competitive electric power markets in all regions of Ukraine;
- removal of excessive wearing of facilities and energy infrastructure objects, their modernization according to the modern criteria, and attraction of means necessary for this purpose;
- creation of effective mechanism of expenditure cut in the area of production (generation), transmission and distribution of electric power, and the improvement of the financial condition of organization in the branch;
- stimulation of energy-saving in all areas and branches of economy, in particular in the electric power one;
- creation of favorable conditions for the construction and operation of new facilities for production (generation) and transmission of electric power;
- preservation and development of the single infrastructure of the electric power industry, including transmission networks and supervisory control;
- demonopolization of fuel market for heat power plants;
- creation of regulatory and legal framework for the electric power branch reforming, controlling its functioning in new economic conditions;
- reforming of the system of state regulation and control in the electric power branch;
- fulfillment of export potential of the electric power industry;
- removal of cross-subsidization of certain categories of customers at the expense of others, etc.

Scientists consider that expectations of electric power engineering reforming in Ukraine include: enabling development of competitive environment in the branch of electric power, which, in its turn, will become a factor, inducing enterprises to improve their work, procurement and implementation of high technologies, will contribute to development of energy-saving programs and approval of reasonable retail electricity rates [2; 3; 11, p. 136; 12].

State reforming of electric power engineering in Ukraine is also intended to get the mobilization effect as of optimization of this branch. On one hand, it will provide the most effective enterprises of this industry with orders and less effective ones will have to improve their management in electric power engineering; on the other hand – it will build intra-branch bridges, making the structure of Ukrainian energetic power engineering more mobile.

The government spreads its influence over operation of the wholesale electricity market. The main subject of realization of government control is the National Commission, managing energy and community facilities, which have replaced the National Energy Regulation Commission in year 2014 [6]. The new state agency can perform licensing and control of natural monopolies, make rules of electricity use, protect the rights of consumers, including implementa-

tion of the price and rate [there as well]. Consumers of electricity will pay the minimum price available at: firstly - competition between generating companies and suppliers of this type of energy, secondly - financial stability and profitability of electric power engineering, and thirdly - creation of terms for attraction of investments.

National wholesale electricity market operates under the “single buyer” model. It has been chosen considering a model of significant advantages, used in the United Kingdom, Wales and Argentina. The structure of energy facilities of the specified states is similar to Ukrainian. Understanding that, in year 2002, the Government of Ukraine of that time made a decision about further functioning and development of the wholesale electricity market in the form of appropriate Concept [9]. The approved Concept contained provisions, determining the need for stepwise change of “single buyer” model for “the full-scale competitive market of electric power”. The latter covers the following markets:

- market of bilateral contracts;
- balancing market to provide supply and demand for outside contractual volumes of electrical energy;
- market of additional services.

In 2004, a vector of deregulation of electric energy market was departed due to establishment of a government monopoly - Company «Energy Company of Ukraine» [10]. It combined the assets of energy generating and distributing companies of Ukraine. It contributed to misbalance of the market structure - de facto there was formed a vertically integrated structure, which was a monopolist in diversified activities in the electric energy sector on the one hand, and interconnected - on the other hand. Until year 2008, “Energy Company of Ukraine” National joint stock Company had a control packet of shares of 10 electricity-generating facilities. According to S. Yermilov, they had almost half of the total installed capacity of the United Energy System of Ukraine, and the state share of 21 of 27 regional power distribution companies, buying about 70% of electricity on the wholesale electricity market [4]. However, the Government Decree of year 2014 liquidated “Energy Company of Ukraine” National Joint Stock Company [8].

Under annex 2 of the analyzed Government Decree [8] the state-owned shares of joint-stock companies were transferred to the Ministry of Energy and Coal Industry of Ukraine after the liquidation of “Energy Company of Ukraine” National Joint Stock Company. They included 78.29% of shares of “Centrenergo” PJSC, 87.4% of shares of “Dniester PSPP” PJSC and 60.06% of shares of “Luganskoblenergo” OJSC. We agree with A. Shevtsov, M. Zemlyanyi and others, that the government should define the companies to be left at own disposal, to guarantee stability of electric power engineering branch, the strategy of its development and the required level of energy security [12].

Ukraine still has several problems at reforming of the electric power engineering branch. They include selection of a supplier by consumers, widespread introduction of competitive pricing, energy security (reliability of electricity supply, availability of energy reserves, no background for development of monopoly in the electricity markets, etc.). One of the reasons for enhancing and accumulation of problems in the electric power engineering branch is the global financial and economic crisis. The national electric power engineering has features, representing a real threat to the economic security of Ukraine:

- reduction of energy carriers output (certain grade of coal in Donetsk and Lugansk regions);
- bureaucracy in providing of electric power engineering branch with the raw materials, required for generation of electric power;
- slow retooling in the branch, and even impossibility to make it, due to insufficient funding;
- reduction of innovative technologies applied, resulting in increase of GDP energy intensity, caused by inconsistency in implementation of government energy saving policy;
- increase of arrears in payments for energy consumed.

“Energy Market” State Enterprise (hereinafter - “Energy Market” SE) [5], as a wholesale supplier, has purchased 166 billion kWh of electricity from producing companies, for a total amount of 111.3 billion UAH (excluding VAT) in year 2014. The share of generating companies, selling electricity to “Energy Market” State Enterprise by “green” tariff, increased from 0.9 to 1.2% in the overall structure of the sale of electricity on the wholesale electricity market, compared to year 2013.

In year 2014, 161.6 billion kWh of electricity were purchased in the Wholesale Electricity Market, which is for 6% less than in year 2013. Electric energy, procured by suppliers for Ukrainian consumers, decreased by 5.6% and amounted to 152.4 billion kWh, taking into account the supplies to the temporarily occupied territory of the Crimea and Sevastopol.

The average wholesale market price for electricity in year 2014 increased by 13.7 % and amounted to 830 UAH for 1MWh, compared to year 2013.

The average electricity price was 521.8 UAH per 1MWh at generating companies in year 2014. The price increased by 12.9 %, compared to year 2013. Increase of electricity purchase price occurred in all generating companies.

The average electricity suppliers selling price was increased by 12.8 % and amounted to 577.3 UAH for 1MWh considering exports in year 2014 and compared to year 2013.

“Energy Market” State Enterprise was taking all measures to ensure full payments for electricity with the generating companies and NPC “Ukrenergo” State Enterprise, in association with the Council of electricity wholesale market,

Department of Energy and coal industry of Ukraine and the National Commission for regulation in the areas of energy and utilities, in year 2014.

“Energy Market” State Enterprise has also additionally attracted 2 billion UAH with the Government order for electricity debt repayment in year 2014 to generating companies of thermal power plants. It has been done for further directing of funds to payment for coal for thermal stations, but for the ones located in the areas of anti-terrorist operation.

In year 2014, “Energy Market” State Enterprise attracted credit resources for a total amount of 11.3 billion UAH under applications of generating companies, and further to decrees of the National Commission for energy and utilities control, 8.9 billion UAH of which was returned in year 2014. 582.7 million UAH interest on credit resources was paid in due time [the same place].

However, “Energy Market” State Enterprise managed to settle 92.2 % of the payments with generating companies and “Ukrenergo” NPC, despite irregular and incomplete payments by electricity suppliers (but for suppliers at unregulated tariffs) for commodity products, in year 2014. In year 2013, 98.3 % of payments were settled. In year 2014, “Energy Market” State Enterprise paid almost 3 billion UAH of duty to the general fund of the state budget, in the form of surcharge to the current electric and thermal energy rate.

In year 2014, payments of suppliers for electricity from “Energy Market” State Enterprise amounted to 93.4 % of the cost of commodity products. This is for 4.2% less than during the same period of year 2013. At this, in year 2014, the level of current payments to the suppliers at a regulated tariff decreased by 6.9 % and amounted to 91.1% of the cost of commodity products, compared to year 2013.

Only 14 of 37 suppliers of electricity at a regulated tariff completed their settlements with the wholesale supplier of electric energy (“Energy Market” State Enterprise), against 19 suppliers of electricity at a regulated tariff in year 2013[5].

Incidentally, in year 2001, the common level of payments to energy suppliers for purchased electricity amounted to 64.8% of the cost of commodity products; in year 2002, this figure was increased to 82.4%, in year 2003 - 90.8%, in year 2004 - 96.6%. In the following years, these inflows were growing and in year 2007 became almost 100%. In year 2008, the payments to suppliers of purchased electricity were lower due to the global financial and economic crisis.

In year 2014, “Energy Market” State Enterprise has short received 7.4 billion UAH, which is 3.9 billion UAH more than last year. It should also be noted that over 80% of this debt, which is 6 billion UAH, lie on 5 companies, which are: “Dniprooblenergo”, “Donetskoblenergo”, “LEO”, “REM” and “PES Energovugillya” [the same place].

It should be noted that one of the main reasons for significant deterioration of settlements with these supplying companies are the events in the area of ATO



and incomplete payments of companies of coal industry, housing and communal services. Undoubtedly, the reason for increase of debt for electricity, purchased on the wholesale electricity market, is incomplete settlements of consumers and suppliers.

The above problems are partially caused by impossibility of investments in electric power engineering through its system and short-term investments in the private sector of electric power engineering. As of the latter, investors are interested in fast money and are focused on short-term prospect in development of electric power engineering. Large investments in development of innovative technologies of medium and long payback are complicated now. It is known that encouragement of investments is less efficient at long payback periods, typical for electric power engineering. Another issue of electric power engineering development is obsolete national legislation and sometimes instability thereof, as of the energy saving. Considering this, lack of assurance that potential investors will seek for long-term investments is logical and objective.

#### Conclusions

Taking into account the current results of the analysis of organizational and legal mechanisms of government regulation of the electric power engineering in Ukraine, the following prospects can be determined:

- preservation of composition of primary energy resources for electricity production with a small change in their structure (it should be remembered that the structure of electricity generation does not meet international trends, because the sources of primary energy contain a hypertrophied part of natural gas, coal, and the share of alternative sources is lowered as of today);
- the need for further integration with the energy systems of EU countries;
- strengthening of processes of energy supply autorotation and others.

This shows importance of further improving of the existing mechanisms of government control in electric power engineering, promoting creation of innovative, energy-efficient technologies and their implementation in electric power engineering as well as search for alternative energy sources.

A negative issue of the national practice of reforming of the electric power engineering is indistinctness of transformations in the beginning of reforming. This is caused by the lack of experience of such reforms. Therefore, the main sources of electricity branch transformation, which have replaced this experience, are formally declared aims and tools of electric energy markets transformation, the main of which is liberalization (privatization). We think that a methodical mistake was made during liberalization in Ukraine, sometimes privatization was carried out without sufficient scientific or theoretical justification. It resulted in misbalance of interests of subjects of the electricity sector. In this context, we must point out the similarity of the results of national reforms in the study branch, with the actual achievements in the reforming of electricity system

in England, where sometimes, after the beginning of a reform, the government has to intervene in the electricity sector, by changing approaches to reforming.

Based on the above, we can say that at propagation of the doctrine of free market, at liberalization of the economy, if this doctrine shows its inability to resolve a set of problems independently, the state is the only participant in the managing process, ready to take on not only the authority but also responsibility for the crisis. This evidences the theoretical and practical need in a balanced government control of development of the electric power system of Ukraine. It has a task to ground the feasibility of intervention in the electric power engineering.

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**Section 3.**  
**INTERNATIONAL COOPERATION**

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## **GEO-ECONOMIC AND INSTITUTIONAL FACTORS OF UKRAINIAN EXTERNAL LABOUR MIGRATION**

*The article is devoted to the comprehensive analysis of geo-economic aspects and social and economic consequences of contemporary Ukrainian labor migration. The purposes of this article are: to outline the theoretical and methodological foundations of the study of contemporary Ukrainian labor migration; to evaluate trends of labor migration in Ukraine and abroad; to analyze and summarize the international experience of state migration policy and to identify opportunities to implement them in Ukraine. It is concluded that in conditions of unfavorable demographic trends of Ukraine, which could lead to labor shortages in the future, and given the increased competition for labor resources at European and world labor market, Ukrainian migration policy should be developed according to basic directions such as: protection of rights of citizens working abroad; providing more opportunities for their legal employment in foreign countries by signing relevant international agreements, improving mechanisms of their implementation; simplification of visa regime, its gradual cancellation for certain categories of citizens and other directions proposed by the author of this article.*

**Keywords:** Ukrainian labor migration, migration policy, geo-economic and social and economic dimensions.

**Drzangozin M.G. Czynniki geoeconomiczne i instytucjonalne ukraińskiej migracji zagranicznej siły roboczej.**

*Artykuł zawiera analizę aspektów geoeconomicznych i skutków społeczno-gospodarczych współczesnej ukraińskiej emigracji zarobkowej. Celem jest poprawa teoretycznych, naukowych, metodycznych i organizacyjnych podstaw narodowej polityki migracyjnej.*

**Słowa kluczowe:** ukraińska migracja zarobkowa, polityka migracyjna, geoeconomiczne i społeczno-economiczne wymiary.

**Джангозін М.Г. Геоeconomicчні та інституціональні фактори української зовнішньої трудової міграції**

*Стаття містить комплексний аналіз геоeconomicчних аспектів та соціально-economicчних наслідків сучасної української трудової міграції. Метою є удосконалення теоретичних, науково-методичних та організаційних основ національної міграційної політики.*



### **Statement of research objectives**

Science has accumulated rich experience, allowing describe the main features, the scale of migration; identify historical periods, the possible consequences of migration processes. However, the problem remains unsolved about the formation of an effective migration policy in Ukraine taking into account peculiarities, prerequisites factors and forms of migration. Improving the management of migration requires detailed scientific development of theoretical, methodological and practical aspects of the problem, development of scientifically based recommendations on formation of migration policy and mechanisms of its implementation.

The purposes of the article are: to outline the theoretical and methodological foundations of the study of contemporary Ukrainian labor migration; to evaluate trends of labor migration in Ukraine and abroad; to analyze and summarize the international experience of state migration policy and to identify opportunities to implement them in Ukraine.

### **Results**

Labour migration as a process of mass movement of individuals from one area of the donor country to the territory of the recipient country with the purpose of employment and extended stay requires the widest possible use of multidisciplinary tools. Its socio-economic and geo-economic consequences become increasingly noticeable at regional, national levels as well as globally. For example, contemporary Western Europe in the context of globalization appears as a new space of migration. The development of Western “consumer society”, including a variety of consumer services, provokes constant growth in demand for “cheap” labor force that is met mainly by migrant workers from other countries. Ukraine as a European country also has a long involvement in global migration processes that were particularly intensified in the early 90s of the last century. Therefore, the analysis and consideration of general migration trends, their effects are one of the important factors in the formation of international and domestic policy of the Ukrainian state. Thus, the need for diverse research problems of Ukrainian labor migration, their proper understanding and assessment for the purpose of scientific predictions of this phenomenon, and thus for provision of scientific and analytical base for making applied developments becomes relevant.

After World War II, when the establishment of the European community was only planned, national governments stimulated labor immigration, because there was the need to rebuild the war-ravaged economy. Researchers claim that without the so-called “Gastarbeiter” or “guest workers” economic recovery in postwar Western Europe (including the “German miracle”) would be impossible.

The plan, adopted by the EU, called “Roadmap immigration” is intended to become a response to demographic and economic challenges faced by Europe, as well as migration pressure at its borders. The purpose of the approved plan is to use the potential of migration for the development of Europe including through

full integration of foreigners who are already in its territory as well as regulated attraction of new contingents of foreign workers. Qualified personnel who will use most favored treatment will make a separate category. The final section of the plan applies to migration management, which should be carried out in close cooperation with the countries of migrants' origin. For example, to prevent the problems that countries of origin face because of "brain drain", it is planned to encourage reverse migration, rotated migration etc. Active policy will be conducted on migration of unskilled and seasonal workers. Moreover, likely approaches are to be applied that are typical for traditional immigrant countries such as the US or Canada [7].

The development of the external sector of the EU migration policy expands opportunities for Ukrainian cooperation with the EU. At the same time, certain challenges for Ukraine that require adequate responses are connected with the formation of a common EU migration policy. Firstly, the introduction of a more open immigration policy will enhance the attractiveness of the EU for potential migrants from Ukraine, mainly highly skilled workers. It may adversely affect human and intellectual potential of the state and therefore it will require increased efforts to reduce emigration, to return emigrants to their Homeland. Secondly, extensive and detailed legislation in the field of migration will require hard work during the integration to the EU on its implementation, compliance with European standards.

According to the embassies of Ukraine, migrant workers are distributed by countries of destination as follows: there are 300 thousands of migrant workers in Poland, in Italy and the Czech Republic - 200 thousands, in Portugal - 150 thousands, in Spain - 100 thousands, in Turkey - 35 thousands, in the USA - 20 thousands. The number of Ukrainian citizens working in Russia is estimated at 1 million people [6, p. 27]. Therefore, more than half of migrant workers from Ukraine work in the EU. Unlike the eastern direction, that is Russia, the western direction becomes more attractive because of higher labor remuneration level and better conditions of work.

The main areas of employment of Ukrainian migrant workers are construction (71.4% men and 10.6% women), agriculture (12.7% men and 25.6% women) and home service. The structure of employment of Ukrainians in different countries is different and depends on the needs of the local labor market. Gender composition of migrants in some countries is correlated with the type of work that there they are busy at. For example, men predominate in Portugal and Russia where they work mainly in construction, and women - in Italy and Greece, where they are mainly engaged in agriculture and domestic service. Accordingly, in 2004 women accounted for 19% of Ukrainian migrant workers in Portugal and 75.7% in Greece [8-9].

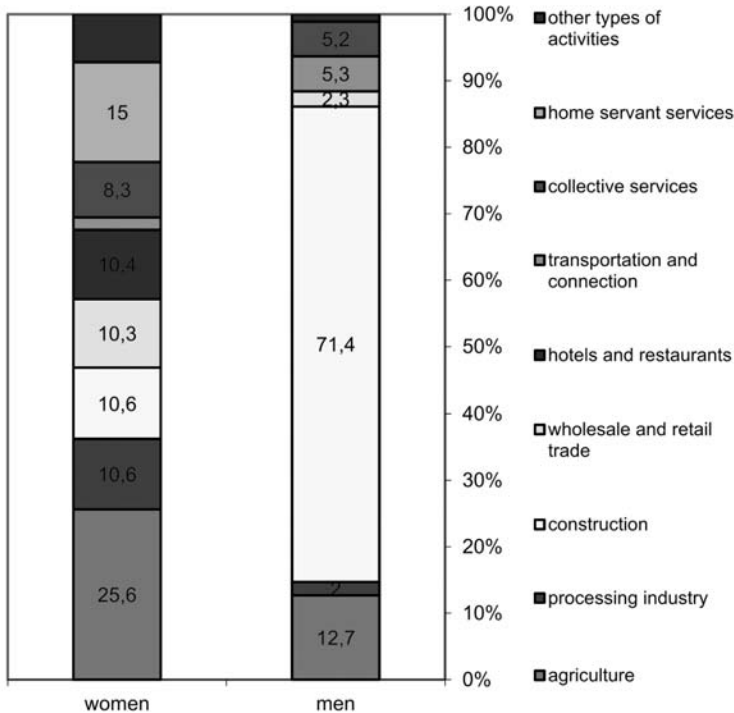
After the collapse of the Soviet Union five main factors contributed to the spread of migration processes in the CIS region: geopolitical shifts that occurred as a result of the collapse of the USSR; liberalization of state control over migra-



tion processes; different rates of economic development of 15 independent countries; family and cultural ties of the population of the CIS countries, as well as knowledge of a common language, similar mentality, common communications and transport systems; the possibility of visa-free movement across internal borders of the former Soviet Union for most citizens of CIS countries. Ukraine has a negative migration balance with Russia. According to the Federal Migration Service of the Russian Federation on March 31, 2015, starting from April 1, 2014 2.5 million of citizens of Ukraine moved to Russia and continued to remain in its territory. About 6 thousands of Ukrainians applied for refugee status, 325 thousands - for temporary shelter [8-9].

Diagram 1

**Areas of employment of Ukrainian migrant workers abroad in 2011, %**



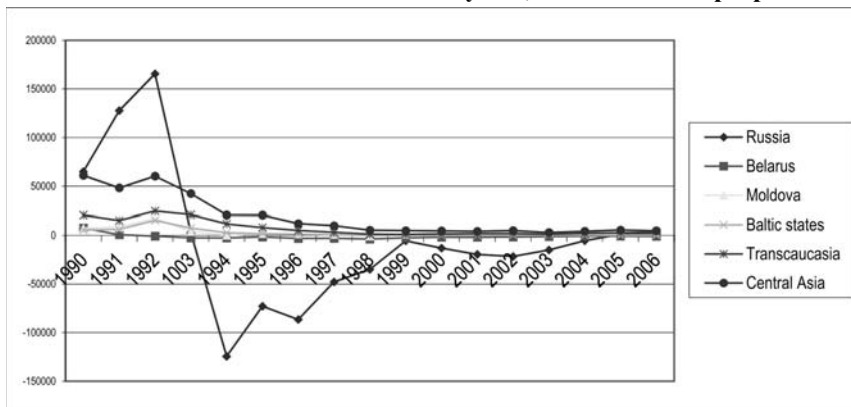
Source: 7. Verboviy M.V. Geoekonomichne ta instytytsiynе pole ukrayinskoyi trudovoyi migratsii (Gеоeconomical and institutional field of Ukrainian labour migration) : monograph / M.V. Verboviy. – Lviv: Prostir-M, 2012. – 316 p.

There is a significant movement of migrants from the CIS region with few resources, such as Moldova, Central Asia and the Caucasus to countries rich in resources, such as Russia, Ukraine and Kazakhstan. In the short run, migration trends in countries of the former Soviet Union are formed primarily under the influence of economic factors. These factors will remain important, but in the future, demographic factors will play an increasingly important role.

Low fertility rate, aging of population, its natural decrease and reduction of the working population will occur in Ukraine, Moldova, Belarus and Russia in the long term. Meanwhile, the southern countries of the former Soviet Union, including in Central Asia and the Caucasus, have younger population. The birth rate there exceeds the death rate and the number of population grows. Given the geographical proximity and shared historical heritage, one can expect that young people from southern countries of the former USSR will seek work in the north. Available data indicate that this process occurs already today.

Diagram 2

**The balance of migration between Ukraine and the CIS countries and Baltic States in 1990-2006 years, in thousands of people**



Source: State Committee on statistics of Ukraine

Owing to close migratory links, which have developed historically, there is a clear interdependence of migration processes in the territory of former USSR. Policy of Russia, the main recipient country, makes the greatest impact on the migration situation in this space. This effect is enhanced because of transition of Russian Federation to active migration policy aimed at the prevention of depopulation by encouraging immigration, especially from ethnically and culturally close countries.

Recently the UN has investigated the possibility of using migration- replacement as an instrument of state policy to counter the negative impact of the aging of population, the total population decline and the reduction of the number of people of working age. In this study, the influx of 5.4 million of migrants during 2000-2050 was predicted for Russia. However, in order to keep the population at the level of 1995, the influx of migrants should be 24.9 million people, and to preserve the population of working age - to reach 35.8 million people. Russia is the main destination country for migrant workers from Ukraine [5; 8]. At the same time, worsening of geopolitical situation in the world, the military conflict in eastern Ukraine and the Middle East, migration crisis in Europe will significantly change recently projected trends of labor migration.

### **Conclusions**

In conditions of unfavorable demographic trends of Ukraine, which could in the future lead to labor shortages, and given the increased competition for labor resources at European and world labor market, Ukrainian migration policy should be developed according to such basic directions: protection of rights of citizens working abroad; providing more opportunities for their legal employment in foreign countries by signing relevant international agreements, improving mechanisms of their implementation; simplification of visa regime, its gradual cancellation for certain categories of citizens, including residents of border areas; creating conditions for reduction of departure to work abroad and the return of migrants home by the means of maximum use of the results of labor migration for development interests, in particular, by directing funds earned abroad to start own business, to create new jobs, to implement programs of improvement of territories and regional development, where migrants come from.

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УДК 339.54(477+4)

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**TARIFF REGULATION AS AN INSTRUMENT  
OF GRADUAL INTEGRATION OF UKRAINE  
TO THE INTERNAL MARKET OF THE EUROPEAN UNION**

.....  
*The signing of the economic part of the Association Agreement between Ukraine, of the one part, and the European Union, the European Atomic Energy Community and their Member States, of the other part, its ratification by the Verkhovna Rada of Ukraine, the European Parliament and all EU Member States, and, as a result, opening European market is certainly important and essential to foreign economic integration of Ukraine into the world economic dimension. It is also a key driving force for the implementation of large-scale political and economic transformation in the country. Changes in the trade regime, as a result of Ukraine signing the Agreement, and establishment of deep and comprehensive free trade area will act in the short term and be displayed primarily in changing the existing import duty rates by abolishing the EU import duties on Ukrainian goods and gradual decline of Ukraine import duties on goods from the EU over the next five years. The influence of external and internal factors on development and evolution of Ukraine's foreign trade in the global market is meaningful. Based on this, we consider it is necessary to study in details the tariff regulation of bilateral trade in accordance with the Agreement, its main features, prospects and risks for the economy of our country.*

*The results of research of Regulations of The European Parliament and The Council of the European Union No. 374 / 214 as of 04.16.2014 and its annexes are elucidated in the article. The regime of autonomous trade preferences, the list of goods under this regime and the procedure for obtaining these preferences are analysed. Besides, the analysis of the usage of tariff quotas allocated for export to the European Union during 2015 is given. It is determined that the European Union has really reduced the tariff protection of internal market from goods of Ukrainian origin, while Ukraine maintained that protection for Ukrainian internal market. This protection actually became the European Union's support for Ukraine not only in a political, but also in economic context. The necessity of teamwork, continual hard work of all branches of government in the sphere of economic reforms, industry associations and public is emphasized.*

**Keywords:** foreign economic integration of Ukraine, executive organs of the government, tariff regulation of bilateral trade, trade regime, integration processes, deep and comprehensive free trade area, the administration of tariff quotas of the EU.

**Mamontov M.M. Rozporządzenie taryfowe jako narzędzie do stopniowej integracji Ukrainy na rynek wewnętrzny Unii Europejskiej.**

*W artykule przedstawiono wyniki badań Parlamentu Europejskiego i Rady Unii Europejskiej №374/214 z 04.16.2014. Analizowano tryb autonomicznych preferencji handlowych, ujawniono listę towarów w ramach tego systemu, w jaki sposób uzyskać te preferencje, podano wyniki analizy wykorzystania kontyngentów taryfowych przez Ukrainę przeznaczonych na eksport do UE w 2015 roku.*

*W wyniku badań ustalono, że Unia Europejska realnie obniżyła ochronę taryfową rynku wewnętrznego dla towarów ukraińskiego pochodzenia, podczas gdy Ukraina zachowała tą ochronę dla ukraińskiego rynku wewnętrznego. Ochrona ta faktycznie stała się wsparciem UE dla Ukrainy nie tylko w kontekście politycznym, ale ekonomicznym. Istnieje konieczność stałej pracy zespołowej, ciężkiej pracy w procesie reformowania gospodarczego wszystkich agencji rządowych, stowarzyszeń branżowych i społeczeństwa.*

**Słowa kluczowe:** zewnętrzna integracja gospodarcza Ukrainy, organy władzy wykonawczej, rozporządzenie taryfowe wzajemnego handlu, system handlu, procesy integracyjne, głęboka i kompleksowa strefy wolnego handlu, zarządzanie kontyngentami taryfowymi UE.

**Мамонтов М.М.** Тарифне регулювання як інструмент поступової інтеграції України до внутрішнього ринку Європейського Союзу

*У статті висвітлено результати досліджень Регламенту Європейського Парламенту та Ради ЄС №374/214 від 16.04.2014, додатків до нього, проаналізовано режим автономних торговельних преференцій, розкрито перелік товарів за цим режимом, порядок отримання зазначених преференцій, наведено результати аналізу стану використання Україною тарифних квот виділених на експорт в Євросоюз протягом 2015 року. В результаті проведених досліджень, визначено, що Європейський Союз дійсно знизив тарифний захист внутрішнього ринку від товарів українського походження, в той час як Україна зберігала цей захист для українського внутрішнього ринку, цей захист фактично став підтримкою Європейським Союзом України не тільки в політичному контексті, але і в економічному. Наголошено на необхідності злагодженої, постійної та наполегливої роботи в реформуванні економіки усіх гілок влади, галузевих асоціацій та громадськості.*



cation procedure. But taking into consideration the requirements of the Russian Federation, the agreements and results of trilateral negotiations at the ministerial level in September 2014 between the EU, Ukraine and Russia on the implementation of the Agreement, they agreed to postpone “provisional application” of deep and comprehensive free trade area (hereinafter referred to as ‘DCFTA’) up to January, 1 2016. And the EU for the period to 31 December 2015 extended the regime of autonomous trade preferences (hereinafter referred to as ‘ATP’) for Ukrainian goods (Regulation of the European Parliament and of The Council of the European Union No.1150 / 2014 as of 10.29.2014).

“...There is a quite significant list of studies concerning economic effects of trade liberalization between Ukraine and the EU. They differ in research methodology, assumptions as to depths of integration processes, final vagueness of dynamics and structure of liberalization in economic cooperation. So, often the results do not match each other, they are even contradictory. Besides, effects are determined primarily due to cancellation of customs duty, changes in the elasticity of supply and demand, after the markets opening, are not considered to some extent in existing models of calculation of international integration effects” [1].

The study of economic effects of different forms of integration between Ukraine and the EU, conducted by Oxford Economics with the assistance of Ukrainian specialists, is enough reasonable and interesting [2]. It analyzes three main scenarios of liberalization of economic relations with the EU: classical, narrow, deep and comprehensive free trade areas. According to deep and comprehensive free trade area most Ukrainian economy will get the most substantial increase compared with others. The authors emphasize that this is possible, provided effective economic reforms realization, rapprochement with the EU regulatory environment. Quite interesting is that a study, made in 2012, had much in common with the Agreement on Association between Ukraine and the EU (hereinafter referred to as ‘Agreement’), ratified in June 2014. In particular, Article 1, Paragraph 2 (d) defines the aims of EU association “...the establishment of conditions for strengthening economic and trade relations which will lead to the gradual integration of Ukraine into the EU internal market owing to the creation of a deep and comprehensive free trade area (hereinafter referred to as ‘DCFTA’) ... and support the efforts of Ukraine regarding the completion and transition to market economy by means of progressive adaptation of its legislation to the EU standards” [3].

The problem of economic consequences for Ukraine of Russia’s possible reaction to the signing of the Agreement is opportune, well-informed and meaningful in study named. Nowadays we can see it in postponement of “temporal application” of the Agreement relevant statements until January 1, 2016.



The Agreement on Association with the EU and the opening of the European market is certainly important and essential for Ukraine's international economic integration into the world economic dimension. It is also a key motivating force for the realization of large-scale political and economic transformation in the country.

Changes in the trade regime due to Ukraine signed the Agreement, and DCFTA creation will act in the short term period, and will be shown primarily in changing the existing import duty rates by abolishing the EU's import duties on Ukrainian goods and Ukraine's gradual reduction of import duties on goods from the EU over the next five years.

Taking into consideration the importance of external and internal factors for the development and evolution of Ukraine's foreign trade at global market, we consider it is necessary to study the tariff regulation of bilateral trade in accordance with the Agreement, its main features, prospects and risks for Ukrainian economy in detail.

In our opinion, revealing the topic of tariff regulation of bilateral trade in accordance with the Agreement, it is necessary to state that the regime of autonomous trade preferences for goods of Ukrainian origin was introduced unilaterally on April 23, 2014 according to Regulations of The European Parliament and Council of the European Union No. 374 / 214 as of 04.16.2014 (hereinafter referred to as 'Regulation'). The ATP regime provides the abolition of import duties on 94.7% of the total industrial goods (commodity groups 25-97) and on 83.4% for agricultural products and foods (commodity groups 1-24), and the application of zero tariff quotas on a number of agricultural products.

According to the Annex II of the Regulation the list of products and quotas, getting of which is on the basis of "first come - first served" was established in accordance with Articles 308a, 308b and 308c of Regulation EC No. 2454/93 as of 02.07.1993. It established the principles for the implementation of Community Customs Code (Council Regulation No. 2913/92).

According to the Annex II of the Regulation the list of products and quotas was established. They are administrated by means of licensing of importers (economic operators of the Member States) from competent authorities of the Member States and for the overall coordination of the European Commission Directorate-General for Agrarian issues and rural area development.

The basis of conducting ATP was agreement on the access liberalization to the EU market under the Agreement during the first year of free trade regime between the parties. Thus the EU has started to implement its obligations under the Agreement and its trading sections. The regime had to function until November 1, 2014, or be abolished before that in the event of "temporary use" of the Agreement trade provisions.

The basis for trade preferences is the availability of preferential certificate of goods origin, form EUR.1. The certificate is issued by the competent bodies of Ukraine (currently - territorial units of CCI Ukraine). ATP can not be applied for goods produced in the Crimea. The GSP regime can be also used in the period of the ATP (form A certificate required). Administration of the EU tariff quotas in accordance with the Annex II of the Regulation is carried out by the European Commission Directorate-General for Taxation on the basis of “first come-first served”, regardless of the Member State of goods importation for these headings: lamb, honey, sugar, caramel, glucose and glucose syrup, starch, barley groats, mushrooms, tomatoes, grapes and apple juice, milk paste, cocoa powder, oats, garlic, mannitol, ethyl alcohol.

Administration of the EU tariff quotas in accordance with the Annex III of the Regulation is different. These quotas are administered using a system of import licenses for such headings as: beef, pork, poultry meat, milk and dairy products (butter, yogurt), eggs and albumin, wheat, barley, corn. The distribution of quotas is not conducted in Ukraine, but EU competent bodies at the request of the importing Member State. Potential importers of Ukrainian products apply for the right to import (license issue) to the European Commission Directorate-General for Agrarian issues and rural area development. The use of tariff quotas in 2014-2015 is shown in Table 1.

Table 1.

**Ukraine’s usage of tariff quotas allocated for export to the European Union during 2015 as of 10.02.2015 (thousands of tons)**

Quota number	Description	Quota size	Used	Used, %	Quota balance
09.3050	Lamb	1500	0	0	1500
09.3051	Honey	500	5000	100	0
09.3052	Sugar	20070	18611	92,7	1459
09.3053	Other types of sugar	10000	303,8	3	9696,2
09.3054	Sugar syrup	2000	0	0	2000
09.3055	Barley groats and flour; cereal grains, processed by other tools	6300	6300	100	0
09.3056	Malt and wheat gluten	7000	83	1,2	6917
09.3057	Starch	10000	660	6,6	9340,1

Continuation of tab. 1

09.3058	Processed starch	1000	0	0	1000
09.3059	Bran, wastes and residues	16000	2376,8	14,9	13623,2
09.3060	Mushrooms	500	0	0	500
09.3061	Mushrooms	500	0	0	500
09.3062	Processed tomatoes	10000	10000	100	04,1
09.3063	Grapes and apple juice	10000	9995,9	100	2000
09.3064	Products of processed milk	2000	0	0	250
09.3065	Processed oil products	250	0	0	1500
09.3066	Sweetcorn	1500	0	0	1766,7
09.3067	Processed sugar products	2000	233,3	11,7	2000
09.3068	Processed cereals products	2000	0	0	300
09.3069	Processed milk products	300	0	0	300
09.3070	Foodstuffs	2000	1,7	0,1	1998,3
09.3071	Ethyl alcohol	27000	166,3	0,6	26833,7
09.3072	Cigars and cigarettes	2500	0	0	2500
09.3073	Matinol sorbitol	100	0	0	100
09.3074	Products of malt and starch processing	2000	1,7	0	2000
09.3075	Garlic	5000	44	8,8	456

Source: author systematized according to data [4].

Thus, summing up, we may argue that the EU has reduced its customs protection of Ukrainian goods and Ukraine kept its tariff protection in 2014-2015 years. And that is why, the Agreement inherent asymmetry features during this period of free trade between the parties. Estimated by Ministry of Economic Development and Trade of Ukraine financial benefits for Ukraine from approved ATP are 487 million euros, including 340 million euros from the increase in exports of agricultural products.

The tariff regulation of bilateral trade according to the relevant articles, annexes and supplements of the Agreement consists of hundreds of pages and provides a huge amount of systematic information. Numerous scientific papers, reports and statements, whose ultimate goal is to analyze and provide scientific and applied recommendations as to implementation of the Agreement in escalated domestic and foreign political, economic, financial and social problems

of Ukraine were published in the media and scientific collections in the period from 2011 to June 2014 (the date of signing the Agreement).

We should mention our commitment of gradual abolition of export duties considering the issue of tariff regulation as an important key factor for increasing our exporters' opportunities to integrate to foreign markets, including the EU market.

We analyze the state of security or openness of the Ukrainian economy compared to the EU using such indicators as import duties rates by certain types of economic activity in 2013 to understand the conditions for efficient economic integration of Ukraine. The analysis shows that the EU markets in comparison with Ukraine were and are seriously protected. This particularly relates to agriculture, food processing, light industry and other (Table 2).

Table 2

**Import duties rates in 2013 by certain types of economic activity, %**

Type of activity	Import duties rates	
	to Ukraine for EU countries	to EU countries for Ukraine
Agriculture, hunting and related services	6,6	10,9
Forestry and related services	1,7	6,0
Fishing industry	2,5	10,9
Minig of coal, lignite and peat; mining of uranium and thorium ores	0	3,4
Hydrocarbon getting and related services	0,5	4,2
Mining of minerals, except fuel and energy resources	2,0	4,4
Production of food, beverages and tobacco products	9,7	16,1
Light industry	9,8	12,4
Manufacture of wood and wood products; cellulose and paper industry; publishing	0,5	7,5
Coke production; production of nuclear materials	1,6	3,7
Manufacture of refined petroleum products	1,3	5,4

Continuation of tab. 2

Chemical and petrochemical industry	3,4	6,3
Manufacture of other nonmetallic mineral products	6,5	8,8
Metallurgy and production of ready-made metal products	2,0	6,5
Mechanical engineering	3,4	6,5
Other industries	6,5	11,1

Source: author systematized according to data [5].

Dynamics of import duties rates to Ukraine for EU member states by types of economic activity in accordance with commitments up to 2018 implies a gradual abolishment of import duty for 5 years (Table 3).

Ukraine almost completely opens its market for the sale of goods and services originating from EU member states. Ukraine abolishes import duties on 97% of tariff lines, and the EU abolishes import duties on 96.3% of tariff lines. It can be noted that the initial conditions for a DCFTA were asymmetrical (this problem first arose and intensified following Ukraine's accession to the WTO in 2008) that is most clearly demonstrated by the example of agriculture of Ukraine.

Table 3

**Dynamics of import duties rates to Ukraine  
for EU member states by types of economic activity, %**

Type of activity	2013	2014	2015	2016	2017	2018
Agriculture, hunting and related services	6,6	4,6	2,3	0,7	0,2	0,1
Forestry and related services	1,7	0,0	0,0	0,0	0,0	0,0
Fishing industry	2,5	1,8	0,9	0,3	0,0	0,0
Minig of coal, lignite and peat; mining of uranium and thorium ores	0,0	0,0	0,0	0,0	0,0	0,0
Hydrocarbon getting and related services	0,5	0,0	0,0	0,0	0,0	0,0
Mining of minerals, except fuel and energy resources	2,0	1,0	0,3	0,1	0,0	0,0

Production of food, beverages and tobacco products	9,7	4,9	1,7	0,2	0,0	0,0
Light industry	9,8	1,6	0,3	0,0	0,0	0,0
Manufacture of wood and wood products; cellulose and paper industry; publishing	0,5	0,0	0,0	0,0	0,0	0,0
Coke production; production of nuclear materials	1,6	0,2	0,0	0,0	0,0	0,0
Manufacture of refined petroleum products	1,3	0,3	0,0	0,0	0,0	0,0
Chemical and petrochemical industry	3,4	0,8	0,1	0,0	0,0	0,0
Manufacture of other nonmetallic mineral products	6,5	4,6	2,3	0,7	0,2	0,1
Metallurgy and production of ready-made metal products	2,0	1,4	0,7	0,2	0,1	0,0
Mechanical engineering	3,4	2,4	1,2	0,6	0,3	0,2
Other industries	6,5	4,6	2,3	0,7	0,2	0,1

Source: author systematized according to data [4,5].

Specific and combined rates of import duties, usage of a complex structure of combined rates, system of input prices, and the use of export subventions for agricultural products are typical for the EU. Unlike the EU in Ukraine ad valorem rates of import duty are dominated and subventions for agricultural products are absent.

The provisions of Section 4 of the Agreement partially eliminate asymmetry of trade regimes between the parties. So according to the schedule (Annex I-A of the Agreement), each party will cancel or reduce import duties on goods originating from the other side. In accordance with the EU tariff proposals, 8674 of 9699 tariff lines of the EU will be liberalized immediately after the entry into force of the Agreement, 732 will be liberalized over a period of 1 to 7 years, and 362 - will get tariff quotas (339 of which are agricultural products). The EU will allocate certain amounts of the zero import duty for meat products, some dairy products, grain and products of its processing, sugar, honey, garlic, juice, tomato paste and other products within its annual quotas. For example, according to the Supplement to the Annex I-A of the Agreement, indicative set of tariff quotas for imports of certain agricultural products is given in Table 4.

Table 4

**Indicative set of tariff quotas for imports  
of certain agricultural products**

No.	Name of the product	Import volume to the EU from Ukraine, thousands of tons per year in net weight	Import volume to Ukraine from the EU, thousands of tons per year in net weight
1	Beef	12	
2	Pork	20+20 (different codes)	10+10 (different codes)
3	Lamb	from 1,5 to 2,5 (gradual increase over 5 years)	
4	Poultry	from 16 to 20+20 different codes (gradual increase over 5 years)	From 8 to 10 + 10 different codes (gradual increase over 5 years)
5	Milk, cream, etc.	from 8 to 10 (gradual increase over 5 years)	
6	Sugar	20,07	From 30 to 40 (gradual increase over 5 years)
7	Wheat	from 950 to 1000 (gradual increase over 5 years)	
8	Barley	from 250 to 350 (gradual increase over 5 years)	
9	Maize	from 400 to 650 (gradual increase over 5 years)	
10	Processed tomatoes	10	

Source: author systematized according to data [4,5].

Thus, this asymmetry is partly reduced by duty-free access of Ukrainian agricultural products under tariff quotas and denial of the EU to use export subventions for agricultural products while exporting to Ukraine. It is extremely important for agriculture of Ukraine to obtain and use tariff quotas for products which are traditionally exported to the EU and have the potential to export as there is also asymmetry. So Ukraine introduces zero duty for cereals and most products of flour and cereals industry, starch, etc. (during the period of transition), and the EU envisages to fix a quota for such imports. Quotas for honey, soft wheat and maize are small (54%, 60% and 6% of exports in 2012). In case

of export increase of these products to the EU, customs tariff will make 17.3, 95 and 94 euros per tonne, which will practically limit export. This asymmetry is for meat and edible offal because the EU, with a few exceptions, will not abolish import tariffs for Ukraine and apply tariff quotas.

Tariff quotas for wheat, barley and maize make only 6% of the total (30 millions of tons) export of grain crops and are too small for us, but Ukraine can take advantage of reduced rate of import duties (12 euro per ton), and the quota for Third World countries, and enter the EU market one more million tons of its grain. In addition, we must note that there is a positive trend of grain consumption in the EU and, at the same time, grain yield reached its maximum. This gives us good prospects for further cooperation and hard work in this direction. The EU's zeroing of preferential rate of import duties at a rate of 12 euros per tonne in 2012/2013 years for 2,378 tons of the tariff quota for Third World countries because of scarce balance of grains in the EU confirms this opportunity.

The list of problems in the process of tariff regulation may be continued using examples of light and food industry, mechanical engineering, energy, transportation etc. But we must understand that free trade with the EU does not automatically increase export and revive trade. It is only an opportunity for us, which must be implemented. It should be added that by reason of disparity between EU standards and Ukrainian products such preferential regime and zero quota will not be used export expansion. Whereas import of products from the EU which meet the standards and technical regulations, which we just have to accept and carry out, will freely size our domestic market, creating pressure on Ukrainian producers.

Indeed, the EU market is large and solvent (500 million people with high income). But it is also saturated, with its strong "players", monopoly distribution networks, national producers, demanding consumer, its supply and demand, restrictions and regulations. It is open, and, at the same time, protected, and demands coordinated, constant hard work of Ukrainian branches of government in the process of reforming economic, industry associations and public.

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**COMPLEX ANALYSIS OF NEIGHBORING STATE'S  
EXPERIENCE IN ADVERTISING ACTIVITY  
PUBLIC ADMINISTRATION**

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*The article deals with the complex analysis of neighboring state's experience in advertising activity public administration. The author emphasizes that advertising activity public administration plays a key role for development of social and economic environment in the state, and takes into consideration corresponding experience of the neighboring states – the Russian Federation and Republic of Belarus – from the point of view of research of features of advertising activity public administration in Ukraine.*

*The analysis of features of standard legal support of advertising activity public administration in the Russian Federation and Republic of Belarus allowed to make a conclusion that at this stage the corresponding legislative base of these states is branched quite out and there are no the complex acts allowing to regulate advertising activity comprehensively. Besides, the key Law of Republic of Belarus "About advertising" is based on the similar, accepted earlier Law of the Russian Federation.*

*Concerning organizational support of advertising activity public administration in the Russian Federation and Republic of Belarus it is necessary to note that nowadays there is no relevant finally created system of the central executive authorities and local government. As for self-regulating organizations in the sphere of advertising it should be noted that their system is developed in the Russian Federation very well.*

**Keywords:** advertising activity, public administration, Ukraine, Russian Federation, Republic of Belarus

**Szvedun W.O. Analiza kompleksowa doświadczeń krajów sąsiadujących w sferze zarządzania przez państwa działalnością reklamową.**

*Ten artykuł zawiera kompleksową analizę doświadczeń krajów sąsiednich dla Ukrainy - Rosji i Białorusi w sferze zarządzania przez państwo działalnością*



generated complex analysis of experience of advertising activity public administration neighboring states.

Statement of research objectives

So, the purpose of work is to make complex analysis of advertising activity public administration influence on social and economic environment in the state on an example of experience of neighboring states.

It is required to solve the following problems for achievement of the specified work purpose:

- to analyze features of the standard-legal maintenance of advertising activity public administration in the Russian Federation and Republic of Belarus;
- to reveal characteristic features of organizational maintenance of advertising activity public administration in the Russian Federation and Republic of Belarus;
- to characterize the degree of influence of self-regulates organizations on advertising activity in the Russian Federation and Republic of Belarus.

### **Results**

It is necessary to carry out the review of the interfaced standard-legal and organizational maintenance in the given states for the qualitative analysis of advertising activity public administration features. It will allow improving advertising activity public administration in Ukraine that, accordingly, will positively reflect on a qualitative condition of social and economic environment.

Concerning carrying out of standard-legal maintenance of advertising activity public administration analysis in the Russian Federation it is necessary to notice, that the leading act in this context is the Federal Law "About advertising" from July, 18th, 1995. The given Law has confirmed a series of the general principles of advertising activity public administration in the Russian Federation, which, in turn, have positively displayed regulation of the legal relations connected with creation, distribution and reception of advertising information. So, the key requirements public administration in advertising sphere, which take into consideration presence of responsibility for distribution of advertising of unfair, doubtful character, have been fixed in the Federal Law "About advertising". Also this Federal Law has defined the rights and duties of advertising process participants and the direct mechanism of advertising sphere public administration. It, in turn, raises level of advertising activity public administration, which positively reflects on social and the cultural environment as a whole [1].

Thus it is necessary to pay into attention that the next edition of the Federal Law "About advertising" has been accepted on March 13th, 2006. In particular the following requirements to advertising process have been specified in this Law:

- “Protection of minors in advertising” (Art. 6);
- “The Goods, which advertising is not allowed” (Art. 7);
- “Advertising of goods at a remote way of their sale” (Art. 8).

So, in Art. 7 of the given Law advertising of products from tobacco, “medical on artificial interruption of pregnancy”, “person’s pipe organs or fabrics like the object of purchase and sale”.

Besides, requirements to advertising in different means of its distribution within Chapter 2 “Features of separate ways of advertising distribution” of the specified Law have been branched more out. In particular, there is Art. 18 “Advertising, extended by telecommunication networks” at the given chapter of the Law.

Also the attention to activity of self-regulation organizations in advertising sphere has been paid (Chapter 4, Art. 31 “Self-regulation organizations in advertising sphere”, Art. 32 “Rights of self-regulation organizations in advertising sphere”) [1].

Working out of subordinate legislation acts, which purpose was formation of bases of use of the norms, established by the Federal Law “About advertising”, in practice, was actively carried out also. For example, Federal Antimonopoly Service of the Russian Federation has introduced “Order of disposal of legal proceeding on signs of infringement of the legislation of the Russian Federation about advertising”, confirmed by Ministry of Justice of the Russian Federation under № 985 from November, 28th, 1995. Nevertheless, further the given subordinate legislation act has been replaced by the Order of Federal Antimonopoly Service of the Russian Federation “About the statement of forms of remedial documents and about the organization of work concerning disposal of legal proceeding, raised on signs of infringement of the legislation of the Russian Federation on advertising” № 147 from the November, 13th, 1995, registered in Ministry of Justice of the Russian Federation under № 8486 from November, 15th, 2006. Besides, chapter 182 of edition of Criminal code of the Russian Federation, from January 1st, 1997 contained the norms, which provided serious responsibility for obviously false advertising up to imprisonment within two years. Nevertheless, current edition of Criminal code of the Russian Federation with last changes and additions which have come into force on January, 23rd, 2015 according to the Federal Law “About modification of separate acts of the Russian Federation regarding counteraction to turnover of the forged, counterfeit, substandard and not registered medicines, medical products and forged biologically active additives” from December, 31st, 2014, does not contain above-stated article [4, 5].

Except the Federal Law “About advertising” the given field of activity is subject of regulation of the following laws:

- “About state support of mass media and book publishing of the Russian Federation” from December, 29th, 1994;
- “About state regulation of manufacture and a turnover of ethyl spirit, alcoholic and alcohol keeping production and about restriction of taking (drinking) of alcoholic production” from November, 22nd, 1995;
- “About securities market” from April, 22nd, 1994;
- “About protection of the rights and legitimate interests of investors on a securities market” from March, 5th, 1999;
- “About state support of cinematography of the Russian Federation” from August, 22nd, 1996;
- “About narcotics and psychotropic substances” from January, 8th, 1998;
- “About the basic guarantees of the rights of child in the Russian Federation” from July, 24th, 1998;
- “About mail service” from July, 17th, 1999;
- “About the basic guarantees of suffrages and the rights of participation in referendum of the Russian Federation citizens” from November, 26th, 1996;
- “About presidential elections of the Russian Federation” from January, 10th, 2003;
- “About elections of deputies of the State Duma of Federal Meeting of the Russian Federation” from May, 18th, 2005;
- “About physical culture and sports in the Russian Federation” from December, 4th, 2007;
- “About turnover of medicines” from April, 12th, 2010;
- “About restriction of tobacco smoking” from February, 23rd, 2013 [3].

As it is possible to see from the list, given above, the essential volume of the Federal Laws of the Russian Federation is connected with regulation of political advertising.

As to organizational maintenance of advertising sphere public administration it is necessary to consider that a leading direction of the executive government activity is protection of consumers from advertising of inadequate type. According to Art. 33 “Powers of antimonopoly body on realization of the state supervision in advertising sphere” of the Federal Law “About advertising”, Federal Antimonopoly Service of the Russian Federation is engaged in coordination of advertising activity [4, 5].

The essential role in processes of advertising activity regulation in the Russian Federation is played also by bodies of the judicial power, in particular, – Constitutional Court of the Russian Federation. Affairs concerning non-observance of the advertising legislation were subject to consideration also of Supreme Court of the Russian Federation. Also it is necessary to pay attention

to those fact that Supreme Arbitration Court of the Russian Federation, which activity has been stopped on August, 5th, 2014, was engaged in working out of letters, which contained direct recommendations concerning disposal of legal proceeding of advertising activity public administration [5].

Concerning self-adjustable organizations in advertising sphere it is necessary to notice, that they make the greatest impact on social and cultural environment and are not less important in the course of formation of a professional knowledge concerning advertising activity public administration. Their creation has begun in 1990th. The most influential among them are the following ones: Association of Communication Agencies of Russia, Association of Advertisers of Russia, the Russian branch of International Advertising Association, Fund of Advertising Producers Support, National Advertising Association, Advertising Federation of Regions, Moscow Advertising Guild, League of Advertising Agencies, etc. Besides, self-regulation organizations in sphere of advertising activity are created in many cities of Russia (in particular, in Arkhangelsk, Volgograd, Ekaterinburg, Krasnodar, Magnitogorsk, Novosibirsk, St.-Petersburg etc.). In February, 1995, Social Council of Russia on advertising which in 2000 has been reorganized to Advertising Council of Russia, which structure included heads of Commercial and Industrial Chamber of the Russian Federation, Union of Journalists of the Russian Federation, International Confederation of Society of Consumers, Association of Advertisers, Association of Communication Agencies of Russia, etc. [3, 4].

It is necessary to take also into consideration, that Social Council of Russia on Advertising is a member of English European Advertising Standards Alliance, which unites 28 national self-regulation organizations in sphere of advertising from 26 countries [4, 5].

Regulation of advertising activity in Republic of Belarus is carried out according to the following normative legal acts (tab. 1).

Table 1  
**Advertising legislation of Republic of Belarus**

| <b>Name of the normative legal act<br/>of Republic of Belarus</b>              | <b>Year of<br/>acceptance</b> |
|--------------------------------------------------------------------------------|-------------------------------|
| <b>1</b>                                                                       | <b>2</b>                      |
| The Law of Republic of Belarus "About trademarks and service marks" № 2181-XII | 1993                          |

|                                                                                                                                                                                                              |      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| The Law of Republic of Belarus “About highways and road activity” № 3434-XII                                                                                                                                 | 1994 |
| The Law of Republic of Belarus “About languages in Republic of Belarus” № 187-3                                                                                                                              | 1998 |
| The Decree of President of Republic of Belarus “About state regulation of production, turnover, advertising and consumption of tobacco raw materials and tobacco products” № 28                              | 2002 |
| The Law of Republic of Belarus “About the press and other mass media” № 187-3                                                                                                                                | 2002 |
| The Decree of President of Republic of Belarus “About carrying out of advertising games in Republic of Belarus” № 51                                                                                         | 2003 |
| The Decree of President of Republic of Belarus “About improvement of state regulation of production, turnover and advertising of beer, not food alcohol-containing products and not food ethyl alcohol” № 11 | 2005 |
| The Decree of President of Republic of Belarus “About some actions for counteraction to human trade” № 3                                                                                                     | 2005 |
| The Law of Republic of Belarus “About advertising” № 225-Z                                                                                                                                                   | 2007 |
| The Law of Republic of Belarus “About local government and self-government in Republic of Belarus” № 108-Z                                                                                                   | 2010 |
| The Law of Republic of Belarus “About modification and additions in some laws of Republic of Belarus on a question of advertising” № 15-Z                                                                    | 2013 |

Among the legislative documents submitted in tab. 1, which regulate the relations in advertising sphere, the Law of Republic of Belarus “About advertising” is leading one.

The first edition of the Law of Republic of Belarus “About advertising” was approved in February in 1997 [2]. The similar law of the Russian Federation was a basis for development of this normative legal act of the state.

The first edition of the Law of Republic of Belarus “About advertising” doesn’t contain information concerning executive authority, which competence is implementation of advertising activity direct control.

Art. 5 of the last edition of the Law of Republic of Belarus “About advertising” the following government bodies, which realize advertising sphere public administration are noted: “President of Republic of Belarus, National As-



semblies of Republic of Belarus, Council of Ministers of Republic of Belarus, Ministry of Trade of Republic of Belarus, the local executive and ordering and other government bodies within their competence”. Corresponding authority of the given government bodies are held in Art. 6–9 of the given Law.

Also control of activity in the advertising sphere in Republic of Belarus is realized according to the norms established by the following normative legal acts of the state: Constitution of Republic of Belarus, Civil Code of Republic of Belarus, Criminal Code of Republic of Belarus.

Besides, according to Art. 91 “Interdepartmental Council on Advertising” of the last edition of the Law of Republic of Belarus “On advertising”, “The council of ministers of Republic of Belarus can create interdepartmental council on advertising for improvement of interaction of government bodies and other organizations, advertisement producers, advertising distributors on a question of creating favorable conditions for a sustainable development of the advertising market in Republic of Belarus, protection of society from unseemly advertising and also for development of recommendations about carrying out a uniform state policy in the sphere of advertising, regulation of advertising activity, estimation of social advertising quality” [2].

### **Conclusions**

Thus, during researches the following results have been received.

1. The analysis of features of standard legal support of advertising activity public administration in the Russian Federation and Republic of Belarus allowed to make a conclusion that at this stage the corresponding legislative base of these states is branched quite out and there are no the complex acts allowing to regulate advertising activity comprehensively. Besides, the key Law of Republic of Belarus “About advertising” is based on the similar, accepted earlier Law of the Russian Federation.

2. Concerning organizational support of advertising activity public administration in the Russian Federation and Republic of Belarus it is necessary to note that nowadays there is no relevant finally created system of the central executive authorities and local government.

3. As for self-regulating organizations in the sphere of advertising it should be noted that their system is developed in the Russian Federation very well.

Thus, studying of experience of the neighboring countries concerning advertising activity public administration is objectively necessary for formation of the qualitative knowledge base concerning advertising activity public administration in Ukraine.

So, studying of key features of advertising activity public administration of the neighboring countries allows to show problems of domestic practice in

this context more accurately, that, in turn, gives an opportunity of prevention of errors during formation of the domestic concept of advertising activity public administration.

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