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1. ECONOMIC THEORY AND HISTORY OF ECONOMIC THOUGHT

Bereznichenko N.O.

Taurida National V.I. Vernadsky University

THE INFLUENCE OF FOREIGN INVESTMENTS ON THE MODERNIZATION OF THE UKRAINIAN ECONOMY AT THE END OF XIX – THE BEGINNING OF THE XX CENTURY (HISTORICAL AND ECONOMIC EXPERIENCE)

The article analyses the process of the imperial model of modernization of the Ukrainian economy at the turn of the XIX-XX centuries. Its exogenous, inorganic, incomplete, and therefore deeply controversial nature is emphasized. An attention focuses on the need to study the experience of the first attempt of industrial modernization on the territory of Ukraine in order to use its positive elements in modern modernization processes of sovereign Ukraine.

At the turn of the century, the sovereign Ukraine's economy was undergoing a painful process of systematic modernization, which, in a number of ways, is similar to the processes of incomplete industrial modernization of its economy in the late XIX – early XX century.

Without affecting other aspects of the modernization process of the mentioned period, let us dwell on the role and financial mechanisms of attracting foreign investments in solving the problems of the imperial model of modernizing the economy on the territory of Ukraine.

The complexity of the analysis is that, geographically, Ukraine was a part of the two empires belonging to the second-tier countries of the modernization process in

Europe and therefore carried out a catchy type of modernization of their economies – the imperial model of modernization. Such a model of modernization of the economy has common, clearly expressed characteristic features, which, in its essence, allow considering modernization processes in both parts of the divided territorial and political Ukraine as a qualitatively homogeneous process. This homogeneity is followed in the preconditions and subjects of modernization processes, their purpose, tasks, and methods of their solution, positive and negative sides, contradictions and socio-economic consequences. However, the boundaries of the article do not allow comprehensive deployment and substantiate this thesis. Therefore, we should mention only that for countries of the second-tier of modernization was characterized by the rapid, forced pursuit of the path of socio-economic and technical development, which first-tier countries have overcome for decades and even centuries. This conciseness in the time of modernization processes was possible due to the experience of others, the borrowing of many forms of production and social organization, as well as the attraction of investment resources of developed first-tier countries.

In Ukraine, which objectively matured for radical transformations, so far no adequate historical progressive forms of transformation have been found. Politics has become the dominant factor in transformation, and their content – the redistribution of property

and economic power. In advance, one should proceed from the fact that, from the point of view of scientific and technical thought, technical models, and economic complex, Ukraine is not a backward country. The scope and conditions of their use are limited.

Tsebro O.V.

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THE DOCTRINE OF V.I. VERNADSKYI ON THE NOOSPHERE AS A BASE FOR THE INNOVATIVE PROVISION OF ENVIRONMENTAL DEVELOPMENT OF REGIONS (NOOREGIONS)

The article analyses relevant issues of the doctrine of V.I. Vernadskyi on the noosphere as the basis of the innovative provision of environmental development of regions and sustainable development of nooregions, because the lack of natural resources can be solved precisely at the expense of environmental innovations and human resources. The results of the creative approach of scientists must be innovative solutions for people for their progressive role in the development and improvement of nooregions of the world, where the foundation will be the doctrine of V.I. Vernadskyi about the noosphere.

The analysis showed that now, during the fourth industrial revolution, there is a powerful thrust of the biosphere to the noosphere, and this contributes to the innovative provision of environmental development of the regions (nooregions), where information, creativity, and knowledge form a synergy of positive changes for the formation of intellectual capital. Modern nooregions of the world are developing precisely in the direction of ecology, and their innovative economy based on knowledge is identified with the future global noosphere economy of a planetary society. Human creative work becomes the dominant perspective of the green development of the regions. The scientific and technological advance is moving along the ascending line, where the transition to the 6th and 7th technological processes will contribute to deepening the technological “explosion” that is already happening, the invention and the introduction of nanotechnologies and nootechnologies, whose radical action creates a syner-

gistic effect aimed at resolving the terrible pollution of the environment, exhausted resources of the earth and natural energy sources that are waiting for us in the near future, and the complete collapse of all mankind with great extinction. The use of nootechnologies, which includes a group of quantum life-support methods for people without biospheric damage, will help to significantly innovate and improve the ecological development of the nooregions. In our opinion, nootechnologies are an innovative train in the construction of the noosphere by V. Vernadskyi, the systematic orientation of the construction of a nooeconomy in nooregions, in which life support will be carried out without damage to the environment and threats to human health, and a noosociety based on the activities of intelligent innovators and creative individuals, which will develop in harmony with the biosphere.

So the doctrine of V.I. Vernadskyi’s noosphere is the basis for the innovative provision of environmental and sustainable development of nooregions because the lack of natural resources can be solved precisely at the expense of environmental innovations and human resources. The results of the creative approach of scientists must be innovative solutions for people for their progressive role in the development and improvement of nooregions of the world, where the foundation will be the doctrine of V.I. Vernadskyi about the noosphere. In addition, it will help humanity to live with high-spiritual goals, where the goal is not to profit but to increase the spirituality and quality of life in all regions of our planet.

2. WORLD ECONOMY AND INTERNATIONAL ECONOMIC RELATIONS

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IMPACT OF WORLD ECONOMIC RELATIONS ON THE SUSTAINABLE DEVELOPMENT OF THE COUNTRY'S ECONOMY

The article deals with theoretical and practical approaches to the sustainable development of the Ukrainian economy and the influence of the foreign economic component on the effective functioning of the country's socio-economic system. The influence of foreign economic activity on macroeconomic indicators and on separate sectors of the economy is analysed. It is substantiated that effective development of the country is impossible without participation in the system of world economic relations through the active foreign economic activity of business entities with the support of the state.

Optimization of the needs of legal (state) and natural persons in order to determine rational amounts of financial expenditures necessary to ensure their livelihoods at an optimal and minimum level. These are, in particular, all budget lines of expenditure, the prevention of extravagance, which should be recognized as all the expenditures of the state budget, not aimed at providing life and the development of the real sector of the economy.

Development (including on the basis of the application of planned regulation methods) and realization at the national level of reasonable economic levers to ensure proportional economic development through

legislative and regulatory influence on economic management decisions of individual subjects of the market economy. We believe that it is necessary to widely apply normative and balance methods in making managerial decisions in the economy management.

Rationalization of the formation and functioning of the banking system toward its direction in support of the development of the real economy sector and guaranteed unproblematic maintenance of individual clients (individual investors) in order to restore confidence in banks and attract additional contributions for subsequent crediting of production on this basis.

The development of the economy as a whole and every enterprise in particular, exclusively, on an innovative basis with the aim of creating a competitive domestic production of products and services that would be in demand in the domestic and external (world) markets. On this basis, it is necessary to increase the volume of export and import substitution, rationalize trade policy.

Formation of attractive investment climate on the basis of state legislation in order to attract foreign investors to Ukraine, better with direct investments, especially with regard to the import of new equipment, new technologies into Ukraine, as well as the

formation of modern joint ventures for joint entry into the world market.

It is necessary that not only the authorities but also the leaders of all primary subjects of the national economy, each specific employee act purposefully and persistently. This means that within the framework of

the state social and economic policy, each enterprise should conduct its own policy, including in the part of the foreign economic activity, which would contribute to the effective development of economic entities and sustainable development of the Ukrainian economy.

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INFLUENCE OF TRANSNATIONAL CORPORATIONS ON THE NATIONAL ECONOMY OF UKRAINE

The article defines the essence and main problems of transnational corporations (TNCs). The current state and prospects of the functioning of transnational corporations are analysed. Considerable attention is paid to the specifics of activities of TNCs in the Ukrainian market, and their important role in shaping the development strategy of the national economic system is noted. Examples of the positive and negative impact of TNCs on the economic development of Ukraine are presented. The main problems that exist in Ukraine with regard to the expansion of TNCs' activity are revealed. The ways of minimizing the negative impact of transnational corporations on the state level are proposed.

According to the official definition of the United Nations Conference on Trade and Development, the Transnational Corporations are international enterprises that bring together legal entities of any organizational and legal form of activity in two or more countries that pursue a single economic policy and overall strategy through one or more decision-making centres.

Transnational corporations very ambiguously influence on the state of the national economy. On the one hand, their activity strengthens the economy of the country and

increases the standard of living of citizens, and on the other hand, because of the predominant operation of TNCs in sectors with a rapid turnover of capital, it does not facilitate the attraction of investments for strategically important for development types of activity, which hinders the process of increasing the competitiveness of the state in various types of economic activity.

Based on calculations of the determination coefficient for this model (the coefficient is given as a polynomial of the second degree), we can conclude that 79.3% of GDP is formed as a result of the presence of foreign direct investment. This calculation factor indicates the direct dependence of the level of gross output on the level of inflow to the country of investment funds from TNCs. The process of attracting investment from various transnational corporations, on the one hand, contributes to raising the standard of living of the country's population and, on the other, puts the national producer in a difficult position (over the inability of the latter to effectively compete in the market).

Therefore, a promising direction for further scientific developments should be the search for the best ways to attract TNCs into strategically important sectors for Ukraine.

Pazynich O.V.

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EXPERIENCE OF STRATEGIC MANAGEMENT OF FOREIGN CORPORATIONS IN A CHANGING BUSINESS ENVIRONMENT

The article deals with different approaches to the interpretation of the essence of strategic management. The distinctive features of modern conceptual approaches to strategic management are determined. On the example of successful USA and Japan corporations, different styles of strategic behaviour in a changing environment are explored. The main differences in the strategic styles of the USA and Japan companies are identified.

Crisis phenomena in a market environment are repeated with a certain periodicity. No enterprise, organization, corporation has the ability to abandon the influence of the external environment on its own activities. Therefore, changes in the economy, society, and politics are becoming a significant test for business. The current market conditions, both in Ukraine and globally, actualize the experience of strategic management of successful corporations, which allowed them to maintain their competitive positions and maintain stability in adverse situations.

In general, Japanese management pays first priority to human potential. In the USA, the main focus is on capital management. Therewith, the dynamic and balanced strategy is formed with the centre of gravity on the central machine. The common ground for the corporations of both countries is that, in the course of their own growth, the practice of using venture capital manufacturing strategies is increasingly spread.

The ways, in which venture companies adapt to changes in the external environment, are changing but more often they carry out

internal restructuring. However, American companies are held solely responsible for the risk of each department, and the Japanese are characterized by a reduction of risk through the deployment of wide internal corporate ties.

Consequently, comparing the strategies of American and Japanese corporations, it is possible to distinguish between those based on human relations and those based on resources in general. The other two types of strategies – venture and bureaucratic (based on stable, sustainable principles) exist both in the strategy-oriented human capital and in resource-oriented strategies. The tools, by which managers adapt, oppose or use in their favour changes in the economic situation, cause the need to adjust the strategy to the extent appropriate for the situation.

Strategic management approaches in today's environment are vital for every enterprise. It is the concept of strategic management that transformed in recent decades and in a general sense is the management of change. For successful management in an extremely changing modern environment, it is expedient to internationalize management, especially strategic ones. The experience of successful Japanese and American corporations shows that, depending on the situation, it is possible to use strategies that are oriented as primarily to human capital and so in general to the overall resources of resources. It is important to understand how to adapt these strategies in specific situations of national and internal corporate culture.

3. ECONOMY AND OPERATION OF NATIONAL ECONOMY

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CURRENT APPROACHES TO PRICING POLICY IN AGRICULTURE OF UKRAINE

The article is devoted to developing improvements in key directions of government regulation of the economic activity of agricultural enterprises. The author substantiates the necessity of including the price of land into the price of agricultural products, using the single method of determining the profit margins for all sectors of the economy. The main direction of improving pricing mechanism of the agro-industrial complex is an integrated approach to pricing at all the stages of reproductive cycle and using the single for the economy methodological framework, a gradual transition from adjustable to free prices with an active role of the state in providing equivalent exchange, restricting prices for a monopoly's products and gradual approaching domestic prices to international ones.

Price is the main source of own financial resources and, therefore, price parity plays a leading role in shaping key indicator of financial condition – profitability. Agricultural production is an area of significant risks because the desire to stabilize the income of agricultural producers – an important direction of agricultural policy. Agriculture has significant shortcomings of the current pricing, which caused two key unresolved issues of agricultural price policy: providing an equivalent level of prices and its stability under conditions of constant and intense inflation.

Price production, which is a requirement of offers in the market, is faced with the possibilities of demand and the result is market price equilibrium. In this model, the local market price is valid for a particular region. The national market determines prices are national, and the process of globalization creates value and price of the world market. There is always a price difference between the local, national, and global markets. However, with the elimination of customs barriers, improve technology and delivery and storage of whole market infrastructure growing trend towards convergence of local and world prices. Today, there is a growing cross-border freedom of movement of goods, the ability of modern technology to store and move food products at any distance form as a permanent pattern of convergence in prices of food markets. Therefore, to determine the extent of compliance with the equivalence of linkages in the national agricultural domain should be comparing the proportions of domestic and world prices of purchase and sale.

Thus, if the dynamics of domestic and world prices is such that approaches, that is convergent trend should talk about strengthening pricing equivalence (parity). For the opposite dynamics of internal and external prices, that is, their divergent movement, there is an increase of the price disparity.

During the formation of the price mechanism for agriculture, there should be consid-

ered a feature of agricultural production as low reversibility of working capital because in crop production are obtained once a year, and costs are incurred during the year, while the industry reversibility of working capital is very high, and when pricing is taken into account entire capital, which enables fully determine the costs and, therefore, generate profit margins. The calculations must take into account the turnover time of fixed and current assets to provide compensation for legal expenses and similar profit per unit of resources.

To ensure intersectoral level to enterprise level economic business conditions, setting prices equal exchange of goods between industry and agriculture, creating objective

of distributive relations in agriculture to be included in the model for equity as a part of the cost of agricultural land. Constituent prices – the rate of return should express the ratio of profit to the average value of advanced capital, including the cost of land and material working capital.

The revival of the agricultural sector is not possible without state regulation of prices in the agricultural trade. Further development of the strategic directions of financial support for agricultural sectors of the economy should be aimed, firstly, at increasing budgetary support to agricultural producers, and secondly, increasing the real purchasing power to increase the capacity of the domestic food market.

Hrudtsyna Yu.V.

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QUALITY AND METHODS OF ITS EVALUATION

Quality as an economic category is related to the satisfaction of the needs of consumers, while the product has a plurality of properties, measuring which one can evaluate the quality. The state of needs and their satisfaction is closely linked to the quality indicators of products that quantitatively characterize the properties of products. The theoretical approaches to the determination of methods of quality evaluation are generalized since quality assessment is one of the main stages of quality management. As a result of the generalization, it is discovered that the modern system of product quality assessment should take into account the needs of the market, that is, the requirements of consumers for products.

In a market economy, the problem of improving product quality is relevant both at the enterprise level and at the state level, because the high quality of products is a significant component of its competitiveness. Quality control and evaluation is an important stage in quality management, and research and development of quality assessment methods is an important scientific and practical task.

To ensure that the product has been successful in the market and could compete successfully, it should meet the consumer's needs. To do this, on the one hand, the state must take into account the needs of the market in developing quality standards, and, on the other, directly the producer of products. Satisfying needs requires the manufacture of

products of a certain quality and in a certain quantity. The gap between needs and products produced on the level of quality and market saturation should be the basis for making managerial decisions on state quality management of products. In order for the product to be of high quality, the needs of today must be laid on it but, in addition to this, the manufacturer should remember that quality is a dynamic concept, which is characterized by a change in time as consumers' needs change – quality changes. Quality as a degree of compliance with the needs of the consumer constantly changes in time with the change in requirements and needs of consumers, and what yesterday was considered a high-quality product, today may not correspond to the technical innovation that can better meet the needs of consumers who have already changed. Quality as an economic category is related to the satisfaction of the needs of consumers, while the product has a plurality of properties, measuring which we can evaluate the quality. As the source survey shows, in terms of quality assessment, that is, indicators and methods analysed, there is currently no clear concept of quality assessment.

The modern system of quality assessment at the enterprise, regardless of the form of ownership and scale of production activity, should optimally combine the actions, methods, and means that ensure the production of products that will meet the needs of the market, that is, it should be oriented towards the needs of consumers and their dynamics.

Kudin B.P.

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WAYS TO INCREASE THE EFFECTIVENESS OF INNOVATION MANAGEMENT BASED ON A SYSTEMATIC APPROACH

The article substantiates the necessity of innovative way of development of the whole state, separate industries, territories, and enterprises, based on the most current criterion of the present – energy efficiency and as a necessary condition for this – creation of an effective system of management of innovative development at the appropriate levels. With the help of using the system approach to constructing modern innovation management, the main principles that allow optimizing the structure, as well as increasing the efficiency and adaptability of innovation management systems, are proposed.

The reality of the present highlights the need for the innovative way of developing the entire state, its individual industries, territories, and enterprises, based on the most current criterion – energy efficiency – and, as the prerequisite for this, the creation of an effective system for managing innovative development at the appropriate levels.

Successful development of Ukraine, its competitiveness implies increasing energy efficiency of the economy based on the development and implementation of the latest innovative energy-efficient technologies and equipment, as one of the most important indicators of the efficiency of the economy is the energy intensity of production and the

policy of the leading countries of the world is aimed at reducing it. In general, one of the main criteria for an innovative way of development is to increase the energy efficiency of social production with all relevant infrastructure and social sphere. This is determined by the limited traditional energy resources and the growing environmental problems associated with their use.

Today, the use of a systematic approach to energy efficiency issues based on the introduction of innovative technologies is recognized as a necessity. It is clear that these complex and multidimensional innovation processes must have effective modern management. In the work on the basis of the system approach, it is proposed to simultaneously investigate problems of building energy-efficient systems by considering processes of production (consumption) of energy and management processes in inextricable unity.

In the conditions of implementation of innovative technologies, implementation of a systematic approach to the creation or reconstruction of energy production (consumption) systems on the basis of economic and mathematical modelling can increase the efficiency and adaptability of these systems by establishing a match between the characteristics of production processes and management processes.

Mykytenko T.V.

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OBTAINING THE STATUS OF THE AUTHORIZED ECONOMIC OPERATOR: ORGANIZATIONAL ASPECT

The article examines the European experience of practical application of the provisions of the Framework of Standards to Secure and Facilitate Trade of the World Customs Organization regarding the criteria for the compliance of the person with the status of an authorized economic operator. Improvement of regulatory and legal regulation of activities of authorized economic operators in Ukraine is proposed.

The introduction of the institution of an authorized economic operator (hereinafter – AEO) is an indicator of the development of customs administration. The main purpose of its introduction is the simplification and acceleration of customs clearance, promotion of international trade, creation of an effective system of customs control at the intersection of the state border with goods and vehicles for commercial use.

The Concept of the Authorized Economic Operator is introduced by the Framework of Standards to Secure and Facilitate Trade of the World Customs Organization (hereinafter referred to as the WMO SAFE Framework of Standards), since the adoption in 2005 of which member countries have gained a considerable experience in its practical implementation. In Ukraine, the provisions of the WMO SAFE Framework of Standards are not yet applied over the influence of a number of objective and subjective factors, in particular, no domestic enterprise has been granted the status of an authorized economic operator. The active users of WMO SAFE Framework of Stand-

ards are 28 EU countries, the USA, Switzerland, Norway, Japan, China, and others that are members of the World Customs Organization. Member countries have similar legal regulation of AEO and may enter into agreements on the mutual recognition of AEO. According to the Directorate-General for Taxation and Customs Union of the European Commission (hereinafter – DG TAXUD), as of 21.06.2017, customs administrations of the EU states registered 15,111 authorized economic operators in 28 countries, in the USA – almost 11 thousand. In March 2016, DG TAXUD systematized accumulated in the EU experience of cooperation between customs administrations and authorized economic operators in the Authorized Economic Operators Guidelines (hereinafter referred to as the AEO Guidelines).

In order to develop transnational trade, increase the Ukrainian export potential, and promote investment in the domestic economy by simplifying customs procedures while increasing their efficiency, Ukraine's priority task is to implement European experience in the practical application of the provisions of the WMO SAFE Framework of Standards in the field of customs and foreign trade activities.

In the EU countries, there is a multi-level system of regulatory documents regulating activities of the AEOs, which includes at the legislative level – the WMO SAFE Framework of Standards and the EU Customs Code, which establish common rules for the state regulation of the activities of the UE; at

the level of the generalization of practice of law enforcement – AEO Guidelines; at the national level – administrative documents of the customs administrations of the EU member states. The general requirements of European legislation for enterprises seeking to obtain the status of AEO are much wider and cover not only the history of the enterprise-applicant but also business activity. By the moment of

approval and commencement of the practical implementation of the national program for the development of the AEO system in Ukraine, access to the advantages of the status of AEO in the EU territory in the real way for domestic enterprises is to establish subsidiary companies in the territory of the EU member states and obtain international certificates on safety and security.

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THE ESSENCE AND FEATURES OF THE PUBLIC-PRIVATE PARTNERSHIP

The article explores the essence and features of public-private partnership, examines the scientific approaches to the use of concepts of “private-public partnership”, “public-private partnership”. The urgency of the development of the Institute of PPP is determined.

The government service is responsible for a certain number of sectors of the economy, which it should not only keep in good condition but also develop. Unfortunately, this problem is characteristic not only for our country but also for highly developed economies, the state does not have enough financial means to implement such projects. As the experience of other countries shows, one of the most effective ways out of the situation is the cooperation between the state and private business. Private business is not only a huge financial resource; it is also new technologies, new, more effective approaches to the management system.

The concept of PPP is ambiguously used in the literature. In addition, a wide range of applications of this kind of partnership, as well as practical examples, creates some difficulty in interpreting the term of PPP.

The pursuit of common goals, as outlined here in one of the hallmarks of a public-private partnership, cannot be understood as the literal meaning of a word. The purpose of the government service, the public sector – the implementation of socially significant projects, the main purpose of private business –

to make a profit through the cooperation with the state in socially significant projects. Otherwise, private business will not participate in such projects.

The urgency of the development of the Institute of PPP at the regional outside in Ukraine can be explained by a number of the following reasons:

1. Areas of interest to implement PPP projects for most of them are in the area of responsibility of the region and characterize the measure of the socio-economic development of the subject.

2. Assessing world experience (an example of the USA, Germany), we can say that PPP projects are implemented at the level of regions and the public sector is represented not by the state authorities but by regional ones.

3. Reducing the value of PPP projects by the investment fund. As was said above, the Investment Fund is now oriented not to megaprojects, which, in fact, should be implemented within the framework of the PPP, but to projects in the regions contributing to the socio-economic development of the subjects of Ukraine.

4. Regional orientation of the problem of PPP implementation from the side of profile ministries.

For Ukraine, the relevant problem is underfunding of various sectors of the economy and the lack of “intellectual and managerial capacities” by the regional and municipal authorities.

According to foreign experience, one of the most effective options is the cooperation with the private sector, which differs from its versatility in terms of solving problems

with tangible and intangible resources, as well as the possibility of using this mechanism in virtually all areas of state responsibility.

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EU ORGANIC FARMING: DEVELOPMENT TRENDS AND REGULATORY EXPERIENCE

The European experience of ecologization of agriculture is investigated. The European system of production management of organic products is analysed. Components of the state regulation of organic products market in Ukraine are determined.

In the EU, organic agriculture was allocated to the autonomous sector of agrarian economics in the early 90's of the XX century. Negative environmental consequences of intensification of agriculture, orientation towards a healthy lifestyle and food safety have contributed to the growth of this sector of the economy.

Taking into account the European experience, the introduction of state support for producers of organic agricultural products in Ukraine, in particular, the development and adoption of the National Program for the Development of Organic Agricultural and Food Production, will contribute to the implementation of provisions of the Association Agreement between Ukraine and the EU

on the promotion of sustainable agriculture.

In Ukraine, for the purpose of developing organic production of agrarian and food industries, in the context of the Common Agricultural Policy of the EU, targeted state support is needed in the following areas:

- adoption of the Law of Ukraine “On Basic Principles and Requirements for Organic Production, Circulation and Marking of Organic Products”, in accordance with the requirements and principles of organic production regulation in the EU, and relevant laws and regulations on its implementation, as well as the development and adoption of the National Program for the Development of Organic Agricultural and Food Production;

- introduction of national agroecological requirements and standards of quality and safety of organic products, development of a mechanism for monitoring producers of organic agrarian and food products, in accordance with the EU regulations.

4. ECONOMY AND ENTERPRISE MANAGEMENT

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RESTORATION OF ECONOMIC GROWTH OF THE ENTERPRISE

The article is devoted to the research of economic growth of an enterprise by analysis and detection of threats. The author presents an algorithm for the recovery of economic growth by the example of a trading company. This algorithm will provide an opportunity to exit the crisis state of the enterprise and maintain the economic activity of the economic entity.

In the context of the current financial crisis, the study of the financial and economic condition of an enterprise and the search for ways of economic growth is very important. Management of economic growth of an enterprise is based on the study of relations in the field of the internal and external environment of the economic entity. In the conditions of the uncertainty of the present, which are constantly changing under the influence of the global financial and economic crisis, the enterprise should be considered as an open system that constantly interacts with individual elements of the environment: other enterprises, banks, organizations belonging to socio-political and economic institutions. The mechanism of management of economic growth of economic entities requires a set of interrelated actions that form a systematic approach, in particular: management at all stages of production, that is, management of goals, tasks in accordance with a defined mission; identification of the problem, awareness of the need for its solution, diagnosis,

control, monitoring, and decision on the need to ensure financial security of the economic growth of the economic entity.

The main problems identified in the study of restoration of economic growth of economic entities that exist in the current financial and economic crisis are: lack of awareness of the need to restore economic development of the enterprise; insufficiently knowledgeable staff on economic development issues; lack of understanding of the mechanisms of economic development; there is no clear management system for restoring economic growth of the enterprise, the only method of managing economic growth of enterprises; not timely tracking of external and internal factors of influence. The author analyses the main indicators of the profitability of the trading enterprise of PAT "TODEF", which show a separate part of the needs of economic growth. So, it is found that overall the profitability of the company has a tendency to increase. The following indicators mainly influenced the improvement of the company's profitability: return on equity (assets) at a net profit, return on equity, return on production assets and the economic growth sustainability rate.

To increase the economic development of an enterprise, it is necessary: to reduce the cost of production by finding new suppliers; cover payables at the expense of accounts receivable; to increase own capital at the

expense of production diversification and an increase of own capital.

The author presents an algorithm for the restoration of economic growth by the example of the trading enterprise PAT "TODEF". To the structure of the proposed model we include: information about the object that needs to be restored; awareness of the fact of the threat; awareness of the need for protection; creation of the theory of economic

growth of enterprises; understanding of mechanisms of economic development of enterprises; analysis of enterprise development mechanisms; control over the process of restoring the economic growth of the enterprise. This algorithm for the recovery of economic growth will provide an opportunity to exit the crisis state of the enterprise and maintain the economic activity of the economic entity.

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THE ESSENTIAL CHARACTERISTIC OF ECONOMIC GROWTH OF THE ENTERPRISE

The article analyses the main problems of economic growth of an enterprise. The factors of production increase, improvement of engineering and technologies are determined. The role of the state in the economic growth of the state is considered.

Economic growth is a market category whose theoretical foundations are reflected in the work of many scholars. The most generalized scientific definition of the concept of “economic growth” is given by Campbell R. McConnell and Stanley L. Brue in the monograph “Economics”. They interpret economic growth as an increase in either real output or real output per capita. At the same time, these authors determine economic growth as an increase in production capacity as a result of an increase in the number of production factors used or the improvement of engineering and technology.

Summarizing the concept of economic growth, we can conclude that the factors of economic growth – labour, capital, and technological process (or the process of globalization of technological development) – “affect” enterprises representing the microenvironment. Here the organic connection between the macro and micro environment enters into force, which ultimately determines the possibility of economic growth at the state and enterprise levels.

The state can play a significant role in economic growth with proper tax policy and investment policy. Objectively, it is necessary to change the type of economic growth and to shift the national economy to the path of intensive development.

With an intensive type of growth, the main thing is to increase production efficiency, increase the returns on the use of all factors of production, although the amount of labour employed, the capital may remain unchanged. The main thing here is to improve the technology of production, improve the quality of the main factors of production. The most important factor in intensive economic growth is the increase in labour productivity. This indicator can be represented in the form of the ratio of the product created in physical or monetary terms to the labour cost (man-hour).

An intensive type of economic growth is characterized by an increase in the scale of production, based on the widespread use of more efficient and qualitatively made factors of production. The growth of scale of production is ensured by the use of advanced technologies, scientific achievements, more economic resources, and the improvement of workers’ skills. At the expense of these factors, an increase in product quality, productivity growth, and resource conservation is achieved.

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MANAGEMENT OF CHANGE IN THE ORGANIZATION

The article deals with the management of organizational changes, which is a specific management function. The general functions and stages of management are defined. The life cycle of the organization and transitions from one stage of development to another are considered.

Modern organizations of various industries operate in conditions of uncertainty, dynamism, and complexity of the external environment. Effective management ensures better use of available resources than was planned. This gives rise to a desire for various kinds of changes. Changes require a transition to a higher level of organization development. Although changes are both necessary and imperative, managers must make sure that specific changes make sense. The cost of the process of implementing the change should be weighed because the financial gain will not pay off the split and differences in the psychological climate of the team.

The search for the optimal co-existence of collective and personal underlies the formation of any effectively working team.

The development of employees' confidence in their abilities and commitment to change makes it possible to understand their own interests and this will contribute to the implementation of the overall goals of the organization. Fear and distrust prevent employees from learning new ones.

Direct communication with employees, informing them about the content of the organizational system of balanced indicators and changes associated with it; about the current situation that led to changes.

Timely information on the duration and effects of change does not raise doubts or rumours that can undermine trust in managers. But right away too much information can give workers resistance as time is needed to "digest" all information, so it needs to be dosed.

Informing employees about the benefits of change and how they will help to improve the future situation of both the worker and the organization have positive effects. The implementation of the necessary decisions is made easier when those responsible for changes meet people who resist changes and give detailed answers to their objections.

If the resistance of the employees is too strong and one cannot count on the support of most employees, the project must be suspended.

Changes are always a risk. But do not change – means to take even more risk. Because the risk – the possibility of occurrence of an unfavourable event. Under this one understands the probability of loss of organization of its resources, lack of income or additional losses as a result of certain activities, and other negative consequences.

Any organization always strives to balance. When there is a balance, it is easier for workers to adapt.

Resistance to change is partly a positive phenomenon, since it indicates the sustainability and viability of the organization as a system. Therefore, the main task of the manager is to direct the energy of resistance to changes in the direction of organizational development.

5. DEVELOPMENT OF PRODUCTIVE POTENTIAL AND REGIONAL ECONOMY

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SYSTEM-FUNCTIONAL TECHNOLOGY OF FORMATION OF THE INVESTMENT STRATEGY OF DEVELOPMENT AT THE REGIONAL LEVEL

In the article, mechanisms of formation of investment and credit strategy, forming the financial strategy of regional development of the corporation are considered. The toolkit for designing an optimal investment strategy for economic growth of regional business entities is developed.

The socio-economic development of regions of Ukraine should be steadily guided by landmarks of modern progress of the advanced countries of the world. However, due to the growth of the level of global competition and the lack of control over the domestic and foreign markets for the sale of national products, there was an urgent need for the formation and redesign within the regional economic systems of the investment strategy for the development of business entities.

Regions are becoming investment objects because they have the opportunity to apply market and legal mechanisms for stimulating investment, and large corporate structures with financial potential have the opportunity to carry out long-term operations in certain territories, receiving partner regions in the person of regional authorities.

According to the analysis of the work of corporations, regional corporate investment programs should be based on organized calculation and long-term forecasting, the mechanisms of which have long been developed and continuously improved in developed countries. However, they differ significantly in such major centers of economic culture as the USA, Western Europe, Japan.

The mechanism of structural and functional optimization of the formation of a regional investment strategy for the development of the corporation is a combination of business and administrative methods of influence, levers and instruments for regulating the target functions of economic growth at the micro level. The effectiveness of the use of any structural element of the mechanism directly depends on the coherence of action at all levels of government, which organically supports the functioning and adaptation of regional economic systems to threats and risks by combining aggregate strategic potentials and capabilities of the corporation.

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PROBLEMS OF MANAGING VOCATIONAL-TECHNICAL SCHOOLS: REGIONAL ASPECT

The article deals with the problems of management of vocational education institutions with their optimal integration into the existing socio-economic space and the modern model of the regional labour market. The factors that determine negative tendencies and cause the crisis phenomena and problems in the system of vocational-oriented education are investigated. Preconditions and main ways of modernization of vocational education system of Ukraine are determined, based on world experience. On the basis of the in-depth analysis, practical recommendations for reforming Ukraine's vocational-oriented education system in the context of its European integration option are proposed.

The main goal of reforming the national system of vocational education and training in the conditions of decentralization of power should be not to reduce the number of such educational institutions and not to shift the burden of financing their work to regional and local budgets, but to significantly improve the quality and intellectualization of vocational-oriented education. The network of vocational education institutions should meet the needs of the present, by fulfilling the order of the region regarding the needs of those or other working professions.

Summarizing the above, it should be noted that among the main tasks of the development of vocational-oriented education in the near future are the following:

1. Reforming the system of management of vocational education and training on the basis of modernization of the content, forms, and methods of management of the educational institution and its structural subdivisions, innovation updating of information, scientific-methodical, material and technical support for its functioning.

2. Improvement of the quality of vocational education and training on the basis of the establishment and implementation of a quality assurance system for education and training, the introduction of technology and complex criteria for assessing the effectiveness of activities of members of the labour collective, as well as of the educational institution as a whole. The direction of the vocational school should be aimed at improving the quality of training specialists – junior specialists and skilled workers, competing in the labour market, and in demand in the region.

3. Removing the imbalance between the rates of admissions to higher educational institutions and vocational schools. Establishing the proportion of admission to vocational-technical institutions at a level not less than 60% of the total amount of admission to educational institutions on the conditions of the state order for the educational qualification levels of a junior specialist.

4. Optimization of the system of financing vocational education in the conditions of power decentralization. The attraction of potential employers' funds for the training

of working personnel aimed at eliminating reasons for the extremely limited financial provision of vocational-technical schools and institutions of vocational-oriented education system; the search and introduction of a new model for calculating expenditures for the training of skilled workers in vocational schools in the formation of state and local budgets, which would take into account real costs depending on the complexity, material intensity, knowledge intensity of professions, quality of training and final result of the work of educational institutions; on the formation and introduction in the state of a new system of relations and responsibilities of the authorities of all levels, employers, and society for the professional development of citizens throughout life, their career growth and the inclusion of the national economy in the process of revival, first of all its real sector.

5. A gradual, balanced decentralization of the management of vocational-technical schools, and the delegation of the relevant rights and responsibilities to local self-government bodies.

6. Well-considered social advertising of the prestige of the working professions developed within the framework of the socio-economic strategy of the region's development.

The world experience convinces that modernization of vocational-oriented education is a long-term process since it requires a gradual change in the public consciousness, the consolidation of all forces and resources of the state and regions, the creation of a coherent system of economic and legal norms, market principles of the economy, and modern scientific and technological achievements, corresponding state of social morality, and the level of general legal and political culture.

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INFLUENCE OF DECENTRALIZATION PROCESSES ON THE ECONOMIC DEVELOPMENT OF REGIONS

The article investigates the socio-economic development of the regions of Ukraine in the conditions of decentralization. The practical aspects of decentralization, the main challenges and possibilities of state regulation of socio-economic development of regions of Ukraine are analysed.

The experience of business in the leading countries of the world shows that it is local authorities who are most aware of the economic, social, political situation in the field and determine the vectors of possible reform. At the same time, local authorities should create favourable conditions for local economic growth, use all levers to attract investments, develop entrepreneurship, small- and medium-sized businesses, promote job creation, and increase self-employment of the population. Decentralization in Ukraine should become a springboard for the development of a strong European state, stimulating its rapid economic growth. The country will have the opportunity to collect, accumulate, and allocate resources and ensure long-term economic development.

At the present stage in Ukraine, the primary task is to preserve the unitary state of Ukraine with simultaneous decentralization – an important component of optimiz-

ing the system of state authorities and local self-government. Consequently, the key to the democratization of Ukrainian society, European integration is its implementation in accordance with existing international standards and human needs, the transformation of the system of government and territorial organization. From the economic point of view, increasing the powers of communities and providing them with additional resources is the only real opportunity to revive the socio-economic development of the territories. Only decentralization will make Ukraine a modern state with sustainable industrial development and a credible foreign policy position. Because effective economic reforms without community involvement will not take place. And the effective participation of the people in political and economic reforms is impossible within the framework of the centralized management of economic life in the country, while the central authorities in every way sabotage the implementation of reforms. In addition, successful decentralization is a devastating blow to corruption. The mechanisms of public control, reinforced by rigid anti-corruption legislation and a transparent procurement system, allow talking about a real fight against corruption in the regions.

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BUSINESS PROCESSES IN THE CORPORATE SECTOR: MANAGEMENT IN TELECOMMUNICATIONS

This article is devoted to features of the corporate sector in the telecommunications sector at the level of business processes, inter-corporate cooperation with sub-operators of telecommunications services, the problem of adaptability of business management systems, and the release of the basic principles of these systems for telecommunications sphere in the national economy.

The limit of the millennium proved to be extremely difficult for Ukraine: social and political revolution, the rapid development of specification of property rights, changes in consciousness, the emergence and use of new management technologies, transformation of almost all economic institutions naturally caused a systemic shift in the global and national economic policy, which became the foundation for structural changes in the behaviour of economic agents, including the special place corporate form of business organization telecommunications operators.

System transformation and rapid development of the telecommunications sector in Ukraine began with the acquisition of its independence and continue today. In the twentieth century, it is difficult to imagine at least one economic agent who has not used the services of this sector.

One of the defining features of the telecommunications sector in the national economy is that all the most successful operators operating in the domestic market are corporations, which necessitates research operators simultaneously in three aspects – as corporate enterprises, as structural elements of these areas, as well as sub-economic and information objects innovations.

In modern telecommunications, there is markedly increased the role of automated supervisory control and operational management in solving the task of reducing revenue losses from idle equipment provider. This is firstly due to the fact that the essential element of culture service level agreements involved in the practice of operator networks and data services is to ensure readiness services and options appropriate equipment. Secondly, new services provided corporate telecommunications operators, and especially e-commerce services, put forward higher requirements for preparedness networks; because this situation is caused by high cost of downtime, then – according to standard methods of determining the economic effectiveness of automation means – you can achieve a sufficiently small payback period of appropriate automated systems.

Current market conditions require precise and more operational planning and design of telecommunication network resources based on actual data traffic and quality of service. Only such an approach, in our view, can provide commercially reasonable load equipment subject to the standards of service quality in the corporate sector in the field of telecommunications. This data processing systems and traffic planning system should be considered as an integral part of the complex network management.

Special and separate attention should be paid to the problem of organizing relations between operators of telecommunications networks (telecommunications service providers) and suppliers of control systems. In a series of system-processes at the domestic market management systems defined three

main suppliers: communications equipment designers, system integrators, independent telecommunications or computer systems and networks and independent developers and systems management software.

In our opinion, it is independent developers and systems management software can provide the highest efficiency for the creation and attraction of network management in the

corporate sector in the field of telecommunications. Very significant, often decisive arguments in this are: equidistance from manufacturers equipment to produce an optimal set of telecommunications operator system solutions and choose the best set of products, ownership of network management technology, which in recent years has evolved and developed as an independent branch.

6. ECONOMY OF NATURAL RESOURCES MANAGEMENT AND ENVIRONMENT PROTECTION

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DEVELOPMENT OF MECHANISMS FOR MUNICIPAL MANAGEMENT OF NATURAL RESOURCES IN TERMS OF POWER DECENTRALIZATION

In the article, the problem of implementation of an effective organizational and economic mechanism (algorithm) and ensuring the safety of the process of decentralization of management of natural resources as an organized transfer of powers from the sphere of state management of water, land, forest, and mineral resources to territorial communities is considered. The concept of the mechanism of ensuring the security of the decentralization process in the system of local resources management with the participation of local communities is proposed.

The most urgent direction for creating a mechanism for the state regulation of territorial development and functioning of regional policy is the development of legislative acts that, in the conditions of improvement of the existing presidential-parliamentary form of government and constitutional state system, determine the rights and responsibilities of regions and territorial communities in the field of natural resources management in Ukraine, their authority in the management

of property owned by the state, participation in the implementation of state sectoral and regional programs. It is also necessary to have statutory acts regulating the procedure for the establishment and use of regional stabilization funds, sustainable development of territories, investment funds, subventions, social support for the population, etc., with the introduction of corresponding corrections and additions to the existing laws and regulations for the full consideration of regional interests. This process involves managing high-value natural and financial assets and requires adequate security both for the decentralization process itself and for decentralized management of such assets by the national economic system.

In the context of decentralization, the management task of the natural resource component of national wealth must be put in such a way as to construct a logical and algorithmic path to a highly effective and flexible business system built on local natural assets based on the principles of maximum self-suf-

efficiency, subsidiarity, and competitiveness in the European economic environment.

The target function of the perspective period of development of the country and its regions in 2017–2030 is the development and integration of the economy into the European and world global integration space by creating a competitive civilized market economy, the development of a civil democratic society and entrepreneurial freedom in a decentralized economic management system, in the meantime the national economic idea can be formulated as an idea of sovereign well-being, that is, providing high-level welfare by own forces at all spatial levels of the state functioning.

The main prerequisite for the effective implementation of the decentralization and management of natural resources is the introduction of its institutional foundations in the form of an appropriate legislative framework, the scope of which should cover the scope of implementation of provisions of

“Ukraine – EU” Agreement, completion of administrative and territorial reform and local self-government reform with the formation of a system of municipal governance at the level of united territorial communities, the creation of sovereign funds, companies with special rights of borrowing of SPV type, introduction of the institute of civic ownership of natural resources, and so on.

A distinctive feature of decentralization in the management of natural resources by local communities is the need to ensure all types of the safety of this process, including informational, economic, environmental, defence, and other aspects.

The main mechanisms for managing natural resources under decentralization should be a rented economic and financial mechanism, which includes subsidiary, fiscal, and parafiscal instruments for managing rental income, as well as the public-private partnership between the state, territorial communities, and business.

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DIRECTIONS OF THE TRANSFORMATION OF THE SYSTEM OF MANAGEMENT OF NATURAL RESOURCES IN TERMS OF POWER DECENTRALIZATION IN THE PARADIGM OF FINANCOMICS

The article defines the need to change the approaches to the management of natural resources with the transition to a promising management of natural assets, the main feature of which is the return on the attraction of resources in economic relations. Within the framework of the general paradigm of financomics, the main directions of the transformation of the structure of management of natural resources of territorial communities are outlined, which include: identification of ownership rights to natural objects, capitalization of natural resources through their full involvement as assets for the economic circulation through entrepreneurial activity, development of schemes of structural-project management of natural assets, and the change of the role of public authorities in the management of natural resources by delegating the relevant part of powers of dismissive, dispositive, and controlling character to territorial communities.

There are outlined the main directions of the transformation of the existing structure of management of natural resources of territorial communities in the conditions of European integration processes, which should ensure the formation on the basis of local natural resource complexes of high-grade natural assets, and include:

- identification of ownership rights to natural objects as resources located in the

local communities in accordance with the sufficient number of rights identified in them from the general range of powers, including the basic rights of possession, use, disposal, etc. with the condition of observance of the constitutional right to property on the natural resources of the Ukrainian people by creating the public-law institute of the municipality as an active representative of interests and manager of natural resources of the community at the level of the territorial communities and their associations;

- capitalization of natural resources through their full involvement as assets for the economic circulation through entrepreneurial activity with subsequent redistribution of received income through financial and economic mechanisms of budgetary equalization and fiscal filling of budgets of different levels with the possible expansion of the tax base of the system of budget equalization;

- revision and improvement of existing methods of rent payments for the effective withdrawal of natural rent in favour of budgets, expansion of the base and list of local taxes, introduction of quasi-tax and parafiscal payments with appropriate structural changes in the system of management of natural resources and changes in the legislative framework in the development of the system of paid nature use, including accounting and seizure for the public needs of environmental rent;

- institutional and logistical transformations in the area of the use of natural assets in the direction of developing schemes for their structural management, which envisages widespread introduction of the use of natural resources based on concession agreements with the legislative extension of powers of territorial communities and the development of the system of specialized dedicated management of the use of natural assets through the creation of territorial corporations of the management of natural resources with the determination of the typical order and the mechanism for their creation with the participation of the territorial community for the implementation of investment projects that involve the

attraction of natural resources into economic circulation on the basis of the Law of Ukraine on public-private partnership;

- changing the role of state environmental management authorities by delegating the relevant part of the permissive, administrative and controlling authority to territorial communities and transforming the role of territorial communities from the user of natural resources to the final beneficiary, from attracting natural assets to economic circulation with the transfer of management functions in terms of organization, planning, and provision of the use of natural resources to subjects of structural and project management of nature resource use.

7. DEMOGRAPHY, LABOR ECONOMY, SOCIAL ECONOMY AND POLITICS

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SOCIAL STANDARDS IN THE AREA OF LABOUR REMUNERATION IN UKRAINE

The social standards in the field of labour remuneration and the dynamics of their formation and use in Ukraine are revealed. The essence of social standards, the main subjects and their tasks in the field of labour remuneration, as well as the plane of the system of social standards with the allocation of the sphere of standardization of rights and social standards, are substantiated. The disadvantages of the domestic system of social standards in the field of labour remuneration are considered in comparison with the corresponding international indicators.

Social standards in the field of wages – an important component of social policy, which forms the basis for ensuring the constitutional right of citizens to an adequate level of income. Their size usually corresponds to the peculiarities of the country's development and its ability to provide material and spiritual needs of the population.

Social standards in the field of labour remuneration are variable values that are determined by taking into account the objective patterns of development of society, the needs and opportunities of subjects of social and labour relations, and are established in order to achieve the optimal degree of order in ensuring social rights and guarantees of the popula-

tion in the field of labour remuneration. Given the complexity and content of this category, it is expedient to consider social standards in two areas: the standardization of rights that promote the implementation of social standards in the field of labour remuneration and ensure a sufficient level of income guaranteed to the citizens by the Constitution of Ukraine and that one that is carried out in compliance with a number of legal documents, declaring the right of citizens of Ukraine to wages, not lower than the statutory, equal pay for the work of equal value without any discrimination, indexation of wages, compliance of the level of remuneration with worker qualifications, etc.; standardization of social standards – quantitative and qualitative standardization in the field of labour remuneration, determined on the basis of objective laws of development of society, needs and opportunities of subjects of socio-labour relations, and provides the optimal level of satisfaction of their needs.

The study of modern social standards in the field of remuneration in Ukraine has shown that they are based mainly on social minima, and their artificial subordination has led to unacceptably low indicators of the standard of living of the country; the comparison of domestic social standards and

their normative values with international analogues has shown their considerable lag over the absence of a strong economic basis for raising social standards and the ineffectiveness of the social dialogue of subjects of socio-labour relations.

Perspective studies in this direction should be connected with the deepening of theo-

retical and methodological and methodical principles for assessing the system of social standards in the field of remuneration, given the acute need to form the basis for ensuring the constitutional right of citizens to an adequate level of income, equal access to public goods and services, and reducing the stratification of society.

8. MONEY, FINANCES AND CREDIT

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IMPROVING THE EFFECTIVENESS OF THE STATE FINANCIAL POLICY

The article outlines the essence of state financial policy, principles of its implementation. The main types of state financial policy are described. The need for conducting sound financial policy and relevant problems of its implementation are considered. According to the results of the study, it is determined that in conditions of financial instability, there is a need to improve the financial policy of the state in order to increase its efficiency and strengthening in modern conditions.

Economic growth and stabilization in society require an active financial policy and the functioning of a stable financial system. In view of this, the following strategic directions of financial policy can be singled out: ensuring the unity of goals and instruments of financial policy with the goals of economic development; increasing the efficiency of financial regulation; development of branches of the economy with high financial returns and industries with high capital turnover; ensuring budget balance; increas-

ing the role of the development budget as the most important tool of investment policy; improvement of the tax system of the state, development of tax policy taking into account the financial condition of enterprises; setting up of the stock market.

Thus, under modern conditions, it is the financial policy of the state that serves as the main factor in overcoming the crisis and organization of economic development; it is this policy that improves market relations and provides solutions to social issues.

Implementation of financial policy should include not only the growth of financial resources at the disposal of the state itself but also the growth of financial capacity of economic entities. This will help to create a solid financial basis for the authorities to implement tasks and functions entrusted to them, and will ensure the stability of social production in order to improve the economic situation of the state and increase the level of welfare of the population.

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IMPROVEMENT OF INTERNAL CONTROL OF A BUDGET INSTITUTION

The article investigates the international experience of increasing the efficiency and effectiveness of the internal control system in the budgetary sphere. The necessity of its introduction is substantiated in the consideration of the domestic realities: the deficit of the state financial resources, strengthening of the tendencies of increase in the number and volume of violations of the legislation regarding their use. The algorithm of implementation of financial management and strengthening of managerial accountability at the top level of the executive branch is generalized.

The modern domestic practice of internal control in executive bodies testifies to the lack of a systematic approach to its implementation that would conform to European standards. Such a situation leads to increased corruption in the budget sphere, the ineffectiveness of the use of scarce resources and, accordingly, affects the results of the activities of executive authorities – the quality of providing services to the population, which leads to social tension in society.

An important stage in the implementation of the FMC system and the strengthening of managerial accountability (liability) in public institutions is to draw up a clear timetable of activities with defined priorities for the evaluation within an institution. This stage is the most complicated because it is related to

the complexity of the system of internal control and its impact on the day-to-day operation of the institution, the implementation of operations and processes, which requires long-term changes and necessary resources. Therefore, the sequence of implementing the FMC system and strengthening of managerial accountability (liability) at the operational level require additional research.

Solving problems related to the functioning of the system of internal control in executive authorities is possible only through the introduction of new modern approaches to its organization, rethinking of control not only as a means of preserving the resources of the budget institution but as a tool for managing these resources, reducing the various risks of illegal, ineffective, and unproductive use of them. At the same time, effective changes of the internal system cannot be achieved only through the rules of law, regulating documents and instructions. Therefore, the first step in this long process should be a campaign to improve understanding of the leadership of the top-level management of the place and role of the internal control system in the proper management of public resources, awareness of the possibility of achieving positive changes only through its reformation by using the international practice of internal control services.

9. ACCOUNTING, ANALYSIS AND AUDIT

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DETERMINANTS OF INTERNAL AUDIT FOR THE MANAGEMENT AND MINIMIZATION OF RISKS OF BUSINESS PROCESSES

The article studies peculiarities of internal audit in the system of corporate governance, defines its main tasks and problems of implementation in Ukraine. The determinants of internal audit by developing a model of its organizational and functional optimization of functioning in the system of corporate governance to minimize the risks of business processes are proposed.

The implementation of modern managerial technologies helps to strengthen the competitive position of Ukrainian business in the world economic space. In the process of integration into the world economy, a particular attention is paid to tools that allow minimizing the risk component of the activity, given their high significance in the management process as a whole. One of the tools for internal corporate control in economically developed countries is the function of internal audit. In parallel with the introduction of directly risk-minimizing instruments in conducting business, the world economic community faced with the problem of the formation of an effective system of corporate governance in general. Relevant is the definition of the role and scope of the function of internal audit as one of the integral blocks of the corporate governance system. Firstly,

the results of the effective implementation of the internal audit function are internal resources of the company, the use of which allows increasing the efficiency of the company. Secondly, the formation of an effective system of corporate governance, the uniting link of which is the function of internal audit, increases investment attractiveness and thus is a competitive advantage of companies operating in any business.

Thus, the determinants of the organizational-functional model of risk-oriented internal audit in the corporate governance system are developed, which are tools that help the supreme management bodies in the qualitative performance of the functions entrusted to them. At the same time, creating an internal audit service at the enterprise in the risk management system will enable: a) to ensure the effective functioning and stability of the enterprise in terms of competition; b) generate processes of effective use of the strategic potential of the enterprise; c) respond in a timely manner to changes in the internal and external environment with adaptation to them; d) minimize commercial, financial, and other risks in the management of the enterprise, which will restore its positive economic development dynamics.

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