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WAYS TO INCREASE EFFECTIVENESS OF THE STATE REGULATION OF INSTITUTIONAL CHANGES

The scientific article has identified problems in provision of economic security of entrepreneurship in Ukraine due to the low effectiveness of the state regulation of institutional changes. Ways to increase effectiveness of such a type of regulatory activity of public authorities have been suggested. In this case, the research has offered to bring attention to the increase of effectiveness of state (municipal) authorities in the country. To reach these tasks, the research has suggested a set of measures for the public service reformation in Ukraine. Another way to improve effectiveness of the state regulation of institutional changes in the country is to increase work quality of civil servants and employees of local authorities with the help of foreign experience implementation.

Key words: state regulation, state (municipal) authorities, civil servants, economic security of entrepreneurship, institutional changes, effectiveness.

Problem statement. Change regulation of certain institutions and the entire national institutional system by the country is a key factor that influences the level of national security, economic security, the economic security of entrepreneurship (ESE) and the system of economic security of entrepreneurship (SESE) in the

country. The research has detected low effectiveness and significant problems of such a regulation activity in Ukraine. The situation described needs for development and implementation of ways to increase the effectiveness of the state regulation of institutional changes in the country.

Analysis of the recent researches and publications.

The sufficient amount of scientific works has been published on ways to solve optimization problems of the state regulation directed towards changes of certain institutions and the entire national institutional system. They include papers by I.M. Dudnik [1], O.H. Chubar [2], D. North [3], O.S. Saienko [4], M.V. Skyba [5], O. Tkachova [6], and other scientists.

However, problems of improvement of the effectiveness of the state regulation of institutional changes in the country in the context of economic security of entrepreneurship and the system of economic security of entrepreneurship provision at the national level have not been sufficiently developed.

The aim of the article is to develop ways to increase the effectiveness of the state regulation of institutional changes in Ukraine based on the research of operational problems of state and local self-government authorities, as well as the performance of public and local self-government servants in the country.

Results and discussions. One of the main reasons for low efficiency of the state regulation of institutional changes within the economic security of entrepreneurship provision in Ukraine is the insufficient performance of state and local self-government authorities. Problems of Ukrainian state authorities include: lack of automatization of management activity fulfilment in the government sector; ineffective organization of work and the structure of the state sector and local authorities (excessive bureaucracy); weak focus on the final result; not taking into consideration business units and households as consumers of state power institutions' services; insufficient innovation implementation; weak internal and external communication; lack of finance on functioning and development of state and local self-government authorities; weak training of personnel.

Majority of world countries also face problems of low efficiency of state and local self-government authorities functioning. This state of affairs leads to attempts of their reformation. Thus, it is appropriate to study ways in reforming the public service in world economically developed countries based on the materials of the Service of Information and Analytical Support of Public Authorities (SIASPA) [7]. These ways include:

- simplification of public (municipal) administration under: decrease of hierarchy levels of such management, transfer of a part of functions to municipal authorities or commercial organizations, processes automatization for public services provision, elimination of secondary data institutions of state (municipal) authorities, reduction in the number of ways of the state control and regulation (municipal control and regulation);

- reduction in the quantity of state and local self-government authorities employees due to: increase of their performance; active implementation of leading information and management technologies, improvement of the organizational structure of state institutions, elimination of excessive administrative pressure on business units and households, outsourcing, and innovation use;

- competition implementation in the functioning of state and local self-government authorities via: the implementation of contests for public servants (employees of municipal authorities), estimation of state (municipal) authorities work, the introduction of the flexible stimulation system for employees from state and local self-government authorities (tangible and intangible stimuli), outsourcing;

- increase of amounts and effectiveness of financial support of state (municipal) authorities functioning due to: redirection of finance, which has been used ineffectively by state and local self-government authorities, an increase of labour pay of state (municipal) employees through their number optimization and cost increase for public administration apparatus maintenance;

- the increase of training quality for state and local self-government employees based on: competitive selection for relevant positions, finance increase for skills development of public servants (employees of local self-government authorities), increase in competition between employees of state (municipal) authorities, as well as among employees of outsourcing companies and the previous ones.

Based on the stated above, the public service in Ukraine needs to be reformed through the increase in effectiveness of change regulations of particular institutions and the national institutional system through provision of the relevant level of economic security of entrepreneurship. It needs determination of key components of this reforming (Table 1).

On the other hand, Ukrainian state service reformation in the context of performance improvement of the state regulations of institutional changes and provision of the relevant level of economic security of entrepreneurship must be based on the appropriate mechanism, which, taking into account works by I. Pakhomov and T. Pakhomova [8, p. 106] should include the following components:

1. Organizational and structural changes that must be directed towards: decrease of bureaucracy level in the state service, duplication elimination of management, regulatory, and monitoring functions by state and local self-government authorities, number optimization of public servants and employees of municipalities, expenses reduction on the state service and local self-government authorities maintenance, partial transfer of duties from central bodies to municipal ones.

2. Technologies development of service provision, information processing, and management decision-making, which includes increase of automatization processes of state (municipal) management, introduction of electronic document management both in government bodies (central, local) and between the latter and consumers of their services, development and implementation of the relevant system of information management.

3. Development and management of innovation, which consists of: stimulation of innovation development by public servants and employees of local authorities, loyalty to innovation from side of state (municipal) authorities, financing increase for the innovative development and its

Table 1

Key elements of reforming Ukrainian public service in the context of improving the effectiveness of state regulation of institutional changes and provision of the appropriate level of ESE

Component	Component's characteristic
Aim	Improvement of the effectiveness of the state regulation of institutional changes and provision of the relevant level of economic security of entrepreneurship in the country.
Task	Effectiveness increase of state and local self-government authorities functioning, a quality increase of national institutional system and its particular elements transformation, provision of the increase of economic security of entrepreneurship level, functioning and development support of the local system of business economic security.
Principles	The rule of law, objectivity, regulation activity, functioning regulation, corruption prevention, ethics rules abiding, transparency of actions and management decisions taking, democracy, professionalism, information openness for service consumers, protection from outside intervention into regulation activity, competitiveness, overall control, maintenance of confidentiality.
Effectiveness factors	Emphasis on strategic development, public interests priority, provision of an increase in national social and economic system and its particular elements, effectiveness increase of information spreading with the existence of feedback, increase of state management and control effectiveness, systematic approach to problems solving, the absence of "shadow" state and municipal authority structures.
Reforming results	Increase of financing effectiveness, reduction of "shadow" economy's volume, corruption level decrease in state (municipal) authorities, lowering of transaction expenses level of business units and households, optimization of relationship between public, local self-government authorities and consumers of their service, professional increase of employees of state (municipal) authorities, activation of new technologies and innovation application, optimization of legal regulation of state (municipal) authorities' activities.

Source: developed by the author

implementation into government and local self-government authorities activities.

4. Effectiveness increase of internal and external communications due to: increase of openness and transparency of state (municipal) authorities, qualitative information use, the appropriate level of personnel's training.

5. The increase of financial provision quality because of: increase of expenses control of state and local self-government authorities, including control from the side of public institutions, increase of pay level of public servants and employees of municipal authorities, increase of financial support of technical re-equipment, innovation development and implementation.

6. The quality increase of public servants and employees of local authorities work. The quality of work is a key element of any management activity. The same can be stated about the state regulation. At the same time, the research has outlined that the element stated above can be indicated as the second way for improving the effectiveness of changes regulation of particular institutions and the institutional system by state and municipal authorities in Ukraine.

The assessment of regulation activity of public and local self-government authorities regarding transformation of certain institutions and the national institutional system in the context of business economic security provision in Ukraine indicates that the low quality of work conducted by employees of these bodies, in particular, is one of the main factors that adversely affect institutional changes, ESE and SESE in the country. The reasons of such a situation in the country are formal conditions fulfilment of a competitive examination for vacancies of public servants and employees of local authorities, low level of public (municipal) authorities training, especially in remote regions and rural areas, considerable level of corruption,

including family ties, which were used for job application, a lack of or a formal approach to the skills development of public (municipal) employees, low level of pay for majority of public servants and employees of self-government authorities, a lack of competitors, insufficiently developed system of work stimulation, formal work estimation criteria of public (municipal) employees, a lack of orientation aimed at achievement of final results of regulation activity.

In this context, it is important to study the experience of economically developed countries on the work quality increase of public servants and employees of local authorities (Table 2).

Taking into account stated above and in order to improve the work quality of public servants and employees of local authorities in Ukraine, it is appropriate to focus on: strict monitoring of corruption actions done by employees of state authorities; increase of pay and social defence based on decrease of employees numbers and increase of competition between both employees of the relevant state (municipal) authorities and these employees and employees of commercial (outsourcing) structures; increase of requirements to the competitive examination for taking state (municipal) posts; compulsory creation of skills development system for state servants emphasizing traineeship, including ones abroad, and specialized training during the fulfilment of job obligations.

Thus, the research has offered ways to increase effectiveness of the state regulation of institutional changes to provide business economic security in Ukraine. They are aimed at solving common problems detected during research and include: effectiveness increase of state (municipal) authorities through the reforming of Ukrainian state service; an increase of work quality of civil servants and employees of local authorities with the help of foreign experience implementation.

The experience of economically developed countries on the work quality increase of public servants and employees of local authorities

Country name	Trends in the work quality increase of public servants and employees of local authorities
The USA	<ul style="list-style-type: none"> – Training is conducted individually by each staff according to municipal needs; – Usage of higher education establishments for training (re-training) of public (municipal) authorities employees in the country; – Continuous education and skills development during the whole period of working as a public servant; – Tough control of corruption activities; – Implementation of high-level social defence of public (municipal) authorities employees; – Maximum adaptation of public servants by the trend in work they are fulfilling.
Japan	<ul style="list-style-type: none"> – Emphasis on the training of public servants by specialized establishments of the relevant ministries and agencies; – Maximum extensive use of internship and skills acquisition through practical activities; – The rigorous recruitment process for vacancies; – Usage of intangible stimuli in the work of public servants and employees of local authorities.
France	<ul style="list-style-type: none"> – Emphasis on the centralized staff training for state (municipal) power authorities; – Financing of skills development of public servants (up to 3.2% of annual pay); – Broad knowledge obtained by public (municipal) servants.
Germany	<ul style="list-style-type: none"> – Competition between employees of state and local self-government authorities; – Competition of public servants and employees of commercial (outsourcing) structures; – Emphasis on remuneration based on work results; – The high share of intangible stimuli; – Great attention is paid to the comprehensive development of the staff of state (municipal) authorities.
Finland	<ul style="list-style-type: none"> – Competition of public servants with employees of commercial (outsourcing) structures; – Emphasis on remuneration based on work results; – Monitoring implementation and activity estimation of the public (municipal) authorities staff ; – The high quality of intangible stimuli and formation of favourable (creative) atmosphere in the work community; – Maximum adaptation of public servants to work areas, which they carry out.
The Netherlands	<ul style="list-style-type: none"> – Control increase over staff professional activity of public (municipal) authorities at the side of the society; – Competition between employees of public authorities bodies in terms of the reduction in the number of public servants; – Financing of skills development of public servants (up to 2.2% of annual pay); – Emphasis on specialized training.
Great Britain	<ul style="list-style-type: none"> – Competition between employees of public authorities bodies; – Competition of public servants with employees of commercial (outsourcing) structures; – Emphasis on remuneration based on work results; – Standards introduction of business units and households service by employees of public authorities bodies; – Strict monitoring of expenses; – Financing of skills development of public servants (up to 6% of annual pay); – Emphasis on specialized training within the effectiveness of official duties.

Source: created by the author based on [7]

Conclusions. The research has identified problems with regulation effectiveness of changes of certain institutions and the entire national institutional system by the state. It has adverse impact on the economic security of entrepreneurship and the system of business economic security in Ukraine. As ways to increase the effectiveness of such a regulation activity of state bodies, the scientific work outlines the following ones: reformation of state

power institutions in the country in the context of effectiveness increase of their functioning at the national and municipal level; work quality increase of state authorities' employees in the country at the national and municipal levels due to the implementation of foreign experience.

Further researches are to be concentrated on the estimation of impact of state regulation of institutional changes on the level of economic security in Ukraine.

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ШЛЯХИ ПІДВИЩЕННЯ РЕЗУЛЬТАТИВНОСТІ ДЕРЖАВНОГО РЕГУЛЮВАННЯ ІНСТИТУЦІОНАЛЬНИХ ЗМІН

У статті визначено проблеми із забезпеченням економічної безпеки підприємництва в Україні через низьку результативність державного регулювання інституціональних змін. Запропоновано шляхи підвищення результативності такого виду регулюючої діяльності органів державної влади. Запропоновано звернути увагу на підвищення ефективності функціонування державних (муніципальних) владних інститутів у країні. Для цього пропонується комплекс заходів із реформування державної служби України. Як інший шлях підвищення результативності державного регулювання інституціональних змін у країні пропонується зростання якості роботи державних службовців та працівників органів місцевої влади через упровадження закордонного досвіду.

Ключові слова: державне регулювання, державні (муніципальні) владні інститути, державні службовці, економічна безпека підприємництва, інституціональні зміни, результативність.

ПУТИ ПОВЫШЕНИЯ РЕЗУЛЬТАТИВНОСТИ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ ИНСТИТУЦИОНАЛЬНЫХ ИЗМЕНЕНИЙ

В статье определены проблемы с обеспечением экономической безопасности предпринимательства в Украине через низкую результативность государственного регулирования институциональных изменений. Предложены пути повышения результативности такого вида регулирующей деятельности органов государственной власти. При этом предложено обратить внимание на повышение эффективности функционирования государственных (муниципальных) институтов власти в стране. Для этого предложен комплекс мероприятий по реформированию государственной службы Украины. В качестве другого пути повышения результативности государственного регулирования институциональных изменений в стране предлагается рост качества работы государственных служащих и работников органов местной власти через внедрение зарубежного опыта.

Ключевые слова: государственное регулирование, государственные (муниципальные) институты власти, государственные служащие, экономическая безопасность предпринимательства, институциональные изменения, результативность.