

MODEL OF PUBLIC ADMINISTRATION MECHANISM FOR ADVANCED ECONOMIC DEVELOPMENT OF UKRAINE

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Abstract. The article defines the essence of the concepts of the advancing economic development, public administration, mechanism of public administration. In particular, defining the concept of advanced development made it clear that achieving a country's strategic goals with levels of macroeconomic indicators that exceed those in other technological and innovation niches provides significant competitive advantages. It is revealed that the population becomes an active participant in public administration in Ukraine, which ensures the formation of a new type of government – public, where public authorities, business and the community interact to achieve the goals of sustainable development and, as a result, public administration in Ukraine is new model of organization of public administration. Subjects, objects, direct and indirect methods of the public administration mechanism are highlighted. The characteristic features of public administration are identified. A model of the mechanism of public administration in Ukraine has been formed that takes into account the goals of key actors: the state, business and the population. The article emphasizes that despite the efforts of countries to achieve the sustainable development goals (economic, social and environmental), they should not cause environmental damage. Today, Ukraine is characterized by an "catching up" type of economic development. The model of economic development of Ukraine can be noted on such features as dependence on external sources of financing, cyclical-wave economic growth, which is significantly lower than the level of developed countries, low level of innovative development, transition to public administration and decentralization of power. Public administration is the science of managing public opinion, not just establishing and

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maintaining good relations between the state, organizations and the public. In developed countries of the world, a significant place in public administration begins to play in the implementation of the basic functions of the state, especially in regulating the economy. This is reflected in the active influence of the public on government decision-making in order to ensure the efficient functioning of a market economy. The backward influence of the public sector on state regulation of the economy, as a set of forms and methods of purposeful influence of state bodies on the development of the economic system in order to stabilize it and adapt to changing conditions, is an integral part of most modern Western economic strategies.

1. Introduction

Given the slow rise of the Ukrainian economy, the implementation of economic and social reforms, decentralization of power and the elimination of corruption, it is important to ensure a well-established effective mechanism of public administration. Today in Ukraine it is possible to speak about the beginning of the development of a new model of public administration, which in its essence corresponds to foreign experience and Western European models of public administration. Defining the entity, subjects and objects, the most effective methods and forms of public administration are urgent tasks, because they allow to determine its mechanism.

The study of the influence of public administration on the development of the economy is devoted to the works of V.D. Bakumenko, S.A. Popov, N.I. Grazhevskaya, T. Zhaluk, A.O. Kasich, O.M. Moskalenko, Yu.V. Kovbasyuk, S.A. Romanyuk, O.Yu. Obolensky, N. Obushniy, S. Chernov, V. Voronkova, V. Banakh, N.M. Tyurina, N.S. Karvatskaya, T.V. Nazarchuk, V.P. Yakobchuk, E.I. Khodakivsky, I.L. Litvinchuk and other scientists. Subjects, objects, goals, methods, and tools of public administration have been systematized in scientific studies, but there is no development of a model of public administration mechanism in the conditions of decentralization of power in Ukraine and implementation of economic reforms.

The purpose of the article is to formulate a model of the mechanism of public administration of the advancing economic development. In order to achieve this goal, the following tasks were solved – to find out the essence of the concept of outstripping economic development, public administration, mechanism of public administration, to outline the model of mecha-

nism of public management of the advancing development of the state, to analyze the state of economic development of Ukraine.

The material of the article is presented on the basis of methods of statistical, comparative and swat-analysis, and also the corresponding conclusions are made on the basis of methods of system analysis, cause and effect analysis and logical generalization.

2. The essence of the concept of advanced economic development

Advanced economic development involves achieving strategic goals for the country with levels of macroeconomic indicators that exceed those in other technological, innovative niches, providing competitive advantages in education, science, industrial production and public administration in particular. Advanced economic development today has become a key condition for an innovative economy, bringing the country to a higher level of production and, as noted by A.M. Moskalenko [5], thus, "it becomes a decisive condition for innovative competition, the transition of countries to a higher technological level, the creation of a "margin of safety" of national economic systems, acquisition and consolidation of long-term international innovative competitive advantages by countries". At the present stage of development, developed countries are trying to achieve sustainable development, which means achieving economic, social and environmental strategic goals, and the introduction of innovation should not be detrimental to the environment.

Advanced economic development can be characterized by analyzing the main socio-economic indicators and comparing them with thresholds: [2, p. 31]: annual price index growth should not be more than 3-5%; the growth rate of money supply should correspond to the growth rate of production (but no more than 3-5% per year); the state budget deficit should not be more than 3-5% of GDP; public debt should not be more than 60% of GDP; the volume of foreign exchange reserves should be more than 8% of GDP and sufficient to cover the cost of importing goods for at least three months; the ratio of current external debt service payments should not exceed 20% of annual export earnings; in order to ensure extended reproduction, the level of accumulation in GDP should be at least 10%; the unemployment rate should not be more than 15-20% of the total working population; the income gap of the 20% of the richest and 20% of the poorest people should not be more than 12 times.

3. Model of economic development of Ukraine

Today, Ukraine is characterized by an "catching up" type of economic development. The model of economic development of Ukraine can be noted on such features as dependence on external sources of financing, cyclical-wave economic growth, which is significantly lower than the level of developed countries, low level of innovative development, transition to public administration and decentralization of power.

In the table 1 shows the main indicators of economic development of Ukraine, developing countries and developed countries.

Table 1

Indicators of economic development of countries in 2018

Country	GDP growth in 2018 (%)	GDP growth over the last 5 years (%)	GDP per capita in purchasing power parity, USD	Unemployment rate (%)	Inflation (%)
Australia	2,5	2,7	\$48 899,1	5,7	1,3
Belarus	-3,9	-0,5	\$17 999,7	0,5	11,8
Georgia	2,8	4,0	\$10 043,8	11,6	2,1
Germany	1,5	1,2	\$48 110,8	4,3	0,4
Hong Kong	2,4	2,4	\$58 321,6	3,4	2,6
Hungary	2,9	1,9	\$27 481,8	5,2	0,4
Moldova	-1,1	3,4	\$5 328,0	5,0	6,4
New Zealand	3,4	2,9	\$37 294,0	5,2	0,6
Poland	3,6	2,6	\$27 764,3	6,2	-0,6
Romania	3,7	3,2	\$22 347,9	6,4	-1,6
Russia	-3,7	0,5	\$26 489,8	5,7	7,0
Singapore	2,0	3,3	\$87 855,4	1,8	-0,5
Slovakia	3,6	2,6	\$31 338,8	10,0	-0,5
Switzerland	0,9	1,4	\$59 560,7	4,6	-0,4
Turkey	3,8	5,5	\$24 911,8	10,3	7,8
Ukraine	-9,9	-2,8	\$8 305,1	8,9	13,9
UK	2,2	2,1	\$42 480,7	4,8	0,6
the United States	2,4	2,1	\$57 436,4	4,9	1,3

Source: [14]

Developed countries (Australia, Germany, Hong Kong, New Zealand, Singapore, Switzerland, United Kingdom, United States) have a higher level of ownership institution development, transparency of government activity, freedom of business and the labor market, freedom of investment and legal efficiency, which generally indicates the use of more effective public administration methods and adherence to its principles. And this is positively reflected in the value of GDP per capita in purchasing power parity, the average value of which for developed countries is \$ 54,994.9. (the maximum in Singapore is \$ 87,855.4, the minimum in New Zealand is \$ 37,294.0). Thus, these characteristics allow us to ensure a steady increase in GDP, maintain an acceptable unemployment rate (within 5%) and inflation.

The above economic indicators indicate, first of all, the high level of well-being and quality of life of the population, which in turn testifies to the social development of the countries whose state policy and management are aimed at forming an effective legal, political, social and economic environment.

4. Public administration

O. Obolensky treats public administration as governance based on the will of the community (group of people) and implemented by entities identified community needs and to meet the objectives of the community as an object of control [6, p. 4].

N. Obushna [7] defines public administration as managing people. When appealing to people, public authorities influence them individually and through their various groups, created naturally or at the will of the people (such as parties). In turn, citizens, their collectives, society respond to public administration and establish feedbacks with the authorities, the state as a whole.

Characteristic features of public administration are:

1. Ensuring the interaction of interests of the state and the people.
2. Basis – a state government that supports and provides public administration.
3. Involvement of society in participation in socio-economic and social, social and political processes.
4. It applies to the whole of society and beyond its boundaries in the sphere of international politics.

5. The state empowers public management of systemic quality.

6. It is carried out within the rule of law, thanks to the legislatively regulated and practically effective mechanism of control of society over all public authorities and local self-government.

7. Public administration operates in a systematic way, combining the functioning of such structures as the mechanism of the state, the state apparatus, the civil service and public manifestations of society [7].

Public administration is the science of managing public opinion, not just establishing and maintaining good relations between the state, organizations and the public. In developed countries of the world, a significant place in public administration begins to play in the implementation of the basic functions of the state, especially in regulating the economy. This is reflected in the active influence of the public on government decision-making in order to ensure the efficient functioning of a market economy.

The backward influence of the public sector on state regulation of the economy, as a set of forms and methods of purposeful influence of state bodies on the development of the economic system in order to stabilize it and adapt to changing conditions, is an integral part of most modern Western economic strategies. Modern public administration and administration of the economy should rely on a system of certain methods – a set of ways, techniques and means of state influence on the socio-economic development of the country. Publicity reduces the methods of direct action by which the state directly intervenes in economic processes, namely, reduces the share of instruments that operate through government procurement, granting subsidies, subsidies, through licensing and quoting of economic processes, fixed pricing of basic goods and services, etc. [13].

On the other hand, in the context of democratization of the society, decentralization of the economy, expansion of market powers and the degree of public administration, the importance of indirect action methods increases. Indirect methods of state regulation of the economy – a set of indirect means of state influence on the activities of economic entities (system of legal and economic methods). The state influences economic processes indirectly – by regulating the behavior of market actors. By granting, for example, benefits to producers of a particular product, it indirectly stimulates the growth of production

5. Regulation of the economy in conditions of increased publicity

The main methods of indirect regulation of the economy in the context of increased publicity are tax, budgetary, monetary, investment, innovation, depreciation, structural, information and economic policy. Indirect methods of state regulation include legal and economic methods. Legal methods – a system of laws and legislative acts that regulate the activities of economic entities (determine the legal space). Economic methods of state regulation of the economy are associated with the creation of financial or material incentives for the state that can influence the economic interests of economic entities and condition their behavior. They are predominantly based on the regulation of the exchange rate, prices and incomes of the population, the formation of economic conditions that induce business entities to act in accordance with the goals of social development.

The transition to a network economy has been enhanced by the informational methods to which information, persuasion, and advocacy tools that influence an individual's value priorities are motivated by socially recognized norms and used on the basis of research into social psychology and human behavior.

In general, the system of management of long-term economic development can be represented as a set of priorities (vectors), goals, objectives, principles, models, subjects, objects, mechanisms that ensure the harmonization of interests, forms, methods, tools of managerial influence. In this case, the management of long-term development should include:

1) a sound definition of promising goals for the development of the national economy, which would consolidate society and political forces around the idea of development clear to all;

2) determining the directions of the movement, that is, the general requirements for a promising state of society, rules and restrictions for choosing alternative ways of gradual solution of urgent problems;

3) development of an algorithm (technology) provided with the resources for the implementation of the chosen method of long-term development, which would allow its assessment, control, reaction to the results of control at the stages of implementation;

4) the possibility of increasing the activity of all subjects of economic activity by establishing guaranteed rules of state behavior in the future, shifting political debates about goals and ways of development from slo-

gans and declarations into the plane of comparing alternative ways of achieving the intended goals.

The mechanism of public administration includes subjects and objects, in particular the subject and at the same time the object is represented by civil society, non-governmental organizations (self-governing structures: public organizations and associations, their bodies), public authorities, local self-government bodies.

The governing body of public administration entities is the public administration bodies: direct election institutions and their executive structures; officials and officials elected by direct election; officials and officials appointed by the institutions and their executive structures.

The determining and specific subject of public administration is the population of the power-holding country and the interest group, since in the conditions of civilization and mixed formation it is the people who determine, approve, control and evaluate in direct or representative ways. Given the decentralization of power in Ukraine and the increasing level of accountability of public authorities, control and evaluation of public administration is significantly facilitated, and its mechanism is greatly simplified by reducing corruption.

6. Mechanism of state management of economic development

According to Yu.I. Treshchevsky [11], the essence of the mechanism of state management of economic development expresses the relations of the subjects in relation to objects and strategic goals, which form a coherent system containing bodies of state power, participants of economic activity and external environment, which are reflected. as the needs, interests and goals of the subjects in the relevant programs and projects of socio-economic development. In this regard, the mechanism of public management of economic development as a general category is the relationship between economic entities and public authorities regarding economic activity. And the content of implementation of the mechanism consists in the use of economic methods, forms, methods and legal norms, which allow public authorities to influence economic processes, ensuring the resolution of contradictions in socio-economic systems [11].

In our opinion, it should be added that the mechanism of public administration also includes the forms, methods and methods of influence of the

community on the activity and public administration of the economic development of public authorities.

Therefore, subjects and objects are indispensable elements of the mechanism of public economic development management. Subjects of Public Administration: President of Ukraine, Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, state executive bodies of different levels, National Bank of Ukraine, State Property Fund of Ukraine, Antimonopoly Committee of Ukraine, National Anti-Corruption Bureau, Anti-corruption Prosecutor's Office and National Anti-Corruption Agency, The State Bureau of Investigation, Associations, Unions and Associations. The purpose of public administration of the economy is formulated as follows: ensuring favorable conditions for sustainable economic development and further economic growth in Ukraine, achievement of social stability and overcoming poverty, increasing the level of global competitiveness of the country.

The Government's Mid-Term Action Plan to 2020 [9] states that the main goals of achieving Ukraine's socio-economic development are: economic growth; effective governance; development of human capital; the rule of law and the fight against corruption; security and defense.

Effective governance involves public administration reform, decentralization and public finance reform aimed at improving the quality of public services and the level of public control over public funds. Therefore, it can be argued that a new model of public administration is emerging in Ukraine, which envisages the introduction of a new mechanism for economic development through effective governance. Therefore, we consider the mechanism of public administration of the economy as a system that is a component structure. Its components are goals, principles, tasks, functions, subjects and objects, methods and forms that in their interaction and interconnection determine the economic policy of the country, and its implementation contributes to the achievement of strategic goals and fulfillment of the regulatory function of the state in public administration. The mechanism of public administration of the economy shapes economic policy and its components [8].

It is important to note that the basic principles of public administration should be: trust in each other; legality; equality of the parties; democratic principles; voluntariness and reality of commitments; the obligation to fulfill the arrangements; responsibility for fulfilling obligations; control over the implementation of agreements.

Chapter «State Administration»

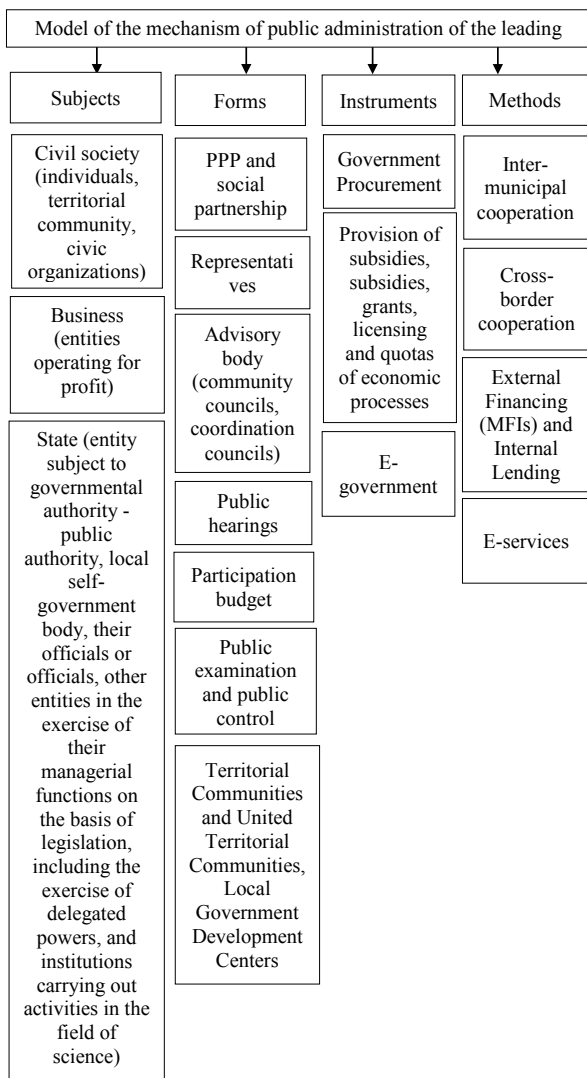


Figure 1. Model of the mechanism of public administration of the leading economic development

Source: developed by the author

Public administration in Ukraine should include the following tools: e-government; single open databases of all public authorities; local government information systems; system of public control over spending of budgetary funds; portals for public discussion and amendment of laws and bills; electronic services, consultations, a single window system for the provision of public services; specialized applications for personal computers and mobile devices aimed at solving specific problems of citizens; control by citizens through feedback mechanisms and media, etc. [12, p. 223].

There are many different definitions of public administration and public administration in the literature. In the glossary of the United Nations Development Program, we find that the term "public administration" has two closely related meanings:

1) a coherent state apparatus (policies, rules, procedures, systems, organizational structures, staff, etc.) financed from the state budget and is responsible for managing and coordinating the work of the executive branch and its interaction with other stakeholders in the state, society and the external environment;

2) the management and implementation of various governmental measures related to the implementation of laws, regulations and decisions of the government and management related to the provision of public services [11]. With regard to the term "public administration", the United Nations Development Program is guided by the definition proposed by American scholar J.M. Shaw in the International Encyclopedia of State Policy and Administration: "Public administration is an area of practice and theory that is central to public administration and particular focus on public administration and activity. management issues such as control, leadership, planning, organizational support, information technology support, personnel management, and the effect of" [12].

Theory of public management of government and nonprofit organizations in some of the important issues is similar to private sector institutions. Thus, the same self-management tools that maximize efficiency and effectiveness can be used in both the private and public sectors. Jay M. Schawritz stresses that good governance should be focused on ensuring the ability to achieve results.

Within the framework of the model of the mechanism of public management of the advanced development of the economy, the functions of ensuring the legal basis and observance of the principles of public administration, their clarity, simplicity for business and the population, innovation, which is to improve the

legislative support for the development of the economy of Ukraine, should be entrusted to the state. In addition, it is important to provide resources for developed projects that ensure the development of the economy and the effectiveness of public policy, including financial and information. Therefore, the state can allocate a certain amount of funds for the implementation of social, economic, environmental projects, and ensure increased cooperation with investors and international financial institutions that finance economic development.

7. Conclusions

The function of business in society is to provide reproducible processes (simple and extended reproduction). When implementing this function, it is necessary to observe social responsibility, which includes responsibility for the state of the environment and its change during the implementation of projects, ensuring a high level of working conditions, compliance with the regulatory framework. The population and public organizations should identify the key problems of the economic development, on the basis of which the development and implementation of the policy of public administration of the state authorities should take place. The function of the community is to identify problems of economic development, to make proposals for their solution, or to ask questions and tasks for their solution before the competent authorities. The latter provides control over the implementation of budgetary policies, which will increase both the responsibility of business and the responsibility of governmental bodies, transparency of public administration in Ukraine.

The development of a model of public administration mechanism in Ukraine began with the beginning of the formation of territorial communities. Thus, the formation of territorial communities ensured the participation of the population in the state administration and in the development of projects of regional economic development, where citizens began to participate by bringing to public discussion the most pressing problems. At the same time, the authorities ensured that the interests of the community were taken into account by developing projects based on the proposals of the population.

The initiators of the projects were, first of all, representatives of the executive branch, which has one of the main functions – development of investment projects, organization and documentary support of project implementation. At the same time, the authorities also provide effective motivation for citizens through an information campaign in order to iden-

tify priority infrastructure items in need of investment. Business representatives at the moment take a passive position, in fact only by providing local budgets with tax payments. However, despite the low level of initiative of the population in Ukraine and business to participate in the public administration of the executive authorities, some progress has been made in the implementation of projects of territorial development and solving the most problematic issues of economy, ecology of regions.

The further initiative and activity of the authorities based on the principles of cooperation, responsibility, transparency and openness will ensure greater activity of business and citizens, development of public administration in Ukraine.

The concept of public administration of the development of the national economy for the future, as a socially oriented, noospheric, innovative economic system, should: take into account the supranational vector in the development of norms of national legislation governing the long-term development of the national economy; harness the potential of the knowledge economy, which provides a long-term effect in managing the national economy, generating competitive advantages for the future; to have a long-term sustainable development strategy and at the same time to use the tools of structural corrections in support of selected priority areas, development of innovative sectors of the economy, temporary support for industries – locomotives of growth (in times of crisis for Ukraine mechanical engineering and metallurgy are losing the background, and real opportunities for economic recovery growth, given the positive dynamics, is in the transport, construction and agro-industrial sectors); to anticipate the improvement of the quality parameters of the public administration sector as the main subject of administration of the long-term development of the national economy and to strengthen its potential in long-term economic growth [3].

Advance economic development has become a key condition of the innovation economy today, but today Ukraine is characterized by an “catching up” type of economic development, implementation of reforms and democratization of the society, decentralization of the economy, expansion of market powers and a degree of public administration. The population becomes a participant in public administration in Ukraine, which provides for the formation a of a new type of government – public, where public authorities, business and the community interact to achieve sustainable development goals.

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