

ISSN: 2733-2713; E-ISSN: 2733-2721

DOI: 10.36962/SWD

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SOCIOWORLD

SOCIAL RESEARCH & BEHAVIORAL SCIENCES

REFEREED & REVIEWED JOURNAL

VOLUME 05 ISSUE 03 2021

<https://scia.website/index.php/swd>



ISSN: 2733-2713; E-ISSN: 2733-2721

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ESTONIA, TALLINN 2021



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SOCIAL RESEARCH & BEHAVIORAL SCIENCES

ISSN: 2733-2713, E-ISSN: 2733-2721

VOLUME 05 ISSUE 03 2021

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MTÜ Rahvusvaheline Teadus-, Haridus- ja Koolituskeskus.

Management Board Member: Seyfulla Isayev.

©**Editorial office:** Narva mnt 5, 10117 Tallinn, Estonia.

©**Typography:** NGO International Center for Research, Education & Training. R/C 80550594

Registered address: Narva mnt 5, 10117 Tallinn, Estonia.

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Websites: <https://scia.website/index.php/swd>

ISSN: 2733-2713; E-ISSN: 2733-2721; DOI: 10.36962/SWD

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Accepted for publication in this edition 17.06.2021

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THE MECHANISM OF COMMERCIALIZATION OF RESEARCH RESULTS AS A DIRECTION FOR THE EFFECTIVE IMPLEMENTATION OF THE STRATEGY FOR INNOVATIVE DEVELOPMENT OF HIGHER EDUCATION

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ABSTRACT

The article proposes a mechanism for the commercialization of research results as a direction for the effective implementation of the strategy for innovative development of higher education. It is argued that the commercialization of research results is an important source of filling the budget revenues of higher education institutions and the state in the first place, as well as a factor in attracting long-term investments in its research and educational activities. The main functional elements of the innovative development of higher education in the information economy through the commercialization of the results of their research are highlighted. Inconsistencies of Ukrainian legislation with respect to determining the owner of the results of scientific research are disclosed. To systematize such subjects on the basis of the analysis of the relationships in the direction of ensuring the innovative development of higher education by commercializing the results of scientific research, an organizational-functional model of ensuring the innovative development of higher education is proposed. Regarding the objects of commercialization, two approaches are considered, which are reflected in the structural and functional elements of our model of innovative development of higher education. As a result, five logically interconnected stages of the implementation of the commercialization mechanism have been disclosed, which is a step-by-step action plan combined with a continuous analysis of the results and their adjustment to optimize the commercialization process.

Keywords: Education Economics, Innovative Development, Scientific Research, Commercialization of Scientific Research, Mechanism of Commercialization.

INTRODUCTION

Formulation of the problem. In the modern world, when Ukraine integrates into the information economy, it is worthwhile to realize that the commercialization of the results of scientific research of the institutions of higher education is an important factor in its innovative development. The actualization of innovative development in the information economy as a new managerial paradigm (the essence of which corresponds to modern realities, requirements and challenges) is determined by the existing global trends and transformations, in particular, valuable and institutional. Taking on the main role in the implementation of the mission of developing human capital, the field of higher education should be a real generator of progressive change and a leader in the information society. This primarily concerns both the development and dissemination of new knowledge and the formation of innovative technologies on their basis, and the justification of strategic ideas that are effective in the functioning of each person in modern conditions and in the future.



Because the result of the rapid growth of the innovation market and increasing the level of competition in the relevant market, an appropriate solution is to search for areas of commercialization of the results of scientific research of higher educational institutions. The commercialization of research results is an important source of filling the budget revenues of the institutions of higher education and the state in the first place, as well as a factor in attracting long-term investments in its research and educational activities. Supporting the commercialization of research results will deepen the cooperation between the participants in the innovation process (higher education - the real sector of the economy - state - the public), establishing a relationship between them, thereby contributing to the approach to academic science, higher education and business in order to obtain socio-economic effects for the country and each citizen individually in the context of the formation of the information economy.

Analysis of recent research and publications. The basis for deepening the theoretical understanding of the content, the characteristic features of the innovative development of the higher education and its role in the economy are the works of domestic scientists, in particular Andrushenko V. [1], Vahovich I. [2], Zhurko T. [3], Kalenyuk I. [4], Kelchevskaya N. [5], Libanova E. [6] etc. A significant contribution to the formation of methodological principles and fundamental foundations of the formation of an information economy in the field of higher education was made by such scientists as Antoshkina L. [7], Voinarenko M. [8], Kocharyan I. [9], Kremen V. [10], Lugovoi V. [11], Natroshvili S. [12], Stepko M. [13] and others.

Paying tribute to the significant contribution of these scientists to the studied problems, we note that the development of the higher education in the context of the formation of the information economy remains a little-studied area of economic science, so far it has not received a thorough and systemic character. The unresolved issue is the development of theoretical and methodological provisions for the formation and implementation of a strategy for the innovative development of the higher education in the information society, the principles, factors and patterns of its implementation. It requires further theoretical understanding of the mechanism of commercialization of the results of scientific research of higher educational institutions and the need to introduce innovative information and communication technologies in this area.

The purpose of the article. To develop and justify the mechanism for the commercialization of research results, to propose stages of its implementation in the context of the strategy of innovative development of the higher education.

Presenting main material. The results of the analysis of scientific works and the practice of functioning of the domestic institutions of higher education in the information economy indicate the presence of a set of problematic issues in the implementation of the mechanism of commercialization of research results. First of all, these are the tasks of substantiating the scientific and methodological foundations and stages of the commercialization of the results of scientific studies of higher education in the information economy and for its innovative development. We have established that the main problem of the innovative development of higher education is the lack of links between the scientific and educational organizations, business, the state and public institutions.

Therefore, in our opinion, the commercialization of the results of scientific studies of higher education in the information economy is a comprehensive socio-economic category that represents the processes of organizing and implementing the transfer of the intellectual property, research results to the real sector of the economy on a contractual basis. The multidimensionality and complexity of this category requires the integration of various scientific approaches to solving



the problems of innovative development of the domestic sphere of higher education. At the same time, the developments of the modern scientists who study the main approaches and methods of commercialization of scientific research in the field of higher education, as well as the sources of their financing [14] are of interest. The complexity of the processes of commercialization is represented by the existence of a set of problems that higher education is faced with in the development of the information economy: underdevelopment of the socio-economic and regulatory mechanisms for the implementation of these processes; the imperfection of the market value assessment system for research results and related infrastructure; the unsettled provisions of the law and the lack of highly qualified specialists on the innovative development of higher education and the commercialization of the results of its research. Given the above, in-depth scientific development requires the aspects of the functioning of the model of commercialization of research results as a direction of innovative development of higher education in the global educational information environment [15].

Speaking about the commercialization of the results of scientific research of higher educational institutions as a direction of their innovative development, it should be noted that this task is usually additional in comparison with the so-called main or traditional tasks in this field. The traditional tasks should be the implementation of educational activities (that is, the transfer of knowledge, the development of new academic disciplines and new approaches to learning) and scientific activities (the generation of new knowledge, the commissioning of research work for both the state and the private sector, direct the formation of new research teams in order to conduct interdisciplinary research).

The socio-economic essence of the results of scientific research lies in the fact that the corresponding commercially attractive knowledge can acquire a certain commodity form, since the intellectual assets protected by law can bring substantial benefits to their owners. In modern market conditions, the knowledge economy, based on the results of scientific research, has become an important factor in the evolution of production processes, the key to success and stability of the country's socio-economic development. And the degree of development of the competitive advantages of the higher educational institutions is relevant from the point of view of stimulating the accelerated development of a "smart" economy and a necessary condition for the country's intensive economic development [16]. Based on such aspects, the European countries are working on the formation of a transnational powerful information economy based on advanced technologies, which allows them to study and prevent possible negative results regarding the lack of funding for research and development in the field of higher education of leading European countries, especially in times of crisis [16, 17]. Therefore, given the orientation of the domestic economy towards the deepening of constructive socio-economic, regulatory and scientific-technological relations with the European Union, the formation and development of the national knowledge market in the context of the functioning of the information economy are of particular relevance. Since Ukraine is rich in its innovative potential, which must be effectively used through the formation, gradual popularization and commercialization of the results of scientific research of higher educational institutions, this will contribute to a significant increase in the leadership position of the state in the global market of goods and services. In turn, the leadership of Ukraine in the world market is hindered by socio-economic instability, chronic underfunding and the outflow of the "brains" [15].

Under the conditions of market economy in Ukraine, insufficient attention was paid to the innovative development of higher education in the context of the implementation of research



results. Having established formally new economic rules with the declaration of independence, Ukraine for a long time continued its path on the basis of mental approaches adopted in the Soviet period. Typically, the state was the customer and owner of the results of the scientific research, in turn, the work of scientists was rewarded only morally. Therefore, scientists did not have the need, and often the possibility, to set a goal to commercialize the results of their scientific achievements and present them on the market. As a result of this situation, modern scientists of higher educational institutions do not know how to market their own product. The result of these trends was a significant decrease in the scientific and technical potential of the domestic industry [18].

Particular attention should be paid to determining the owner of the results of scientific research, because the domestic legislation contains a number of disagreements in this direction. Now in the formation of the results of scientific research of higher educational institutions are involved two entities that claim to be commercialized (directly by the inventor and his employer). The importance of the issue is to create such a document that would regulate the ability of the state, the individual, the employer and the institution of higher education to realize their own interests, taking into account the interests of each other [19]. Such circumstances affect important issues of legal regulation of material incentives for the scientists in the process of creating scientific goods and inventions, as well as the features of evaluating the results of such activities.

The study of foreign experience in commercializing the results of scientific research in the information economy allowed us to identify the features of the functioning of higher educational institutions that pursue an active policy of joint research with industrial corporations and state research laboratories, forming alliances and participating in public-private partnerships [21]. Around these institutions of higher education an innovative infrastructure is being formed, that is represented by such facilities as research parks, technology parks, science parks, technology transfer centers, centers for the commercialization of research results, technopolises, venture funds, investment companies [20].

However, in Ukraine, due to significant formalism, bureaucratic, socio-economic and regulatory obstacles, the functioning of the model of innovative development of higher education in the context of the commercialization of research results occurs along the path of least resistance. Currently, the number of registered inventions is significantly less than the number of applications for utility models, which are simple in design and implementation, but also significantly lower in terms of commercial returns. Important steps towards the commercialization of research results are implemented by the initiatives of the highest educational institutions themselves. Mostly these are powerful technical universities, the strategic guidelines of which include achieving innovative leadership positions, and which are tactically aimed at resolving financial issues by developing their own entrepreneurial function.

So in Ukraine there is every reason for the functioning of an effective model of innovative development of higher education through the commercialization of the results of its research. But at the same time, it is necessary to take into account the lack of established links between the scientific and educational sphere, business, government and society. We proposed to consider the model of innovative development of higher education in the information economy based on the commercialization of research results as a set of elements of the organizational structure and a set of economic, managerial, motivational and other methods, rules, procedures that are provided by three functional areas (resource, commercial and strategic planning the process of



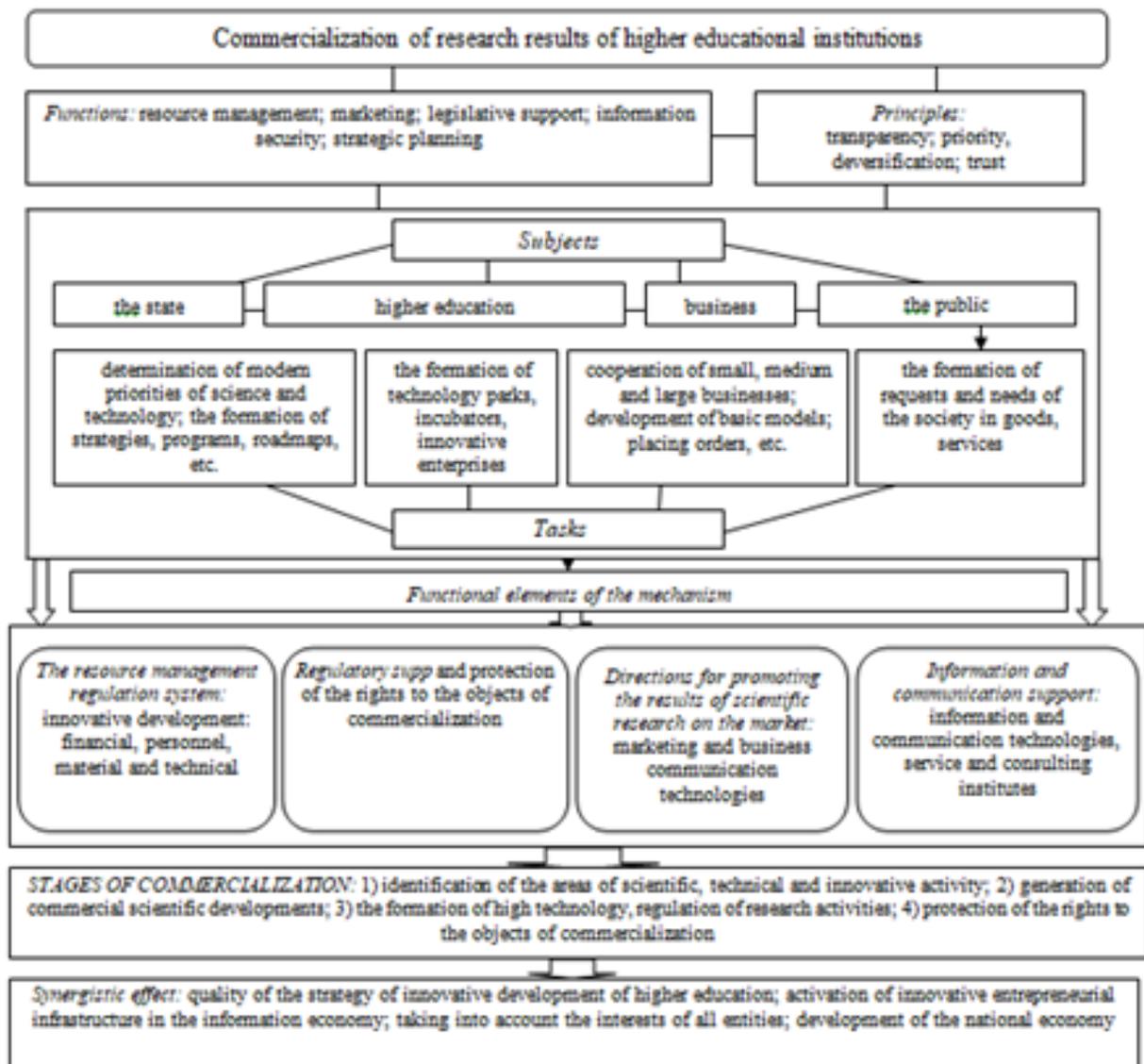
commercialization of research results) in order to obtain leadership positions in the global educational space [22].

Thus, we propose to relate to the main functional elements of the innovative development of higher education in the information economy through the commercialization of the results of their research: mechanism of resource support of the innovative development; mechanism for consolidation and legal protection of relevant research results; mechanism for promoting the results of scientific research on the market in order to obtain benefits; information mechanism; mechanism for ensuring leadership in higher education in the information economy.

In the framework of ensuring the innovative development of higher education through the commercialization of the results of its scientific research, the main subject is the institution of higher education, that interacts with a number of other economically independent entities involved in this process. Such subjects can be both part of a higher education institution, that is, included in its internal environment (researchers, research teams, etc.), and external to the educational institution, that is, as part of the external environment (the state as an investor and regulatory body, private investors, promotional organizations, consumers, competitors and so on). The interaction with these entities on the development, use, transfer of research results with the aim of introducing them into commercial circulation is the content of the activities for the commercialization of the research results by the higher educational institutions. In turn, the number of the subjects of commercialization and their composition may be different. Regarding the analysis of interconnections in the direction of ensuring the innovative development of higher education by commercializing the results of scientific research, we consider it appropriate to propose an organizational-functional model for ensuring the innovative development of higher education, which provides for the unification of such entities as: the state, higher educational institutions, business and society.

Based on the use of strategic and structural-functional analysis methods we determined the guidelines for ensuring the effectiveness of the implementation of the strategy for the innovative development of higher education in the context of the development of the information economy by activating the mechanism of commercialization of research results. It is proposed to consider the mechanism of commercializing the results of scientific research of higher educational institutions in the information economy as a combination of elements of the organizational structure and a complex of socio-economic, managerial, motivational and other methods, rules, procedures that are provided by three functional areas (resource, commercial and strategic planning) to implement the results of scientific research in the real sector of the economy on a contractual basis (Fig. 1).

At the state level legislative acts should be adopted, priorities for science and technology, technology should be determined, effective foresight projects, concepts and programs of science, scientific and technical programs, roadmaps, etc. should be developed. At the business level it is worth developing basic models: the development of both small and large businesses; ensuring cooperation of small, medium and large businesses; placing orders; the formation of new structures and so on. At the level of a higher educational institution it is provided for: coordination of the activities of the higher educational institutions, research institutes; the formation of technology parks and small innovative enterprises; fundamental scientific research and experimental testing of their results in technology parks. The public provides the formation of various requests for goods and services and other needs of the public, up to individual orders of relevant individuals and legal entities.



(Source: developed by the authors. 2020)

Fig. 1. Scheme of activating the mechanism of commercialization of research results in the direction of the effective implementation of the strategy of innovative development of higher education

The strategic guidelines for ensuring the innovative development of the higher education in the context of the commercialization of scientific research is to promote the maximum inclusion in the commercial turnover of the research results (potential objects of commercialization). Given the characteristics of the objects of commercialization, it is advisable to use two approaches to commercialization, which are reflected in the structural and functional elements of the model of innovative development of the higher education, namely: transfer; commercialization by generating income from own use by a higher education institution.



A feature of the functioning of the domestic higher educational institutions is that they do not have the necessary financial resources to create a finished innovative product based on the results of scientific research that would be in demand in the modern market. That is why the transfer of research results should be considered as a key tool for their commercialization and be a guide in the direction of ensuring the innovative development of higher education in the information economy [23, 24, 28].

Ensuring the high efficiency of the implementation of the mechanism for commercializing the results of scientific research by higher educational institutions requires identification and maximum inclusion in the commercial turnover of the potential objects of commercialization [25, 26]. The classification of research results is shown in table 1.

Table 1.

Classification of the results of scientific research of higher educational institutions as objects of commercialization

No.	Classification group	Types
1	Belonging by type of activity	1) basic research; 2) applied research; 3) research and development work; 4) educational and methodical development work
2	Period for obtaining research results	1) long-term (more than 3 years); 2) medium-term (1-3 years); 3) short-term (up to 1 year); 4) received and used in current activities
3	Sources of financing	1) external financing (grants from international organizations and foundations); 2) state financing (state order, target programs, state funds, public procurement) 3) private financing (venture investment, joint venture, sale of rights, sale of works and services); 4) mixed financing; 5) creation of endowment funds (trust funds the filling of which is carried out at the expense of donor funds of patrons, graduates, etc.)
4	Dependence on customer	1) author's initiative; 2) internal need of a higher educational institution; 3) government order; 4) order from the business sector
5	Dependence on the method of commercialization	1) transfer of research results (sale of rights, formation of a small innovative enterprise, transfer of research results to a customer under an agreement); 2) internal use (in the educational process, in further scientific research, when performing work or providing services)

(Source: compiled by the authors based on [23; 24], 2020)



So, in our opinion and the experience of Critchley and Nicol [27], it is advisable to identify several (five) logically interrelated stages of the implementation of the proposed mechanism of commercialization:

Stage I - taking into account the institutional, scientific-technical and financial-economic factors of influence on commercialization processes; an objective assessment of the existing scientific and technical resources and their commercial attractiveness; identification of the potential sources of funding for research activities;

Stage II - conducting market research; preliminary selection of ways to commercialize the planned research results; preliminary assessment of the commercial potential of the scientific developments;

Stage III - accounting and inventory of the research results; technical, economic and commercial audit;

Stage IV - ensuring legal protection of the results of scientific research in the field of higher education, patenting of inventions and developments in the national and foreign patent offices; patent support;

Stage V - the choice of the method of transferring the rights to the results of scientific research; the process of commercialization itself; income and social effects from the transfer of research results.

CONCLUSIONS

As a result of the study, we justified the need to formulate a mechanism for commercializing the results of scientific research of higher educational institutions as a direction for their innovative development in the information economy, which is a step-by-step action plan combined with continuous analysis of the results and their adjustment to optimize the commercialization process. At the same time, the initial stage should be Foresight (a long-term forecast in certain scientific and technical fields), as a result of which researchers are working on the implementation of specific ideas, and their prospects are consciously justified thanks to Foresight. In addition, along with the implementation of the project work with technological trends and the search for promising opportunities for innovative development and their application areas, it is necessary to analyze the tasks set by the leading world companies, that is, conduct market research on the needs of the real sector of the economy in the conditions of the information society. It is these aspects (foresight system and marketing analysis) that we propose to take into account in the organizational and functional model of the innovative development of the higher education through commercialization as a factor of leadership in the global educational space.

Also, the commercialization of research results is an effective mechanism for the interaction of the higher educational institutions, research, design and scientific-production enterprises, individual scientists interested in the practical implementation of the scientific developments and projects both in Ukraine and abroad. The choice of possible customers (partners) for commercializing research results is based on the analysis of information from various sources: specialized databases, publications, booklets, advertising materials, assessments of authoritative experts, etc. Of particular importance for the successful promotion of the research results is the availability of a database for relevant communications and the support of government research developers of research results.



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CITIZEN PARTICIPATION AND PARTNERSHIP IN PUBLIC MANAGEMENT

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ABSTRACT

The article analyzes the theoretical and practical aspects of citizens' participation in the public management process and presents the main ways to ensure such participation on a partnership basis in the process of developing and making managerial decisions. The main principles of interaction in the public management system are highlighted: partnership equality, equal representation, public participation, focus on the problems of local development, the urgent needs of communities, and so on. The reasons for the low activity of community members in solving local problems are highlighted. Different approaches to public participation and partnership between local authorities and society are described. Negative aspects of public partnership interaction are presented. It is emphasized that according to the functional approach, public relations is a managed process of intergroup communication, and the prospects for the formation of effective mechanisms for implementing dialogue forms of political participation in Ukraine are determined by the specifics and features of the communication process in the "power-public" system. It is noted that public institutions, state authorities, and local self-government should strive to join forces in problem areas, mutually realizing the need and inevitability of drastic changes. The article presents a specific structure of public partnership interaction between state authorities, local self-government, and civil society institutions in the process of public control and participation in the development and adoption of managerial decisions.

Keywords: citizen participation, partnership, Public Management, interaction, civic development.

INTRODUCTION

Formulation of the problem. The orientation of the state's course towards deep systemic reforms that will lead Ukraine to a progressive path of development sets an important task for the theory of Public Management to develop modern management directions that can be combined with their practical implementation.

The importance of this is determined by the presence of undesirable signs of our state lagging behind the developed countries of the world. Theoretical rethinking of the formation of ways of the progressive development of Ukraine in the context of global changes is primarily caused by the need to adapt to new conditions of interaction between the state, local self-government, and civil society institutions for stable and simultaneous development in the strategic perspective. However, the above has not yet found a viable reflection in the science of Public Management, and the main attention today is focused on individual elements of national development. We also emphasize that the combination of existing theoretical achievements with the practical side of Public Management is a complex problem and requires further research.



Analysis of recent research and publications. Therefore, in scientific circles, the directions of solving problems of interaction in various spheres of public management are reflected in the works of such scientists as E. Afonin, O. Babinova, R. Voitovich, O. Krutoy, G. Sytnyk, etc. issues of public activity in the state management system are reflected in the works of such researchers as I. Abramyuk, O. Babinova, R. Voitovich, I. Zhukova, O. Krutoy, A. Mikhnenko, O. Rudenko, G. Sytnik, Yu. Shaigorodsky, and others. Paying tribute to domestic and foreign scientists who have understood some aspects of the interaction between civil society and the state, the issues of strengthening the activation of public participation in state processes based on partnership principles remain insufficiently developed.

The purpose of the article. Research of theoretical and practical aspects of citizens' participation in the public management process and formation of ways to ensure such participation on a partnership basis in the process of developing and making managerial decisions.

Presenting main material. In modern conditions, Local Self-Government acts as a binding element in the system of public management, since at its level the interests of the citizen, the state, non-governmental organizations, political parties, etc. intersect. If we take as a measure the strategic prospects for the democratic development of the state, then the main common goal here will be to ensure a new quality of interaction in the public management system. Therefore, at the local level, it is advisable to build models of such interaction in the form of the project "power – public".

It should be noted that the main principle of interaction in the public management system should be partnership equality, but we emphasize the importance of such elements as equal representation, public participation, focus on the problems of local development, on the urgent needs of communities (including public self-organization bodies), subsidiarity, openness (first of all, awareness of citizens in key matters related to the life of the territorial community), etc. Such interaction should be systematic and permanent and should be fixed in the programs of government activities and the development of local self-government.

The activity of community members, despite the prerequisites created in Ukraine for broad involvement of the population in solving local problems, remains low primarily for the following reasons: 1) insufficient understanding by public authorities of methods of attraction and their importance; 2) inertia of the public-partly through the "consumer approach" "the state is obliged to provide for everyone", partly due to a lack of understanding that only they can become conductors of change in society; 3) local development initiatives remain unrealized due to the perception by local authorities of these initiatives as attempts to seize power by public groups or institutions, and not as an opportunity to create partnerships and solve local problems.

It is important to note that the level of public participation and partnership between local authorities and the community can vary significantly from community to community. One of the approaches to the level of participation in the "ladder", which was developed by S. Arnstein [1]: 1) lack of participation; 2) visibility of participation; 3) Community Power. At the same time, the United Nations Development Program (UNDP) has proposed a different classification of types of participation (table. 1).

A similar classification of participation levels was proposed by D. Wilcox [3]: 1) information; 2) consulting; 3) joint decision-making; 4) joint actions; 5) support for independent public actions. It is noted that public participation should not be carried out under any special circumstances, it should be part of the daily life of citizens [4].



So, the further development of an effective system of public partnership interaction involves the analysis of categories of stakeholders, according to which different types of involvement are used: 1) the main stakeholders are those who depend on or who can significantly influence the effectiveness of a certain development project (you can involve in decision-making and cooperation); 2) priority stakeholders are those individuals, groups of individuals or organizations that will somehow feel the results of a certain project (positive or negative); 3) secondary stakeholders are all other individuals or institutions that may have an indirect interest in the project or a role in its development and implementation (you can inform, consult with it, or even in some cases ignore it).

Table 1

Classification of types of participation proposed by the United Nations Development Programme [2]

Passive participation	Public participation is limited to obtaining information about certain events that are taking place or will take place in the community, that is, one-way exchange of information is formed.
Participation in providing information	Community members take part in informative surveys but do not have the opportunity to influence the development of the process itself.
Participation by expressing your own opinion	At this level, the authorities consult with the public about a specific problem that exists in the community, but members of the community do not participate in decision-making.
Participation through financial incentives	People provide their resources, such as labor, in exchange for money or other material incentives. This form of cooperation is often referred to as participation, although people are not interested in continuing their activities after the completion of financial incentives.
Functional participation	At this level, initiative groups are created to achieve individual goals related to the development project. These groups are usually created on an external initiative.
Joint participation	Community members participate in joint analysis, which leads to the preparation of activity plans and the creation of new local institutions or the strengthening of existing ones. Established groups monitor local decisions.
Self-mobilization	People participate in the development process by putting forward initiatives independently of external institutions.

Negative aspects of public-partnership interaction at the level of local authorities can quite rightly be recognized as the following: 1) important tools (public consultations, public expertise, etc.) apply only to the executive branch of government, while in the legislative and judicial authorities in Ukraine only Press services function; 2) there are no general standards of information exchange in the system "power-Public"; 3) the mechanisms for organizing the process of explanatory work



remain undefined; 4) at the level of local state authorities, whose organizational structures are unified according to the recommendation lists of departments, departments and other structural units, the divisions responsible for communication are clearly defined. Currently, these are internal policy and public relations offices (divisions/sectors) operating under the relevant model provision. However, it should be noted that local self-government bodies also have these structures whose activities do not coincide with the activities of state government structures, which complicates the communication process and reduces its effectiveness.

It should be noted that according to the functional approach, public relations is a managed process of intergroup communication. Among their functions in the sphere of interaction between the state and civil society, experts distinguish 1) communicative functions of interaction between subjects and objects of political influence (public relations are the communication channels through which information is exchanged); 2) functions of monitoring public opinion, monitoring the processes taking place in IT, monitoring the dynamics of public sentiment (public relations serve as a special social barometer, the fluctuations of which highlight changes in public sentiment); 3) functions of informing the public (assume a selective approach to the presentation of the necessary information in the mass media); 4) reflection, public relations can formulate some provisions of public opinion, which are inherent in a latent character); 5) formation of an image – personal, corporate, party, state and others (public relations are able to form or modify the idea of an object, subject or phenomenon that has developed in public opinion); 6) manipulation of public consciousness (public relations, significantly influencing public opinion, impose an idea or point of view, giving out wishful thinking, which deprives the public of the possibility of their own free information choice); 7) Organization of Public Relations actions in order to change public sentiment (one of the activities of Public Relations units is the organization of information events and its reflection in public opinion); 8) the function of participation of civil society institutions in determining the directions of state policy (thanks to public relations in a state governed by the rule of law, civil society institutions interact with state power institutions; through information channels of Public Relations, elections, referendums and other forms of direct and representative democracy are organized); 9) the function of achieving mutual understanding between the state and all related social groups; establishing partnerships between them (public relations are able to formulate generally significant goals and objectives for most subjects of socio-political processes in public opinion).

So, the prospects for the formation of effective mechanisms for implementing dialogue forms of political participation in Ukraine are determined by the specifics and features of the communication process in the "power-public" system [5]. According to this approach, there are four main options for dialogue [6]: 1) it involves the use by the authorities of a classical strategy of interaction with citizens from top to bottom, which provides for providing the latter with a minimum of information about the progress of the political decision – making process and completely denies their subjectivity in the process of policy formation. This type of dialogue is called a monologue of the authorities, claiming only an approving assessment from the Public; 2) interaction, limited from above, acts as a strategy of limited dialogue when the authorities agree to accept proposals from citizens, but do not respond to them; 3) provides for an open dialogue between the authorities and citizens, but the right to finally choose priorities is retained by the authorities since the strategy of interaction with citizens is chosen on the principle of "yes,.. however...»; 4) corresponds to the principles of participatory democracy, is formed based on joint ownership of information, so ordinary citizens are equal subjects of the political process with the



authorities, and their proposals have the same weight as the proposals of the authorities [7]. According to the authors, the current state of dialogue cooperation in Ukraine is in the process of transition between the second and third options.

It should be noted at once that the statement that reaching consensus and concluding socially important agreements in the system of public partnership interaction is the final result of dialogue as a form of interaction is unacceptable. The following indicators should also be used as criteria for evaluating public partnership interaction: compliance with social agreements, consistency of existing programs and plans, organization, and implementation of joint actions for their implementation. An important indicator is the analysis and assessment of the share of each participant's contribution to the process of solving problematic issues.

We also emphasize that public institutions, state authorities, and local self-government should strive to join forces in these and other problematic areas, mutually realizing the need and inevitability of drastic changes [8]. The prospects of Ukraine as a sovereign, legal, democratic state will depend on how civil society institutions and government structures can preserve and increase the potential of cooperation formed in crises, having developed a consolidated vision of the future and a single strategic direction of transformation [9].

In this case, it becomes obvious that it is necessary to build a specific structure of public partnership interaction between state authorities, local self-government, and civil society institutions in the process of public control and participation in the development and adoption of managerial decisions (fig. 1).

Therefore, it should be stated that the main areas in which interaction can be most fruitfully carried out in the subsystem "authorities – civil society" are the following: interaction in the formation of strategies for local (regional) development; development of a network of committees of public territorial self-organization; creation of public councils; systematic exchange of information, etc. Of particular importance, in this focus, is the well-coordinated work of the authorities and the public to realize the potential of intersectoral interaction (through the "Government-Public" line) in the formation of local development strategies. It is this direction that helps to attract citizens to understand the existing situation, search for and implement certain forms of interest, and responsible participation of people in the process of organized civil initiative [10].

It is important to note that the effect of interaction can be achieved in the case of close cooperation in the public management system, provided that civil society institutions perform not only the role of Supervisors of power structures but also its creators. In addition, the establishment of appropriate feedback mechanisms remains an urgent issue, which will contribute to the formation and accumulation of interaction potential on the way to achieving civic progress.

We also emphasize that the dialogue between the authorities and civil society institutions in Ukraine mainly takes place in the public plane, which is expressed in official reports of state authorities; active information and public reporting of officials on most important initiatives, decisions, legislative changes; in the content of websites of central state authorities, regional state administrations, local self-government bodies. However, it is too early to draw positive conclusions and assessments based on certain results, as the problem of untapped public partnership potential remains. Therefore, on the one hand, there are noticeable changes in the plane of interaction between the state, local self-government, and civil society institutions, and on the other hand, there is a tendency to limit such interaction.

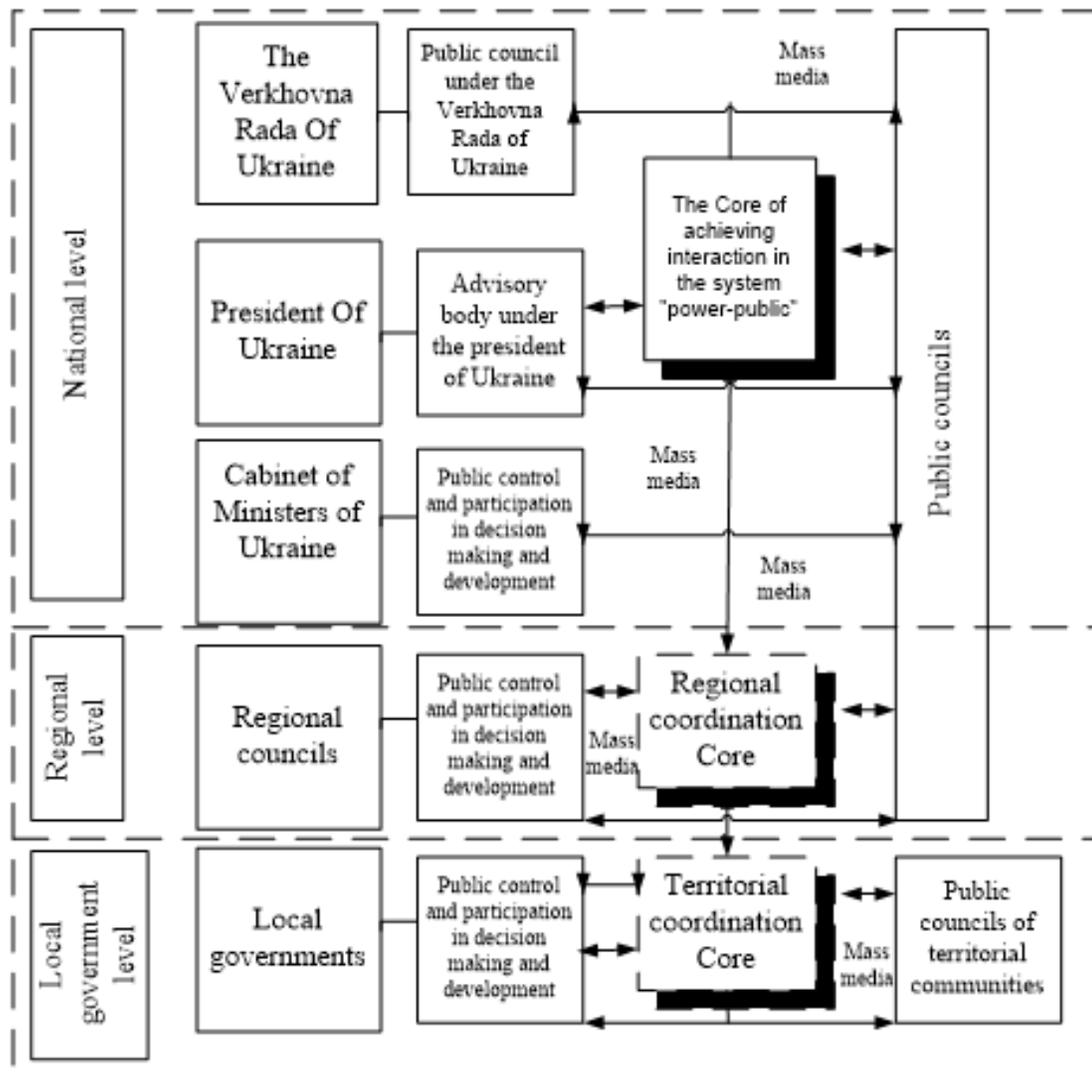


Fig.1. Scheme for ensuring public participation in the process of decision-making in the public management system

Source: built by the authors

CONCLUSIONS

So, the transformational transformations that are taking place in our country today are theoretically designed to contribute to the development of civil society. However, we should not forget that changes can only be implemented if they are perceived by society. At the same time, a prolonged state without changes creates a desire to return to the previous state. Joining forces to achieve further democratic development is one of the most difficult tasks since they must be coordinated according to the model of congruent behaviour, and effectiveness must be measured by the ability to make and make managerial decisions with broad public involvement in this process.



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FORMATION OF THE MECHANISM OF REGULATION OF THE MARKET OF CONSUMER GOODS OF UKRAINE IN THE CONDITIONS OF GLOBALIZATION

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ABSTRACT

The globalization of economic processes significantly affects the main trajectory of Ukraine's economy, in particular, determines the current characteristics of the national market of consumer goods. Increasing interdependence of national economies, increasing economic turbulence, increasing the role of informatization and digitalization lead to the emergence of new, previously unknown phenomena in the economic sphere, which initiate the transformation of the architecture of the consumer goods market. The current state of functioning of the consumer goods market is under the influence of inflation and is characterized by imbalance as a result of imperfections of market mechanisms and the lack of a comprehensive state policy on its development. In recent years, key levers of real influence on consumer goods market indicators have been lost, attention to the settlement of systemic development problems has weakened, which has led to deepening structural deformations, significant shadowing of the market, reduced quality and safety of goods. Theoretical studies of the need and essence of regulation make it possible to form a system of regulation of the consumer goods market. In practice, such a system accumulates three basic blocks: formation, implementation and adjustment. They are interconnected and are aimed at achieving certain criteria for regulating the consumer goods market and achieving its development goals. Changes in the socio-economic environment, the need to accelerate the decentralization of management, strengthening the regulatory functions of market mechanisms and public regulation necessitate the development of new strategic measures to regulate the consumer market in globalization, which will ensure balanced, sustainable and safe development and expansion. a full-fledged socially oriented market environment, satisfying the population's demand for consumer goods at affordable prices and a guaranteed level of quality and safety of goods. To solve such problems, we have proposed strategic directions and organizational and economic mechanisms for their implementation. The mechanism for ensuring the implementation of strategic objectives includes: improving institutional support; identification of sources of funding for regulatory measures; formation of information support system; organization of scientific support; increasing the level of staffing in the field of consumer goods market regulation; ensuring interaction and organization of cooperation with public and non-governmental structures.

Key words: mechanism, state regulation, consumer market, functions, methods.



INTRODUCTION

Formulation of the problem. The consumer market is a sphere of direct economic impact on a person and a factor of political stability in society. Therefore, any economic and political difficulties most quickly and acutely affect the state of the consumer market. The consumer market is a complex system of institutions in the sphere of circulation, characterized by a large number of interconnections. However, each of its participants also has its own interests: manufacturers seek to return the funds spent and make a profit, and consumers - to satisfy their own needs. The resolution of the contradictions of these interests is the state regulation of the economy by state and local authorities.

The importance of the consumer market is proved by a number of controversial issues that arise today due to deepening globalization, political and economic instability in the country, the permanence of inflation and rising food and non-food prices, declining product quality due to non-compliance with norms and standards. Most of these problems are the result of imperfect state regulation of the domestic consumer goods market, due to inconsistencies in the legal framework, the inability of state institutions to respond to challenges and minimize risks, the exacerbation of political and economic institutions, the dichotomy of formal and informal management, inefficiency. anti-crisis management, the emergence of dysfunctions and imbalances in the system of public administration in general.

The consumer market, in addition to purely economic, performs a number of social functions related to the livelihood of the population. The gap in the quality of life of the population of Ukraine and developed European countries has a negative impact on social and economic motivation of the population as a potential buyer of consumer goods, limits its ability to choose quality and environmentally friendly products and gradually improve human development.

Modern features of globalization processes in the national economy, the complex socio-economic and political situation of the country determine the growing role of the consumer goods market and the protection of interests for each consumer. This issue is difficult given the existing opportunities for adverse situations at the appropriate levels of government (macro-, meso-, and micro-levels) both individually and comprehensively. In turn, the peculiarity of protecting the socio-economic interests of consumers in the commodity market is that decision-making often occurs in conditions of declining levels of economic development.

Among the main problems of the modern consumer goods market that needs to be addressed is the lack of an effective mechanism for regulating and protecting the socio-economic interests of consumers, which will counteract possible threats, use existing potential and generally maintain Ukraine's food security in globalization.

Analysis of recent researches and published papers. The works of the following foreign scientists-classics are devoted to the development of theoretical and methodological bases of consumer market regulation: S. Brew, E. J. Dolan, E. Domar, J. M. Keynes, F. Kotler, K. McConnell, A. Marshall, D. North, P. Samuelson, M. Friedman, E. Hansen, J. Hicks, J. Schumpeter. Problems of formation and functioning of the consumer goods market and its separate segments, as well as mechanisms of its regulation were studied in the works of the following domestic scientists: O. Azaryan, V. Andriychuk, V. Apopiy, S. Blyznyuk, A. Bondarenko, A. Butenko, N. Butenko, V. Vyhovska, O. Garafonova, V. Heyts, L. Didkivska, M. Zabashtansky, N. Karpenko, G. Klymko, V. Kucherenko, V. Lagutina, L. Lypych, V. Margasova, A. Mazaraki, L. Maznyk, A. Melnyk, V. Nesterenko, O. Pustovoyta, O. Rudenko, P. Sabluka, I. Soroka, D. Stechenko, S. Filippova, S. Chistov, L. Shokhin and others.



Results of the research. Global processes in the world economy significantly affect the conditions for the formation and development of regional consumer markets and the activities of manufacturers, trading companies, consumers. But the consumer market is also a driver of economic development for many countries and regions. Currently, competition for sales markets, including consumer goods, is intensifying. This is proved by the processes of interaction both between the member states of the European Union and between all countries of the post-Soviet space. A significant influence on the consumer market, its structure is exerted by large network companies of the state and international level, the presence of which every year becomes more significant and contradictory. Therefore, in modern conditions, it is of particular importance to study the processes of development and regulation of the consumer market, its impact on the socio-economic security of the country.

The mechanism of consumer goods market regulation in Ukraine is one of the key subsystems of the general system of state and market regulation, which includes a set of organizational and economic methods, principles, functions, tasks, levers and tools to influence the state and development of the national economy and every citizen. The elements of the mechanism have a rather complex, multilevel and hierarchical organization, presenting themselves in the form of specific subsystems, namely: subsystem of consumer market participants, subsystem of goals and objectives, functional structure and organizational-institutional structure for coordination of which is proposed on a complementary basis.

Given the dynamic strategic need to improve the mechanism of regulation of the consumer market of Ukraine, its role in the national economy, we believe that it is fair and appropriate to take into account the provisions of complementarity in the formation of the mechanism of regulation of the consumer market of Ukraine. We propose to systematize two approaches to the representation of the phenomenon of complementarity, namely: 1) a linear approach in which the elements in the system under study have almost the same influence on each other and in their functioning complementarity is manifested; 2) a hierarchical approach when one of the elements of the studied system plays a major role, and others accordingly complement it, in the direction of increasing the effectiveness of their use and such a system in general [1].

That is why the authors propose to determine the substantive characteristics of the mechanism of regulation of the consumer goods market of Ukraine, which is built on the principle of hierarchical complementarity and is presented as a set of actions, dynamic processes to develop a set of diversified measures. consumer goods of Ukraine and which consists in an effective combination of a set of general and specific organizational and economic methods, principles, tasks, functions, levers and tools to influence the effectiveness of regulation of the consumer goods market of Ukraine in the globalization of the economy.

The system of state regulation of the consumer market should be understood as a set of relations between the subject and the object of management, which, in turn, imply the presence of goals, objectives, principles, functions and methods of exercising managerial influence.

The main goal of state regulation of the consumer market is to optimize the needs, interests and goals of all its participants, united for the necessary achievement of socially significant and acceptable goals. This involves solving a complex of interrelated tasks, the essence of which can be summarized as follows:

- Ensuring the maximum volumetric and structural correspondence between the demand of the population and the supply of goods.



- Rationalization of the population's demand for goods and services in accordance with socially and economically justified norms, guidelines, traditions.
- Continuous improvement of the volume and assortment structure of the product offer based on the widespread introduction of advanced production and trade technologies.
- Comprehensive development of the market infrastructure, including the market trading network, storage facilities, transport, etc.
- Ensuring social harmony and justice in the sphere of consumption, creating benefits for young families, persons of retirement age, etc.
- Creation of equally beneficial conditions for the realization of the interests of all business entities - market participants.
- Stimulating development, borrowing and introducing into practice modern technologies for promoting goods to the market.
- Legislative and regulatory support of the market regulation mechanism at all levels.
- Staffing of the goods market regulation system, including an effective system of staff development and training outside the regional market.
- Introduction of modern communication systems using advanced information and computer technologies.
- Creation of an effective mechanism for price regulation in accordance with social priorities in the goods market and economic feasibility.
- Development and periodic refinement of rational norms of supply and consumption and physiological norms of nutrition as the main guidelines in the process of forecasting the market.
- Implementation of scientific monitoring of market processes and their forecasting.
- Socio-economic diagnostics of the consumer market, prevention of negative phenomena and their elimination.
- Creation of an effective mechanism of economic relations between trade and industry.
- Implementation of effective and socially acceptable advertising activities that do not contradict social norms, attitudes, traditions and human health.
- Creation of an effective system for ensuring and protecting consumer rights.
- Designing, building and ensuring the normal functioning of organizational structures for managing the market for goods and services.

Solving the problems of regulating the consumer market is aimed at ensuring conditions for the harmonious development of individual, collective and social needs for goods and services, which can be considered as a guarantee of sustainable development of society.

The mechanism of state regulation of the consumer goods market is also based on certain principles, the observance of which makes it possible to effectively achieve the designated goals. These principles should take into account the peculiarities of the current period of socio-economic development: the state of the economy, the role of state institutions for market management, the scale of social priorities, the level of development of the material and spiritual needs of the population, etc. At the same time, they should include universal rules for management activities, regardless of the current specifics.

The main purpose of the mechanism of regulation of the consumer goods market of Ukraine is to ensure justice in the relationship between sellers and buyers and to expand the rights and powers of the population in the consumer goods market.

In the process of realizing the main goal, the mechanism of ensuring justice in the relationship between sellers and buyers and expanding the rights and powers of the population in the consumer



goods market is aimed at solving key problems of the consumer goods market: expanding market capacity, significantly increasing product supply; assistance in elimination of deformations and optimization of structural proportions of the consumer market; protection of the rights and socio-economic interests of consumers, control over the level of quality and safety of goods; support of the domestic commodity producer, complex stimulation of release of more competitive, qualitative and ecologically safe consumer goods.

Ensuring effective regulation of the consumer goods market of Ukraine includes the following complex blocks of tasks:

- timely identification - the process of determining the list of possible types of risks that are inherent in the consumer goods market;
- risk assessment - presentation of the results of the impact of problems and the probability of their occurrence in quantitative terms [2-3];
- timely warning - justification of measures to reduce the likelihood of various problems and reduce the consequences of their impact.

Thus, in the process of implementing the mechanism of regulation of the consumer goods market of Ukraine, individual tasks should be correlated and optimized with each other to ensure the most effective implementation of the strategic goal of such a mechanism.

The effectiveness of the mechanism of regulation of the consumer goods market in Ukraine requires the delineation of general and specific principles of regulation, which will allow to make informed decisions, optimize the existing structure, improve organizational and institutional processes in the market under study.

Based on the analysis of professional economic literature, we have identified the basic principles of the mechanism of regulation of the consumer goods market of Ukraine:

- systematization;
- integration;
- objectivity;
- complexity;
- continuity;
- efficiency and dynamism;
- flexibility;
- efficiency;
- balance;
- efficiency;
- responsibilities;
- information. [3-6]

We consider it expedient to supplement the presented set of principles with specific principles of planning and synergy, because only a planned approach and interaction of all components of the management process will allow to form an effective mechanism for regulating the consumer goods market of Ukraine.

These principles are usually interrelated, and therefore non-compliance with at least one of them will have a very negative impact on the functioning of the mechanism of regulation of the consumer goods market in Ukraine. However, it is possible to clarify their content, given the complex conditions of functioning of economic entities and the constant socio-economic transformations in the national economy.



An important component of the mechanism of regulation of the consumer goods market of Ukraine is functions. The functions of state regulation as a purposeful and integral influence of the subject on the object of regulation, to which he reacts and, as a result, takes on a qualitatively new state. Functions of the state to regulate the consumer market, reflecting its specifics:

1. The administrative function of the state, which consists in the use of the so-called administrative resource, i.e. a complex of power powers to eliminate or prevent real or possible deviations in the consumer market. This function is "turned on" in cases when the implementation of other functions does not bring the desired effect or is impossible.

2. Legislative function, which consists in creating a comprehensive and consistent legal framework for the functioning of all subjects - participants in the consumer market. This function underlies the effective operation of the entire mechanism of state regulation of the market, which is not without reason emphasized by other authors.

3. The regulatory function. It means the creation, on the basis of an effective legislative framework, of a system of normative legal acts regulating specific aspects of the activities of business entities and other participants in the consumer market. The need to centralize this function is due to the need to ensure the synchronization of functioning and the same conditions for all market agents.

4. The function of social impact and education. It consists in the regulation of problems of a social nature, relating mainly to the satisfaction of the necessary needs of the population or social groups. In broad terms, this function is aimed at the formation of social policy in the consumer market, at the approval of the principles of social justice. Social education within the framework of the named function means the implementation of measures to form a system of reasonable needs, the prevention of deviant phenomena in the consumer market, and control over advertising activities.

5. The function of state paternalism, which consists in providing benefits and concessions to sectors and elements of the consumer market, which, for a number of reasons, are insufficiently supplied with resources or so far have weak social support. This may be the stimulation of some economically unprofitable, but socially necessary industries, undeveloped regional markets, or, for example, the provision of services to residents of small settlements.

6. The function of joint management, which means the participation of public authorities in the management of enterprises and organizations - participants in the consumer market. The implementation of this function is due to the role of the state as the largest owner in the market. It is aimed at materializing the strategic guidelines of state policy in the field of consumer market management.

7. Analytical function involves high-quality timely collection and analysis of information on the level of protection of socio-economic interests of consumers in the market of goods, assessment and forecasting of their condition [7].

8. The organizational and institutional function involves the formation of an effective mechanism for regulating the market of consumer goods in Ukraine, the activities of various market participants and public authorities at all levels of government.

9. The regulatory function involves strengthening the relationship between government policy and the main strategic directions of consumer goods market development, ensuring solvency and profitability, maintaining the financial stability of market participants and more.

10. The protective function is to guarantee the protection of socio-economic interests and consumer rights, including control over the timeliness of compliance with legislation, and is the



mechanism's ability to protect the consumer goods market from internal and external threats and risks.

11. The control function promotes continuous control over the implementation of management decisions on the implementation of the mechanism of regulation of the consumer goods market of Ukraine and is to establish specific limits on the level of protection of consumer needs and compliance with defined targets, information system, identification of deviations between existing protection. socio-economic interests of consumers and planned, conducting the necessary impact on staffing, which affects the decision-making.

The functions of the mechanism of regulation of the consumer goods market of Ukraine are presented in an aggregate form and can be detailed taking into account the current socio-economic relations, forms of financing and relevant interests.

The mechanism for ensuring the regulation of the consumer goods market of Ukraine also contains various subsystems of methods, tools and levers that form the basis of the studied mechanism.

In the structure of the proposed mechanism of regulation of the consumer goods market of Ukraine, we distinguish the following groups of methods: economic and managerial.

Management methods involve the formation of the necessary conditions for a clear organization of the mechanism, the use of modern technology and advanced technology of labor organization to ensure maximum efficiency in regulating the consumer goods market. The basis for the classification of management methods is the coordinated internal content of the motives used by a person in the course of their activities. That is, according to their content, such motives can be classified into material, socio-economic and coercive. Thus, there are the following components of the method of managing the consumer goods market: economic, socio-psychological and organizational [8].

Economic methods involve influencing the subjects of the mechanism through their economic interests in the context of material incentives, thus creating materially interested views of those responsible for the existing state (level) of protection of the consumer goods market.

On the basis of organizational methods a clear organizational structure of regulation of the consumer goods market of Ukraine is formed, specific powers and responsibilities of officials, work schedule, algorithm of actions in the relevant situation are determined.

The use of social and psychological methods in the regulation of the consumer goods market of Ukraine is aimed at raising the level of motivation of the population in the system of consumer safety.

The obligatory element in the presented structure of the mechanism of regulation of the market of consumer goods of Ukraine is the financial methods which provide planning and forecasting, monitoring, the organizational and economic analysis and regulation.

The method of forecasting should be used to predict the future state of the internal and external environment, possible problems to protect the socio-economic interests of consumers. It is based on the study of patterns of development of various social phenomena and processes, presents the most likely and alternative directions of their development and provides a basis for timely choice of strategy for the development of the consumer goods market in the future. That is, such a process to justify quantitative and qualitative changes in the analysis of the state of consumer protection in the future. Forecasting, first of all, should precede the planning process, and should be an important part, because it is used at all stages of the planned work. [9-10].



That is, planning is one of the main stages in the process of developing a mechanism for regulating the consumer goods market of Ukraine, because it is a method that creates a basis for timely decision-making and processes to ensure the socio-economic interests of consumers. The main task at the planning stage is to develop goals and objectives in the direction of which the entire further regulatory process should be carried out.

Monitoring is used for constant timely monitoring of the current state of development of the consumer goods market and involves identifying changes and deviations from the presented targets, identifying possible problems and threats that could significantly reduce the level of consumer goods market in Ukraine, monitoring compliance with market principles. consumer goods of Ukraine. Therefore, the use of the monitoring method in the implementation of the mechanism of regulation of the consumer goods market of Ukraine allows in a relatively short time to identify crises in the consumer goods market and respond to them in a timely and effective manner. Timely and effective organization of monitoring should provide for effective control not only of the internal environment, but also the external environment, which usually accumulates the main dangers and threats to the regulation of the consumer goods market in Ukraine.

Also, the mechanism of regulation of the consumer goods market of Ukraine should include methods for managing risks that arise in the consumer goods market in the context of globalization, namely: insurance, diversification, reservation, limitation, hedging, transfer and avoidance.

The main tools that can be used to ensure the effective implementation of the mechanism of regulation of the consumer goods market of Ukraine include: legal support; standardization and certification; development and implementation of comprehensive target programs; monitoring; analysis; educational work; informing the population about the quality of goods and services; assisting manufacturers in improving quality and others.

The following levers play an important role in the mechanism of regulating the consumer goods market of Ukraine: interest rates, tax rates, discounts, investment income, factoring, forfeiting payments, various premiums, insurance rates, exchange rates, financial incentives and sanctions, etc.

Each financial and economic lever has its own characteristics and performs a specific function. Collectively, such levers are interdependent and represent a holistic system of indicators through which the organization and regulation of relations in the consumer goods market. The more effectively the levers and tools are used in the process of regulating the consumer goods market in Ukraine, the more effective the mechanism will be.

The target vectors of the mechanism are: development and expansion of the consumer goods market; ensuring stabilization and balancing of the market; protection and security of the consumer goods market; ensuring the increase of market competitiveness. It is established that the desired results of the implementation of the presented mechanism of regulation of the consumer goods market in the context of globalization will be socio-economic and political stabilization, which will significantly improve the level and quality of life, ensure the availability of goods; will guarantee the proper level of food security of the country.

The mechanism of regulation of the consumer goods market in the context of globalization is based on the development of appropriate scientific theory, balanced concept, strategy and tactical measures, adequate socio-economic policy, systematization of possible problems and threats, application of tools, different ways and methods of consumer goods market regulation in the context of globalization. and its development. The mechanism also includes the following stages:



assessment of socio-economic relations in the field of consumer goods market regulation in the context of globalization; identification and structuring of possible problems and risk assessment; assessment and analysis of the level of protection of socio-economic interests of consumers; development of measures aimed at improving the effectiveness of consumer market regulation in the context of globalization; selection of measures to increase the level of protection of consumer interests, taking into account the strategic interests and opportunities offered by the author for market participants in consumer goods; control over the implementation of measures to ensure the regulation of the consumer goods market in the context of globalization.

One of the components of the mechanism of regulation of the consumer goods market in the context of globalization is the system of its provision. Thus, based on the analysis of the professional scientific literature, we propose to identify such subsystems of the mechanism as: resource (external and internal sources of resources to meet the needs of consumers and market participants); normative-legal (set of effective normative-legal acts, which regulate the corresponding financial-economic and innovative orientation); digital and information-analytical support (external and internal information flows necessary for analysis, planning and preparation of timely optimal management decisions); conceptual and methodological support (analytical techniques and methods for assessing the effectiveness of regulation of the consumer goods market in the context of globalization, taking into account the internal relationships and interdependencies between the various components of consumer protection and rights); high-quality staffing (intellectual potential needed to ensure the regulation of the consumer goods market in the context of globalization); technical support (a set of software and hardware that help protect the socio-economic interests of consumers in the market of goods). [7; 8; 9]

The resource provision of the mechanism primarily involves the formation and use of resources to meet the needs of all market participants in consumer goods. Resource provision is primarily implemented on the basis of external and internal system of formation of such resources.

Accordingly, the internal resource provision is carried out at the expense of own revenues of market participants and involves the use of such sources as depreciation, retained earnings and other revenues.

External sources are presented in the form of borrowed capital, which should include: lending, non-bank borrowed funds (state aid, subsidies, benefits, assistance from international financial institutions, etc.). The use of such resources in the mechanism under study allows to significantly expand and develop the consumer goods market, ensure better use of household incomes, accelerate the formation of various targeted financial resources, and therefore expand the scale of the studied market.

Information support is a process of continuous selection of relevant indicators that are necessary for analysis, planning and preparation of effective management decisions in terms of various components of the mechanism of regulation of the consumer goods market of Ukraine in the globalization of the national economy.

The basis of information support of the mechanism of regulation of the consumer goods market of Ukraine in the conditions of globalization of the national economy is: statistical reporting, data of internal economic accounting, expert assessments, publications on relevant issues, etc. Also, to help ensure the effectiveness of consumer goods market regulation in Ukraine in the context of globalization of the national economy, data on innovation and investment information are important, especially the results of comparative evaluation of different options for innovation and investment projects for different types of investment (direct or portfolio). The transmitters of such



information can be certificates or forecast models of the relevant trust and investment companies (as well as banks) to establish management of the securities portfolio, various working calculations of producers on the planning and evaluation of the effectiveness of investments.

In turn, the regulatory framework takes into account various laws and regulations that timely regulate the activities of consumer goods, norms, standards, requirements, etc.

The basis for methodological support of the presented mechanism are: instructions, assessment methods that take into account the system of appropriate analytical techniques and methods that contribute to a comprehensive characterization of the level of protection of socio-economic interests of consumers, taking into account various internal relationships and interdependencies. goods of Ukraine in the context of globalization of the national economy.

Intellectual support presupposes the provision of the consumer goods market with the necessary human resources, the establishment of an effective system for personnel management and appropriate communication policy.

Thus, the process of forming high-quality staffing mechanism for regulating the consumer goods market of Ukraine in the context of globalization of the national economy includes the following stages:

- substantiation of the need for the necessary personnel by their number and composition, timely selection of personnel taking into account the peculiarities of the functioning of the consumer goods market in the context of globalization;
 - rational placement of personnel and distribution of tasks, relevant rights and responsibilities in the system of regulation of the consumer goods market of Ukraine in the context of globalization of the national economy;
 - delegation of powers;
 - retraining and advanced training of personnel involved in the process of regulating the consumer goods market of Ukraine in the context of globalization of the national economy.
- Reasonable recruitment will allow effective management decisions [11; 12].

Under the technical support of the mechanism of regulation of the consumer goods market of Ukraine in the globalization of the national economy means a set of technical means for collecting, registering, storing, transmitting, outputting and submitting the necessary information. The set of technical means allows to accelerate the settlement of analytical tasks and management processes.

When defining and analyzing the system of providing a mechanism for regulating the consumer goods market of Ukraine in the context of globalization of the national economy, as a "foundation" of its effective functioning, it is necessary to pay attention to the fact that almost all subsystems develop dynamically, in accordance with market dynamics .

Implementation of the presented mechanism of regulation of the consumer goods market of Ukraine in the globalization of the national economy significantly enhances the effectiveness of regulation of the consumer goods market of Ukraine in the globalization of the national economy and will improve its sustainability and competitiveness.

Modern conditions of market transformations necessitate the development of a comprehensive algorithm for implementing the mechanism of consumer goods market regulation in Ukraine in the context of globalization of the national economy, which includes a management process, has a clear sequence of stages and procedures that will improve efficiency and quality of decision-making. economic costs of consumers.



Effective regulation of the consumer goods market in the context of globalization is possible only if an objective and timely assessment of its effectiveness. Analysis of protection of socio-economic interests of consumers is necessary not only for consumers but also for business entities (timely assessment of the level of socio-economic protection of consumers allows to identify problems in time and neutralize them without losing existing financial stability and solvency), it also helps to intensify investment activity in the consumer goods market in terms of its attractiveness and implementation of investment and lending projects.

Therefore, based on the analysis, a decision is also made on the compliance of the actual level of protection of socio-economic interests of consumers in the market of goods acceptable. Provided that the actual level corresponds to the permissible level, there is a transition to the next stage, namely to monitor compliance with the effectiveness of regulation of the consumer goods market and protect the interests of consumers.

The mechanism for ensuring the regulation of the consumer goods market in the context of globalization of the national economy must meet the main functional strategic objectives for socio-economic protection of consumer interests. Under such conditions, it is necessary to ensure a fairly high economic efficiency, financial stability and independence, as well as innovation and technological independence and high competitiveness with a balanced optimal and effective organizational structure of the regulatory system.

The next step in implementing the mechanism of regulating the consumer goods market in the context of globalization of the national economy is to determine the level of achievement of a certain goal. That is, if the goal was not achieved in time, then first of all there is a return to the parameters of the initial stage of the presented algorithm. Absolute achievement of the purpose testifies to increase of level of protection of social and economic interests of consumers in the market of the goods. The partial achievement of this goal indicates, although a significant increase in consumer protection, however, their failure, which indicates the need to further improve the regulation of the consumer market in the globalization of the national economy by developing new measures to improve its level or apply absolutely other options for the already presented areas.

Measures to improve the efficiency of consumer goods market regulation in the context of globalization of the national economy should be coordinated, as the use of one method can in turn lead to a decrease or increase in efficiency in other areas of the consumer goods market. Therefore, the most effective mechanism will be the regulation of the consumer goods market in the context of globalization of the national economy, which will ensure the comprehensive implementation of strategic measures to improve their level.

The presented measures to improve the regulation of the consumer goods market in the context of globalization of the national economy, by its functional components, are presented in a more general form, because for each individual market participant such measures have an individual approach and require consideration of diversified aspects and specifics of its socio-economic relations.

After the presentation of optimal measures to increase the effectiveness of market regulation of consumer goods, there is a comprehensive implementation, coordination and ongoing control over the process of meeting the set targets. Thus, timely detection of problems and miscalculations allows to minimize costs to achieve strategic objectives. Monitoring is used to systematically analyze changes in various indicators and determine the effectiveness of the presented



implemented measures. The use of the proposed algorithm allows to optimize the mechanism of regulation of the consumer goods market in the context of globalization of the national economy. Thus, the main task in the direction of increasing the effectiveness of consumer market regulation is to develop an effective mechanism that ensures the sustainability of production of quality and safe products for consumption by the population in today's globalized environment. We propose the architecture of the mechanism of consumer goods market regulation in the globalization of the national economy, using organizational and economic methods, tools, tasks, principles, levers, functions, focused on making sound management decisions to maintain a sufficient level of protection of socio-economic interests.

CONCLUSIONS

Based on the analysis, we note that globalization as an objective process has a direct impact on the development of the national economy in general and the domestic consumer market in particular. This process has both positive and negative forms of manifestation in the economic development of individual countries. In the pre-crisis period, the most positive effect of globalization was received by economically developed countries, and developing countries and countries with transformational economies, in addition to positive, had negative consequences. Countries with transformational economies were most vulnerable to globalization, as they entered world markets with raw materials and low-tech products that could be potential for the development of the domestic consumer market. But globalization as a process does not solve everything, because a significant role in the economy of each country is played by a balanced economic policy, including state regulation of the consumer goods market. In our opinion, in the context of globalization, this policy should focus on the development of industries that provide the domestic consumer market and the development of high-tech industries whose products can meet external demand.

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COMPETITIVE ADVANTAGES OF INSURER IN THE CONTEXT OF DIGITAL TRANSFORMATIONS OF INSURANCE BUSINESS IN UKRAINE

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ABSTRACT

The paper substantiates the need to ensure the competitiveness of insurance companies as an imperative of their successful functioning and innovative development. It is noted that in the context of the development of digitalization and changing the conditions of market competition, the key task is the presence of competitive advantages in the insurer – its unique characteristics, skills, resources, results and opportunities that allow withstanding the competition that exists in the insurance market. Based on indicators of insurance companies assessment by potential consumers of insurance services, internal and external competitive advantages are systematized as the main competences of ensuring the competitiveness of the insurer. It has been established that the current stage of the development of the insurance business is accompanied by a large-scale digital transformation in all spheres of economic activity, and the progressive digitalization of insurance relations is a key competitive advantage of insurance companies. The necessity of changing traditional business models and introduction of technological innovations to ensure a new level of quality of insurance services and preservation of competitive positions in the insurance business environment is substantiated. The directions of providing competitive advantages of the insurer on the basis of digitalization are proposed, among them the development of online communications through the Internet and social networks, a flexible approach to the offer of insurance services, automation of the insurer's key business processes, underwriting on the basis of big data and advanced analytics, interaction with InsurTech companies. The advantages and disadvantages of the insurance business development on the basis of digitalization are determined.

Keywords: digitalization, competitiveness, competitive advantages, competencies, insurance business, technological innovations.

INTRODUCTION

Formulation of the problem. The development of the insurance market in Ukraine directly depends on the level of development of its competitive environment. For a particular insurance company, quality competitive potential is one of the most important tools for ensuring successful activity, as well as a reflection of how quickly the insurer adapts to changes in the business environment and how it responds to the influence of external and internal factors. It should be noted that the current stage of the development of the insurance market is characterized by the presence of constant competition of insurers for the right to be leaders in the market, for the opportunity to attract more customers and increase the level of their own financial stability. This is manifested in the use of its own competitive advantages, which help the insurer to differ among its competitors and are realized through a network of branches of the company, intermediaries or completely new innovative ways of interconnecting with customers.



As know, the insurance market is a market of specific products that are designed to meet the needs of consumers in insurance coverage of risks. Characteristic of this type of goods is the plural distribution of properties, which increases the complexity of their comparison and choice. It is based on the amalgamation and combining of risks, insurance conditions, cost and affiliation to a certain insurer. At the same time, at the present stage of their functioning and development, an important resource of influence on the competitiveness of insurance companies is innovative opportunities that also form the demand for insurance goods. That is why competitive advantages are a multi-level concept, which in the context of digitalization and changes in market competition requires detailed study.

Analysis of recent research and publications. The problems of formation and achievement of competitive advantages of economic entities in the market business environment and analysis of factors of competitiveness of various objects are devoted to the work of prominent scientists, among them: A. Smith, A. Marshall, P. Samuelson, F. Kotler, M. Porter, T. Copeland, A. Thompson, I. Ansoff, E.M. Azaryan. In particular, to the research of actual aspects of competition and competitive advantages of insurers is devoted to the works of domestic and foreign scientists-economists, including: V. Baranova, K. Bazylevich, N. Vnukova, O. Voronkova, T. Govorushko, Yu. Klapkiv, O. Kozmenko, G. Kravchuk, S. Osadets, L. Shirinyan, V. Fedosov, V. Furman and others. Existing scientific achievements are highly appreciated, the problem of identifying the competitive advantages of the insurer during the period of digital transformations is relevant and requires detailed study. This is due to the constant development of the insurance market, the emergence of new insurers, the rapid dynamics of the processes of digitalization of the insurance business, as well as the change of desires, interests and needs of potential persons who conclude insurance contracts.

The purpose of the article. The purpose of the article is to clarify the essence of the competitive advantages of the insurer and identify the main directions for the formation of these advantages in the conditions of the digital transformation of the insurance business.

Presenting main material. Competition in the insurance market is actually a set of benefits of insurance services offered by the insurance company and implemented through sales systems, a network of insurance intermediaries, agents or through other forms and methods of communication with potential customers. The market conditions in which insurance companies work require that their products differ from the competitors' offers by something special, so that the consumer can benefit more than from the competitor's goods. In view of this, the functioning and development of the insurance business is carried out in the conditions of competition or the formation of a competitive market.

As know, competition in the insurance business is a set of relationships that arise not only between different insurers. After all, the insurance market is a specific component of the financial services market, where each insurance company competes with a large number of sellers of financial products - banking institutions, non-state pension and investment funds, leasing, factoring companies, as well as with other insurers.

In market-oriented countries, insurance services have a high priority for consumers, which increases competition among insurance companies, changes its forms and methods of work. Large insurance companies compete in the developed global insurance market with an annual turnover of about \$130 billion and an asset scale of approximately \$2.5 trillion. These are transnational companies that by their indicators exceed the insurance markets of most countries. In their domestic market, the business environment undergoes major digital transformations that require



classic insurance companies to respond flexibly and accelerate adaptation to new challenges. For such trends, only those companies that are focused on forming unique competitive advantages can hope for business development. These benefits should be directed towards reducing costs, improving product quality, ensuring flexibility, implementing technological and marketing innovations, etc.

Analyzing the state of competition in the insurance market of Ukraine, it is worth paying attention to the indicator of concentration of the insurance market, which indicates that 90% of insurance premiums for 2020 are concentrated in sixty insurance companies, fifty of which are insurers from the risk insurance market, and ten - from the life insurance market. In non-life insurance, more than 50% of insurance premiums from individuals accumulate ten insurers. The life insurance market in comparison with the risk insurance market has slower development rates and high concentration in Ukraine, because 5 insurers account for 90.3% of insurance reserves (tabl.1) [3]. The above statistics indicate a moderate degree of monopolization of the insurance market and the presence of competitive business conditions. Thus, the tendency of recent years to significantly reduce the number of insurance companies is understandable and is a positive consequence of the presence of a competitive environment. This confirms that to maintain competitive positions in the market, insurance companies must develop and implement effective competitive strategies.

Table 1**The concentration of the insurance market in 2020**

Insurance companies	Non-life market (for premiums), %	Non-life market (individuals) %	Non-life market (insurance reserves) %
TOP 3	17,9	22,6	75,1
TOP 5	27,3	32,9	90,3
TOP 10	43,2	54,6	99,1
TOP 20	64,6	75,6	100,0
TOP 50	90,3	95,7	-
TOP 100	98,8	99,9	-
Total	100,0	100,0	100,0

Source: National Bank of Ukraine. The results of the insurers reports for 2020. URL: <https://bank.gov.ua> [3]

The analysis of the competitive positions of the insurance market of Ukraine on a global scale allows noting that the competitive advantages of domestic insurers are formed under the influence of the following factors:

- globalization in the international insurance market – competition with powerful foreign insurers forces Ukrainian insurance companies to increase capitalization, insurance reserves and assets;
- increasing competition in the domestic insurance market – today in the insurance market of Ukraine, the number of insurance companies is constantly decreasing, while the volumes of collected insurance premiums, paid insurance payments, the assets of insurers and their insurance reserves are gradually increasing; the growth of the general indicators of the insurance market, provided that the number of companies decreases, indicates an increase in competition on market;
- reduction of insurance rates – foreign experience of insurance activity demonstrates that quite



often insurance companies use dumping as the main tool in competition;

– has become a tendency to reduce interest rates – interest rates on loans, deposits, investments in securities are constantly decreasing, which in turn reduces the investment profit of insurance companies and, accordingly, their clients.

This allows us to state that ensuring the competitive positions of the insurance market of Ukraine on a global scale is determined by the competitiveness of insurance companies based on the need to establish the main competencies (elements) determined by competitive advantages, they, in turn, must be universal (use in different situations) and unique (those that are difficult to reproduce or duplicate) [4]. The main competence is a specific set of internal comprehensive and applied knowledge, as well as skills and settings. It is based on the company's resources and reflects the effectiveness of their use. It is implied that the main competence is all that due to which the insurer can achieve better results than other companies, including by creating quality products that differ from the products of competitors and provide decent competition in the insurance market.

Consequently, a competitive advantage is a certain unique characteristic of an insurance company, skills, resources, results and opportunities that allow it to be better than other insurers and adequately withstand competition in the insurance market. At the same time, a set of main competencies in its interaction and constant development allows the insurer to achieve synergy or unpredictability effect, thereby providing a high level of competitiveness and sustainable development.

Scientists emphasize that top-level executives should increase the value of the company by forming a strategic structure that will allow them to get rid of the dispersion of basic competencies, set goals for improving potential, make the priorities of allocating resources transparent and consistent, create opportunities to use the company's resources, encourage employees who implement competence, to implement competitive strategies at the corporate level. Thus, in the work [4, 5] the authors proposed a model of the "tree" of competencies and formulated the general provisions of the theory of main competencies:

- main competencies are a source of competitive advantage and a decisive factor in business success in the long term;
- main competencies bring real benefits to consumers and are difficult to imitate;
- main competencies are the result of collective training of the organization, in particular in terms of coordination of production skills and integration of technologies;
- the main competencies are combined with the search for new opportunities of the enterprise;
- the main competencies are a set of interconnected abilities and technologies that allow the company to create consumer values.

It should be noted that there are the following ways of creating competencies: training and development; teamwork; external experience; communication with buyers and suppliers and positive feedback from them; expanding the scope of activities; strategic partnership. Experience and knowledge, skills and connections of the company, which are complemented by other factors of information and intellectual nature, create an opportunity for the company to achieve strategic advantage in a particular market. At the same time, if the insurer uses the latest technologies and know-how, it gains stable and long-term competitive advantages.

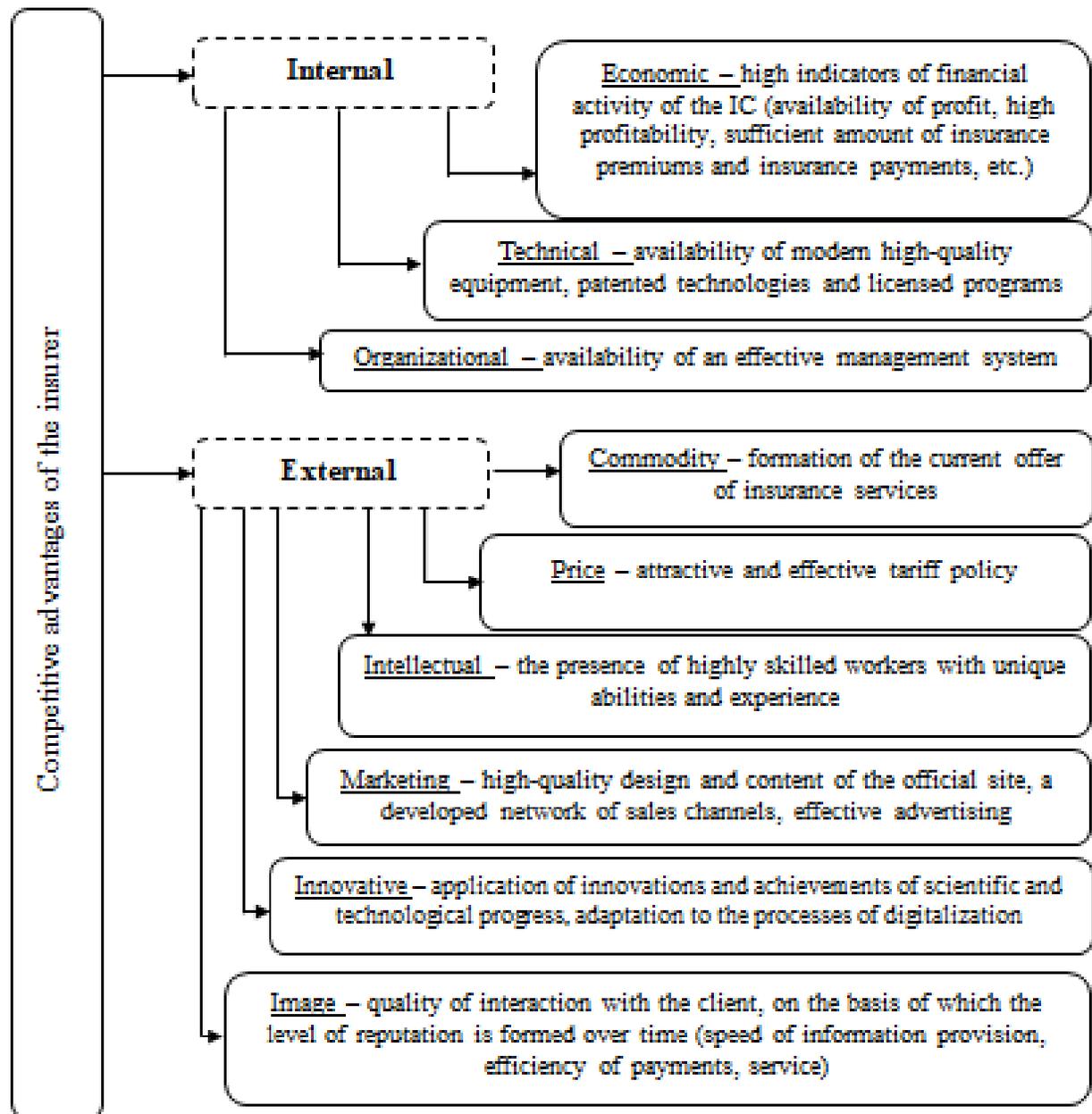
Thus, determining the competitive advantages of the insurer, the so-called "main competencies" requires taking into account the indicators by which potential customers evaluate insurance companies, namely:



- offer insurance services, which are the most popular in a particular period;
- determination of insurance tariffs in accordance with the amount of liability (list of insurance risks under the insurance contract). It is important that the price factor is not a comparison of the abstract cost of the service, but a comparison of the services of competitors with the aggregate of similar insurance risks;
- popularity and reputation of the brand achieved in the process of active functioning and development of the company, due to the existence of a regional network in the country, as well as the presence of a positive history;
- personnel of the company: companies with a staff of 3-5 people, usually, provide a very narrow range of insurance services, have a certain specialization or provide captive insurance. As know, cognitive method comes to replace the traditional way of creating competitive advantages: if the traditional method involves the use of material resources, then cognitive - based on the intellectual capabilities and potential of workers. Consequently, the competitive potential of insurers is based directly on the abilities and professional competences of the company's employees, when choosing a particular company, customers necessarily take into account their professional level and creativity;
- effective work, design and filling of the official website of the company, which are fulfilled according to the criteria of completeness and availability of information about insurance services and financial condition, as well as the efficiency of responding to the requests of potential customers. Sale of insurance services online gradually becomes one of the main factors in the development of sales channels, it complements traditional sales channels, but does not replace them. This sales channel is a significant competitive advantage, and therefore it is necessary to allocate funding for the implementation of IT processes (technologies), online self-service, as well as the development of mobile marketing;
- quality of settlement of appeals in case of occurrence of insurance cases on mass types of insurance services: speed of information collection, assistance to the client, efficiency of payments, their validity in size, etc.

Given the above, it is possible to distinguish a set of internal and external competitive advantages that are basic for ensuring the competitiveness of the insurer (Fig.1). Given the importance of all these competitive advantages, it should be noted that the current stage of the development of the insurance business is accompanied by a large-scale digital transformation in all spheres of economic activity. While maintaining this trend, the key competitive advantage of the modern stage of the development of the insurance business is the progressive digitization of insurance relations, the main goal of which is the individualization of products and services, the ability to provide them in real time and on several platforms at the same time.

The trend of digitalization involves a significant change in the traditional business processes of insurance companies, caused by the need for electronic transformation of insurance products; expanding the use of online services to pay insurance premiums; application of "connecting things" data; real use of "big data"; use of bots in the processes of current maintenance of insurance and loss settlement contracts, etc. Given this, according to experts, it is expected to increase the volume of financing for the development and implementation of InsurTech, which is due to the rapid increase in demand for digital insurance services from businesses and consumers, because since 2015, the share of consumers who interact with insurance companies through digital channels has almost doubled globally [7].

**Fig.1. Actual competitive advantages of the insurer***Source: compiled by author*

It should be noted that domestic insurance companies especially appreciate the modernization of systems, improving the experience of persons who conclude insurance contracts, developing new products, platforms and services. However, at present, many insurers pay more attention to strengthening inherited systems than true innovation. Thus, according to experts, no more than 10% of innovative resources are directed to the radical change of ways of doing business by insurers, and 90% are set to work in the usual traditional format. These trends are confirmed by the research of the Ukrainian Institute for the Future, which shows that in Ukraine the potential

for the development of automation of the financial sector and, in particular, insurance is realized only by 43%. This is due to the fact that for insurers, the difficult task is to rethink the operating model and corporate culture of the organization for the purpose of introducing innovations, and, along with this, in the present and the need to ensure competitiveness and profitability, such a rethinking is essential [6].

Globally, digital innovations are used by insurers to rethink their functioning and to assess competitive advantages, increase staff productivity, quality customer service and increase profits. This, in turn, causes changes in the methods of development and distribution of insurance services, during the underwriting of risks, in the process of settlement of losses and payment of insurance indemnities. However, not all insurance companies are able to fully implement the requirements dictated by the modern insurance business, as they focus mainly on general technologies (automatic processes, chatbots, online sales, electronic information processing, etc.). If do not focus on the existing risks that accompany digital transformation, the priority of increasing competitiveness and maintaining competitive positions in the insurance business is the use of digital technologies.. It is worth highlighting five important directions to ensure competitive advantages using digital technologies (Fig. 2).

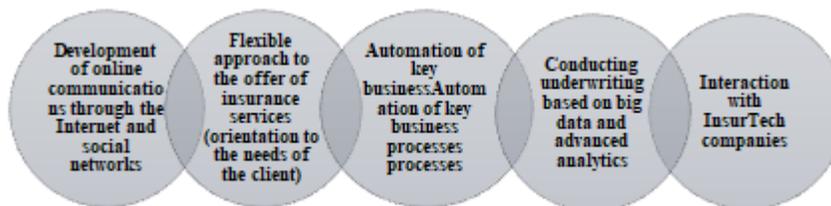


Fig. 2. Directions of providing competitive advantages of the insurer on the basis of digitalization

Source: compiled by author

The development of digital technologies contributes to changes in consumer behavior and requires the creation of new alternative channels for the sale of insurance services. If at the initial stage Internet technologies were used to place basic information about the company and its insurance products, today through the websites of insurance companies it becomes possible to communicate with customers and sell insurance products. Thus, the primary task to ensure competitive advantages of the insurer should be the maximum simplification of the purchase of the products it offers on the Internet, social networks and other online communications. In addition, insurance companies must ensure the reliability and content of the information available on these Internet resources.

Given that the modern service sector for the population is gradually improving the mechanisms for providing any services to its customers through the use of digital technologies, the requirements of persons who conclude insurance contracts are also increasing. They insist on quality service in both normal and online modes. First of all, it concerns the process of sharing the necessary information [12]. When a potential person who conclude insurance contract has an interest in insurance, he begins to study and analyze facts, news, other information about the activities of specific insurers. In order to be different from its competitors at this stage of interaction with the client, the insurance company must organize a quick and convenient way to



search for reliable information in full on Internet resources and in mobile applications. Along with this, persons who conclude insurance contracts need to simplify the mechanism of buying an insurance product, which can be achieved through the development of understandable and affordable ways of self-service.

The next direction of strengthening the insurer's competitive positions through digitalization is the creation of new products focused on a particular customer, and therefore they must best meet his needs. Using information arrays, the company can easily cope with this task, thereby increasing customer commitment to itself, get additional income, reduce the cost of collecting and processing information. Technology and automation allow to administer and reduce the price risk that in a competitive market will eventually lead to reduced bonuses, increased availability and greater coverage.

An important role in digitalization of insurance companies is played by the introduction of mobile applications and services, through which can also monitor and control the process of interconnection with the client. Real-time monitoring dramatically changes the relationship of insurers with customers. Owners of policies that are not against constant control by the insurer can learn more about themselves and use information to adapt behavior or reduce risks [9]. This means that the role of the insurer is not only to compensate for losses, but also to provide additional advice on prevention, avoidance and risk management.

An important aspect of the digitalization of the insurance business is the internal automation of the key business processes of insurance companies. The business processes of the insurer, which are most subjected to digital transformations, include:

- sale of insurance products – the use of blockchains, smart contracts, mobile applications for smartphones;
- settlement of insurance claims – online filing of necessary documents regarding the insured event, creation of a settlement history based on blockchain technology;
- accounting and tax accounting – the use of remote programs for submitting financial statements to the relevant authorities, electronic accounting programs;
- risk underwriting – the use of telematics, sensors of the client's health;
- document circulation – protection of personal information using blockchain technology, creation of a client profile, electronic document circulation.

One of the main advantages of digitalization is to simplify and improve the efficiency of the underwriting process through the use of big data and advanced analytics. Usually, the amount of risk was calculated based on previous cases. Traditional techniques are, of course, effective, but this process is quite time consuming and requires a lot of costs. However, technological innovations have made some adjustments to the risk assessment mechanism. Currently, insurance companies have the opportunity to operate a set of information about the client's risk and improve the pricing process through the use of telematics and the Internet of Things. In addition, automated data processing processes are characterized by low labor intensity, which in turn leads to a decrease in costs [8]. Thus, new data sources and platforms for their storage and analysis will reduce the duration of risk assessment, improve risk selection and allow to optimize pricing, thereby making insurance more flexible and cost-effective.

Along with the above, the necessary direction of digital transformations in the insurance business is cooperation with powerful InsurTech companies that operate in the insurance industry in order to provide individual services that some insurers or intermediaries previously provided. The functioning of InsurTech companies is based on the use of innovative technologies in order to



obtain the maximum number of benefits from the existing insurance system. Usually InsurTech includes robotic technologies, artificial intelligence, cybersecurity development, blockchain technology, the Internet of Things and for all familiar mobile services. The combination of all these elements as a result should significantly affect the easing of the insurance process, save time, strength and resources of both insurers and their customers. InsurTech companies are exploring ways to use new sources of information from devices connected to the Internet to quickly analyze consumer behavior and properly develop strategies. It should be noted that most InsurTech startups are in great demand among consumers due to improved mechanisms of their work, thereby increasing the level of competitiveness of insurance services. In general, statistics show that investors are constantly engaged in financing InsurTech-companies, which indicates the prospects for their further existence and development.

CONCLUSION

Thus, the current stage of the development of the insurance business is accompanied by the active development of technological innovations, which involves the introduction of new digital technologies in the business processes of insurance companies in order to increase the efficiency of their activities and ensure competitive positions in the modern business environment. Digitalization in insurance is a timely process that catalyzes the innovative development of the insurer, improving the quality of insurance products and transforming the methods of conducting the insurance business. The use of opportunities that open up to insurance market participants as a result of digital transformations will help to ensure the competitive advantages of insurance companies as an imperative of their successful activities and strategic development.

Along with this, the development of the insurance business on the basis of digitalization as any innovative process definitely has its advantages and disadvantages. Positive aspects of this process are ensuring the competitiveness of insurers by improving business processes, ensuring risk diversification, optimizing business costs, simplifying and improving the efficiency of underwriting, improving the quality of customer service using an individual approach, developing and implementing new insurance products and updating the insurance portfolio. It is believed that the technologies used in the insurance market can have an impact on reducing distribution deficiencies in the market, in particular due to the limitations of the problem of information asymmetry, reducing operating costs and reducing barriers to communication with the client. In addition, digitalization processes also have advantages for consumers of insurance services, because an important factor is the simplicity and comfort of buying an insurance product online, which should encourage an increase in purchasing activity. Of course, in the future, digital innovations will change the approach to the architecture and design of insurance products, information infrastructure and risk assessment methodology, which will have a positive impact on the economic efficiency and safety of insurers.

At the same time, current insurance transformations are accompanied by a number of disadvantages, including limitations in the use of leading digital technologies due to their high cost, the need to improve the training of personnel in acquiring the necessary digital competencies, the growth of cyber threats, changing the business strategy of doing business, etc. Therefore, the successful introduction of technological innovations requires from insurers a rational approach to this process and the development of innovation management tools in the context of digital transformations of the insurance business, which is the subject of further research.



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STATE CLUSTER POLICY IN THE FIELD OF HEALTH CARE DEVELOPMENT

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ABSTRACT

It is proposed to consider the cluster policy in the field of health care development as an informal entity that unites leading companies, various research and educational organizations and other unanimous institutions on a voluntary basis. The peculiarities of the implementation of the cluster policy of the state are that it combines industrial, socio-economic and regional policies. In methodological terms, the study of the formation and implementation of state cluster policy in the field of health care development should take place in the following areas: identification of mechanisms for managing the development of health care; analysis of the implementation of such mechanisms; conducting research on current problems that arise in the implementation of state health development policy; various strategic directions for the development of health care and improving its quality to the required level of world standards. In particular, the state's cluster policy pursues goals that intersect closely with society, government and business to promote the health of the entire population, manage the development of health care, develop appropriate infrastructure both directly in the health care sector and in some of its specific parts, open access to innovations and technologies and more. The peculiarity of the organization of the cluster is its members, who are not part of it in absolute terms, but only its part, designed to achieve the goal (this is its difference from the general system approach). The organizational structure of the system of state cluster policy in the field of health care development is presented, which allows to regulate the issues of balanced socio-economic development of the country, assessment of its investment attractiveness, level of economic independence and stability of cluster institutions and other tasks.

Key words: cluster policy, health, management, mechanisms, development.

INTRODUCTION

Formulation of the problem. Every year, the field of health care is increasingly focused on combining efforts with other areas (economic, social, educational and others) in the direction of maintaining and strengthening health, prolonging active life and working capacity of citizens. In other words, one object is studied from different angles, by diversified methods that correspond to a certain branch of science or certain mechanisms of public administration. Supporting the position of a large number of scientists that all industries are responsible for the state of life, health, thereby activating the mechanisms of public administration, they are inextricably linked, and therefore, the effectiveness of the functioning and development of health care can be achieved only by forming a single integrated system of their interaction. There is an urgent need to implement a so-called interdisciplinary approach to the study of the health of the entire working population. As a result of using this approach, there is a need to develop a structural and



situational model of the cluster of public mechanisms for managing the health of the entire population.

Analysis of recent researches and published papers. Such scientists as S. Vovk, I. Salukvadze, S. Sokolenko, M. Kropyvko, P. Sabluk, M. Odintsov, T. Shestakovska and others paid their attention to the study of this issue. This topic has a fairly broad theoretical and methodological basis. However, a number of provisions of the systemic approach are not sufficiently taken into account to identify the peculiarities of the functioning of the state cluster policy in the field of health care development.

The purpose of the article is to study the peculiarities of the state of scientific development of the state cluster policy in the field of health care development.

Results of the research. Each industry has a corresponding market structure, where enterprises and organizations of such major sectors, namely public, private and non-profit, operate and compete quite actively. Healthcare is no exception. That is, in order to find innovative ways to manage health issues, it is necessary, first of all, to solve the problem of finding on the basis of established internal deterministic links between diversified processes that take place in the system "man - environment"; the most characteristic of this area are the parameters (feedback), which allow to bring such a system to a stable state as efficiently and spontaneously as possible, ie the acquisition of new quality parameters that must meet the objectives [1].

The problem in the implementation of cluster policy arises because it is on the border of industrial, socio-economic and regional policy, which in some way are the responsibility of various ministries or agencies, because the market economy does not provide direct management of industries and industries, as was the case during the administrative period. economy. Thus, competencies to combine modern domestic developments and research experience become relevant, and, giving them the level of state status, to clearly allocate them to certain areas of development. The state can also use various measures to support small and medium-sized businesses to stimulate cluster initiatives in specific regions. It is the cluster approach that provides public authorities at different levels of management with effective interaction with various participants, business, more specifically to present its characteristics and tactical objectives, thus laying the foundation for purposeful and clearly motivated strategic planning. Thus, the cluster approach, depending on the identified strategic priorities for regional development can be implemented by three different functional and structural approaches as a specific type: industrial agglomerations, certain network structures or cluster initiatives. Thus, cluster policy must correspond to the two main processes of development of any economic system of the country and its regions. The first is the comprehensive stimulation of the emergence of clusters, the formation of the preconditions for their activation, the dynamic development and support of the activities of already existing cluster formations. The second is to stimulate the emergence and implementation of cluster initiatives as an important prerequisite for the emergence of clusters and cluster formations [1-5].

Given that cluster initiatives are usually considered from the standpoint of institutional form to the process of implementing public policy objectives of the country and its regions, the facilitator of the cluster initiative is directly the public authority that initiates the cluster model and provides institutional and organizational and informational support. Thus, the role of power is not the formation of clusters directly, but in the formation of the task and initiating the emergence of such clusters, the formation of appropriate motives and mechanisms, a reliable rule-making process.



Thus, cluster policy provides a coherent system of government measures and mechanisms to support clusters by relevant business structures, which in some way increase the competitiveness of the national economy as a whole, as well as economic entities that are part of such clusters (for example, financial and technical assistance, granting preferences or benefits, various consulting services). The transformation of the cluster initiative into an effective public tool for the development of the country and its regions occurs through the formation of its participants a clear strategy for cluster development and its implementation program, with the representation of the relevant coordination body between all stakeholders. The formed strategy in the form of a specific document is an effective institutional basis for the formation of measures of state (or regional) support for the relevant cluster initiative.

The health care management system provides for the presentation of management functions, specific goals, which are interpreted in specific tasks, strategic and operational actions of management participants in relevant sectors (public, private, non-traditional) in order to achieve socio-economic and environmental effect - preservation and strengthening health of all citizens, prolongation of duration and quality of life of all economically active population of Ukraine.

Also, analyzing the modern sphere of health care in Ukraine in recent years, we find that, despite long-term efforts to support the industry, an important place is occupied by problems that in some way make it impossible for the system to meet the urgent needs of the population. This is directly due to the following main factors: the lack of effective mechanisms for public management of the industry, inefficient organization of medical care for the entire population, the critical state of medical institutions, insufficient use of existing capacity of medical institutions primarily non-state ownership, and individuals - entrepreneurs with proper licenses for medical care.

Thus, the health care sector is a multilevel, diverse structure. It also has a large number of medical institutions of different capacities (relevant medical institutions, specialized primary health care centers, various dispensaries, etc.), institutions of higher medical education, research institutes, which are heterogeneous in terms of their size and approaches to formation of public health. Each represented organization is determined by a different number of highly qualified specialists and staff, belongs to different forms of ownership and has different subordination - to the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine, the Ministry of Education and Science of Ukraine, the Ministry of Health of Ukraine, etc. That is, there is a set of subjects of management that use certain mechanisms of public administration that are in interaction and perform their functions in relation to the relevant subordinate objects.

In particular, the state's cluster policy pursues goals that intersect closely with society, government and business to promote the health of the entire population, manage the development of health care, develop appropriate infrastructure both directly in the health care sector and in some of its specific parts, open access to innovations and technologies and more. The peculiarity of the organization of the cluster is its members, who are not part of it in absolute terms, but only its part, designed to achieve the goal (this is its difference from the general system approach).

In turn, the cluster may also include completely different structures in different industries. Clusters form a unique ground for supporters of the formation of a strategy of public-private partnership on a large scale for innovation and investment activities. They also contribute to the organization of proper management, increase the adaptability and mobility of individual services and enterprises [6-7].

In our opinion, clusters play an important role of an effective tool that effectively groups industry accumulations, possible duplication, irrational and inappropriate use of the funding process,



identifying and summarizing a common goal with certain individual industries, services, industries to develop approaches to joint work. This is much more effective than the relevant departmental agreements, the process of approval, approval, and so on. Bureaucratic office work also does not allow to solve problems that gradually pass each year [3]. In the scientific and methodological plan the research of questions of formation of clusters should take place on the following aspects: identification of the main mechanisms of public management of the quality of health of the whole population; analysis of the implementation of functions by such mechanisms; conducting research on current issues that arise in public administration of public protection; various strategic directions for the development of labor capital and improving its quality to the required level of world standards [1].

We present the following groups of clusters:

1. Association of organizations in the field of social protection, which are formed on the basis of the Ministry of Health of Ukraine, the Social Insurance Fund of Ukraine; The Pension Fund of Ukraine and the Department of Labor and Social Protection; Federation of Trade Unions of Ukraine, National Health Service of Ukraine, Ministry of Education and Science of Ukraine.
2. Organization of medical protection of the population (involved: science and education, pre-hospital and hospital medical care, pharmaceutical sector, rehabilitation, physical culture and sports, healthy lifestyle, appropriate medical infrastructure).
3. Association of labor organizations and employment (population support; training, retraining; employment in the labor market; migration centers; migration; employment; career guidance; wages; accident assistance; industrial insurance funds, mutual assistance) .
4. Association of ecological and sanitary-hygienic protection of the population (various scientific organizations of labor; protection of the environment; organization of the issue; comprehensive fight against bad habits; provision of labor protection).

The presented models of the cluster help to solve problems of balanced development of the country's economy, assessing the investment attractiveness of the relevant sectors of the economy. Thus, the cluster model of mechanisms of public management of public health in Ukraine in a number of components (social protection, organization of proper medical protection, environmental and sanitary protection, promotion of labor organization and employment) is a subject-subject and subject-object interaction of relevant interconnected economic clusters (promotion of social protection; environmental and sanitary protection of the population; organization of appropriate medical protection; organization of labor and employment) and mechanisms of public administration.

The experience of most countries where developed health care is used shows that the current problems that arise in this sector cannot be resolved without the participation of the appropriate capital of the entrepreneur. Healthcare is one of the areas of the social sphere where the respective socio-economic, moral-ethical and political interests of the whole society intersect in a certain way. Without public cluster management of various forms of ownership in this area is almost impossible.

The mechanisms of public management of the health care cluster represent the conscious, legislative influence of the executive authorities on the relevant medical facilities of all types of ownership, economic processes and people working in the process of monitoring the implementation of existing laws, orders of ministries and other regulations. legal acts of current legislation to preserve the public health of the entire working population. Other definitions can



also be found in the presented scientific sources, but most of them characterize the corresponding management functions [2-5].

The analysis of trends in the state of health care management allowed us to draw the following conclusions: the health care sector in Ukraine, primarily at the regional level, is in a state of cluster development, but this process is poorly represented, and therefore not yet accepted in theory and the practice of economics and health care organization. The cluster approach is quite active in the organization of appropriate preferential drug supply. Pharmaceutical management bodies, authorized by various pharmaceutical organizations, pharmacy warehouses, medical organizations of various forms of ownership - the area of general cluster interest in the direction of providing medicines to people who have benefits in accordance with current legislation [7].

In Ukraine today, there is a well-developed private network of health care facilities. As a subsystem of the presented general state system, it is also managed on the basis of the general legislation on the received medical care. In turn, there is still no interest in the formation of clusters in private medical institutions. Thus, the system of departmental medical institutions formed on the basis of the sectoral approach and the existing cartographic division of Ukraine, in accordance with the requirements of approaching appropriate medical care to the population, respectively in urban settlements and villages, is actively included in the general medical cluster.

The current state and trends in the formation of quality human resources and features of their quality development in the context of the cluster policy of the state is determined by the need to implement a set of basic strategic measures, ie [8]:

- measures affecting the health care and demographic situation, aimed at promoting the expanded reproduction of the population, comprehensive preservation of its gender and age structure, maintenance of general health, increasing life expectancy, constant stimulation of fertility, helping to reduce mortality;
- focused on the general development of each person, his mental and physical abilities, enrichment of appropriate intellectual, creative and cultural potential, growth of educational level of knowledge, appropriate healthy lifestyle and providing the labor market with quality labor;
- focused measures to ensure the effectiveness of employment centers, dynamic changes in a particular sectoral structure of employment, comprehensive support for mobile labor, reducing hidden unemployment, reducing mass and long-term unemployment, creating favorable conditions for integrated small and medium business development, balanced labor supply to urgent needs in it;
- strategic measures in the field of restoration and development of national production of consumer goods and demand by increasing their consumer qualities; areas focused on strengthening the state's influence on income growth and effective demand of the entire population; entrepreneurship and business activity of the population, complex stimulation of growth of incomes of the population from use of the property;
- focused measures to ensure systemic and personal protection of the appropriate level of labor protection, minimizing the risk of loss of health and life of workers at work;
- strategic measures aimed at ensuring the protection of rights and guarantees of citizens in the field of social relations; development of social partnership.

CONCLUSIONS

In modern conditions, a number of conditions are used, which can both intensify and hinder the development of cluster initiatives in the domestic healthcare sector. Positive conditions are: the



existence of medical-technological and scientific infrastructure; proper psychological readiness for associations. Negative factors influencing the development of clusters are: low level of quality of the business climate in the field of health care, insufficient level of development of associative structures, which accordingly do not cope with the task of developing and gradually advancing health priorities and interests; the current horizon of the planning process. The concrete benefits of the comprehensive development of the cluster appear only after 5-7 years, and therefore the availability of an effective strategy is considered as one of the important factors for its effective development in the long run. The use of a cluster model of health care development management requires a formal structural and institutional structure that in some way coordinates the development of cluster associations formed with the participation of relevant enterprises that are members of the relevant cluster organization. In turn, clusters require from their immediate participants trust in each other and a fairly long horizon of the planning process. In this case, we believe that a certain adaptation of the use of the cluster approach in the field of health care is the formation of clusters with the assistance of public authorities using effective classical management methods, ie cluster and traditional approaches to the health care management system can also be effectively complemented. . The presented approach allows us to consider the field of health care, in a complex connection with the socio-economic system of the state or its regions, and as a system of complex interconnected socio-economic clusters. The presented structure of the system of state cluster policy in the field of health care development allows to regulate the issues of balanced development of the country's economy, assessment of the level of investment attractiveness of certain industries, level of economic independence and stability of clusters and a set of other tasks.

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CRITERIA FOR THE EFFECTIVENESS OF THE IMPLEMENTATION OF PUBLIC ADMINISTRATION MECHANISMS IN THE FIELD OF ECONOMIC COOPERATION OF THE EASTERN PARTNERSHIP COUNTRIES

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ABSTRACT

The article highlights the criteria for the effectiveness of the implementation of public administration mechanisms in the field of economic cooperation of the Eastern Partnership countries. The main criteria are relevance, cost-effectiveness and efficiency, as a result of which appropriate indicators are proposed. The correspondence of perspective mechanisms of public administration in the sphere of economic cooperation of the Eastern Partnership countries and stages of their realization is proved. Such mechanisms are proposed to include socio-political, legislative, institutional-administrative, financial-economic, information and communication. Accordingly, at the first stage, the priority is to involve effective institutional and administrative mechanisms in public administration in the field of economic cooperation of the Eastern Partnership countries. This will help to improve the clear interaction between the relevant public authorities and local governments. However, given the content of key reforms, all these mechanisms are relevant at this stage. In the second stage, the priority of mechanisms is constantly changing. Therefore, the progress of the observance of the provisions of the Association Agreement and the implementation of the European integration policy in general should be constantly monitored in order to determine the situational priority of the relevant mechanisms. At the third stage, the information and communication mechanism, which is responsible for the level of public awareness, promotes openness, transparency and accessibility of relevant information at various levels for public authorities, etc., becomes especially relevant.

Keywords: economic cooperation, Eastern Partnership, public administration, public administration bodies, mechanisms, development.

INTRODUCTION

Formulation of the problem. The experience of the implementation of public administration mechanisms in the field of economic cooperation between Ukraine, the Eastern Partnership countries and the EU allows to identify the following main problems: opacity in customs clearance of goods; debt of the state; differences in interpretation of legislation; imperfection of legislation and legal proceedings; abuse by officials; administrative pressure on investors; lack of coherence between public administration and local self-government; negative image of the state; lack of consolidated and regular monitoring of problem situations. Accordingly, in the context of the implementation of mechanisms of public administration in the sphere of economic cooperation of the Eastern Partnership countries, the following risks should be emphasized: directing the Ukrainian economy to the export model of development, which objectively means a



stable increase in the volume of sales of products of national enterprises in foreign markets, with a slight positive impact directly on the economic situation within the country; deterioration of the export structure as a result of increasing its raw materials and low-tech components, which are marked by low added value, which became possible due to simplification of access of such products to foreign markets; further exacerbation of the problem of limitations of technical, first of all, infrastructure (especially transport) capabilities of the national economy to ensure proper export activity; non-readiness of state institutions for consistent strict protection at the international level of relevant interests of domestic exporters; growth in the domestic market of commodity mass of low-quality and dangerous for consumers of imported products. Such realities require the development of specific criteria for determining the effectiveness of public administration mechanisms in the sphere of economic cooperation of the Eastern Partnership countries.

Analysis of recent research and publications. Among the scientists who paid considerable attention to the study of mechanisms of public administration, their effectiveness and competitiveness of the state as a whole, it is worth highlighting the works of such scientists as G. Astapova, V. Bakumenko, D. Beznosenko, V. Bodrov, Yu. Kovbasyuk, N. Vasilieva, O. Vasilieva, V. Ivanova, T. Ivanova, O. Komyakov, M. Koretsky, O. Korotych, R. Larina, Yu. Lykhach, V. Malinovsky, O. Rudenko, I. Cherlenyak, O. Fedorchak, L. Yuzkov. Among foreign researchers who covered the development of interstate cooperation, it should be noted such as R. Aron, J. Bentham, R. Gilpin, T. Hobbs, E. Kant, M. Kaplan, E. Carr, J. Keynes, R. Kiohan, S. Krasner, G. Morgenthau, J. Rosenau, A. Stein, and others.

Presenting main material. In the course of the research, it is established that in each certain period, in accordance with the performance criteria, for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries becomes quite relevant and necessary mechanism, namely: *relevance* – the criterion for assessing the need for mechanisms is the prospect of implementation of the tasks in the direction of the formation and implementation of public administration in the sphere of economic cooperation of the Eastern Partnership countries; *economics* – an indicator of the evaluation of the effectiveness of mechanisms, when the planned result significantly exceeds the cost of their implementation in the process of public administration in the sphere of economic cooperation of the Eastern Partnership countries; minimization of various types of expenses (relevant material, human, monetary and other); *effectiveness* – an indicator of the evaluation of the efficiency of the respective mechanisms is a defined ratio of the amount of resources used (relevant material, evolutionary, human, resource, etc.) with the result obtained in the process of forming and implementing public administration in the sphere of economic cooperation of the Eastern Partnership countries.

For the effectiveness of the implementation of public administration in the sphere of economic cooperation of the Eastern Partnership countries, it is necessary to take into account the listed indicators of the efficiency of mechanisms as the main tools of implementation. We considered the prospects of mechanisms (socio-political, legislative, institutional-administrative, financial-economic, information-communication) in terms of Ukraine's integration aspirations and revealed the level of their importance and relevance at each of the stages of public administration in the sphere of economic cooperation of the Eastern Partnership countries, while we took into account the promising criteria for assessing the effectiveness of public administration mechanisms in the sphere of economic cooperation of the Eastern Partnership countries. It should also be borne in mind that the priorities of applying appropriate mechanisms in the implementation of public



administration in the field of economic cooperation of the Eastern Partnership countries are constantly changing.

Accordingly, at the first stage – preparation for assistance in the signing of the Association Agreement between Ukraine and the countries of the Eastern Partnership – the socio-political mechanism for the implementation of public administration in the sphere of economic cooperation of the Eastern Partnership countries, is fundamental. The main ones, at this stage, for the implementation of public administration in the sphere of economic cooperation of the Eastern Partnership countries (signing the Association Agreement), are: awareness of the promising significance for public administration in the field of economic cooperation of the Eastern Partnership countries; the presence of political will activity in the process of capability; the desire of a particular political subject to implement defined goals and necessary reforms in the appropriate direction.

The existing negative experience in Ukraine's compliance with agreements with the European Union also indicates the growing risk of non-fulfillment of new obligations that will be imposed directly to Ukraine. Thus, the European side will further strengthen the control over the implementation of the provisions of the Association Agreement between Ukraine and the European Union, and therefore, no imitation of positive active activity will replace the real state.

The prospect of a socio-political mechanism for the implementation of public administration in the sphere of economic cooperation of the Eastern Partnership countries is in the process of meeting the criteria (i.e., the Füle matrix or "19 indicators") developed by the European Union for the signing of the Association Agreement (today only four remain):

1. Settlement of the issue of socially and politically dynamic motivated various verdicts without any delay (paragraph 6).
2. In parallel with the consultations with the Council of Europe / Venice Commission, the already adopted law on the prosecutor's office needs to be revised (paragraph 10). This item on the "Füle list" is under special control of the EU. In case of non-compliance, the chances of organizing an association are significantly reduced - for some EU countries, the settlement of the issue of the prosecutor's office is extremely important.
3. The current law on the judiciary and the status of judges needs to be revised together with the Council of Europe / Venice Commission (paragraph 13).

Such proposals contain a set of progressive points, primarily on improving the procedure for appointing and dismissing judges, determining changes in certain powers and the composition of the High Council of Justice. As a result, the direct influence of the Parliament on these processes and bodies will be leveled. At the same time, the preservation of excessive powers for the President to form the relevant judiciary and the participation in the High Council of Justice of the Prosecutor General are quite considerable concern. Thus, experts are convinced that the basic law on the judiciary and the status of judges should be changed today, and there is no need to wait until the relevant amendments to the Constitution come into force. In turn, according to experts, certain changes in legislation will not be able to change the current practice, without the manifestation of the highest "political will" such progress will remain only "on paper" and is unlikely to be adapted to real life.

4. Steps need to be taken to reform the police (paragraph 14).

Adoption of relevant normative legal acts (regulatory mechanism) is possible only if there is a strong "political will" for their necessity (social-political mechanism).

It should be noted that the Council of the European Union is the final instance for the signing of



the Association Agreement, and compliance with these criteria is a key condition for the signing of the Agreement. Thus, the socio-political and regulatory mechanisms in this aspect are quite closely intersected, an urgent question arises as to the possibility of integrated use, and therefore the importance of such mechanisms directly at the I stage of the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries is extremely large.

To ensure the effectiveness of public administration in the sphere of economic cooperation of the Eastern Partnership countries while facilitating the preparation for the signing of the Association Agreement between Ukraine and the EU, it is relevant to develop a certain strategic program document and, first of all, the Technical Calendar with the timing of the implementation of the provisions of the Association Agreement between Ukraine and the EU (regulatory mechanism), this will provide an opportunity to specifically coordinate certain actions for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries, to monitor certain progress or regress in the process of its implementation.

During the implementation of the first stage, the functions of the necessary internal support of the public administration process in the field of economic cooperation of the Eastern Partnership countries are entrusted to higher, central and local executive bodies of Ukraine, their long-term cooperation with the legislature and certain local governments is envisaged.

Given the above, it is necessary to use effective institutional-administrative mechanisms for public administration in the field of economic cooperation of the Eastern Partnership countries, this will contribute to the improvement of clear interaction between the relevant state authorities and local governments in the process of formation and implementation of public administration in the field of economic cooperation of the Eastern Partnership countries.

At the present stage, the information-communication mechanism of public administration in the field of economic cooperation of the Eastern Partnership countries is becoming especially relevant. It is important that in the process of implementation of certain priorities of public administration in the field of economic cooperation of the Eastern Partnership countries, broad, comprehensive access to information for the public should be provided: firstly, it will contribute to the proper support of the relevant state policy by the population, and secondly, access to information is a conceptual component of ensuring the signing of the Association Agreement. In turn, at this stage it does not seem to be a fundamental point.

It is the monitoring of public administration in the field of economic cooperation of the Eastern Partnership countries and taking into account the political situation in our country that makes it possible to state that the performance of state functions in the process of public administration in the field of economic cooperation of the Eastern Partnership countries requires: a transition to a higher level of system coordination and planning (institutional-administrative mechanisms); appropriate political will, due to which more attention is paid to the dynamic processes of democratization of all public life; the relevant relationship between government and society in real political practice; practical focus not only on financial, economic and technological governance in the field of economic cooperation of the Eastern Partnership countries, but also on others (socio-political mechanism); proper legislative support (regulatory mechanism) of public administration in the field of economic cooperation of the Eastern Partnership countries. Therefore, the systematic integrated use of socio-political, institutional-administrative and regulatory mechanisms will contribute to the success of public administration in the field of economic cooperation of the Eastern Partnership countries at the first stage.



For the effective implementation of any public administration policy in the field of economic cooperation of the Eastern Partnership countries, and even more so, European integration guidelines, an effective, transparent and understandable for citizens socio-political system must be introduced, which will ensure the effectiveness of certain reforms (financial and economic, socio-political, regulatory, socio-cultural, etc.). Therefore, at the first stage, in the process of public discussion of various documents on public administration in the sphere of economic cooperation of the Eastern Partnership countries and the content of key reforms, it is quite important to apply the information-communication mechanism, which is an important condition for successful public administration in the field of economic cooperation of the Eastern Partnership countries.

As we can see, in the process of implementation of the first stage of public administration in the field of economic cooperation of the Eastern Partnership countries – preparation for implementation of the Association Agreement, almost all mechanisms are relevant; however, one of the key is the socio-political mechanism.

In the process of public administration in the field of economic cooperation of the Eastern Partnership countries at the second stage, the priorities for the use of mechanisms are constantly changing.

Thus, the regulatory and legal support of public administration in the field of economic cooperation of the Eastern Partnership countries, in particular in the field of implementation of the provisions of the Association Agreement, is a very important area in the work of executive bodies. Ukraine's membership in the EU directly depends on the effectiveness of this activity. This situation, first of all, is related, in particular, to the fact that the relevant normative acts of executive authorities of different levels of management take a very important place in the regulatory and legal system of Ukraine, which, in turn, should certainly be timely adapted to the legal system of the EU member states. The normative and legal mechanism is quite relevant at the moment; its main function is the formation of the necessary qualitative normative-legal framework. Without such a base, successful implementation of the Agreement is not possible. During this period, usually due to the implementation of the regulatory mechanism, the domestic legislation is adapted to the current legislation of the EU and the necessary legislative conditions are created for public administration in the field of economic cooperation of the Eastern Partnership countries and so on.

Thus, the regulatory mechanism is focused on the preparation of the National program for the implementation of the Association Agreement, corresponding to the Strategy for Ukraine's integration into the EU, the Concept for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries in Ukraine, that is, key documents, the adoption and implementation of their provisions contributes to the success of this policy.

At the current stage, the socio-political mechanism of public administration in the field of economic cooperation of the Eastern Partnership countries also plays a key role, because it is to some extent responsible for the decision-making process on the development and implementation of relevant regulations.

In the process of implementation of key provisions for the Association Agreement between Ukraine and the EU, the financial-economic mechanism also becomes more relevant. After all, effective planning with the calculation of possible prospects, completeness of the financing process, ensuring proper financial control over the organizational process, facilitating the improvement of the level of financial stability will significantly increase the effectiveness of public administration in the field of economic cooperation of the Eastern Partnership countries.



At this stage, it is very important to use an effective institutional-administrative mechanism to improve the organizational and institutional structure to improve the quality of governance and ensure greater coordination of public policy of European integration. It should be borne in mind that the successful implementation of the key provisions set out in the Association Agreement between Ukraine and the EU directly depends on the current system of facilitating the coordination of public administration in the field of economic cooperation of the Eastern Partnership countries. In fact, it is a question of forming a coordinating body, which operates on a permanent basis, which will significantly speed up the process of making effective government decisions on public administration in the field of economic cooperation of the Eastern Partnership countries and improve their quality. After all, the process of approving draft decisions will not take place in each of the ministries, but during public discussions and open discussions, in which all stakeholders will participate, including representatives of the third sector.

In this context, the relevance of determining the place in the system of government, key tasks, defining the functions and powers of the mentioned central coordinating body for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries is growing.

Institutional-administrative reform for the formation of a renewed public administration in the field of economic cooperation of the Eastern Partnership actually consists in significantly strengthening the state's capacity in this area, the ability to coherent and responsible activities, ensuring appropriate policies of institutions, democratization of civil society, as well as, creates certain favorable conditions for Ukraine's entry into the European socio-political, financial-economic and regulatory space.

The personnel of subdivisions of various central and local executive bodies, which are directly responsible for public administration issues in the field of economic cooperation of the Eastern Partnership countries, taking into account their subordination to a certain central authority, should be significantly strengthened through institutional-administrative mechanism. In addition, in order to effectively implement a balanced European policy, a civil servant must, above all, be a patriot of his country, have a high level of necessary knowledge, effective skills, be honest, competent, highly professional, proactive, able to successfully find solutions to pressing problems national, regional and local levels of government in the field of economic cooperation of the Eastern Partnership countries.

Thus, during the implementation of the second stage, it is necessary to carry out constant monitoring of the general line of compliance with the provisions of the Association Agreement, as well as the implementation of the European integration policy in general, to involve civil society institutions in the assessment and verification of the state of compliance with the contractual obligations that Ukraine has assumed in relation to the EU, that is, it is necessary to make maximum use of the institutional-administrative mechanism.

Thus, during the implementation of the entire second stage, with the help of media resources and other sources of public information, it is advisable to timely inform the population of the country about the course of European integration processes taking place in the country. In addition, it is necessary to take into account the analysis of compliance with the provisions of public administration in the field of economic cooperation of the Eastern Partnership countries, which is carried out by the bodies responsible for such activities (information-communication mechanism). In order to increase the effectiveness of assessing and monitoring the state of compliance with legal obligations under Ukraine to the EU and the implementation of public administration policy



in the field of economic cooperation of the Eastern Partnership, which is in the field of civil society institutions, and is mandatory during process of implementation of the second stage of public administration in the field of economic cooperation of the Eastern Partnership countries (information-communication mechanism), it is necessary:

- to structure the system and hierarchy of documents and programs on the basis of which public administration in the field of economic cooperation of the Eastern Partnership countries is formed and implemented, with clear provisions for evaluation and monitoring;
- provide for the existence at the central level of an effective institution that should ensure coordination, proper planning, effective monitoring and evaluation of the realization of public administration in the field of economic cooperation of the Eastern Partnership countries;
- provide the appropriate legal framework necessary for compliance, monitoring and timely evaluation of the implementation of the Association Agreement;
- develop an institutional mechanism to facilitate coordination to the implementation of the main provisions of the Association Agreement, which will be responsible for the quality organization of monitoring and evaluation;
- to establish a general understanding and agreement between key stakeholders of the monitoring process;
- generate a request for accountability from civil society and parliament;
- to dynamically develop the capacity of the relevant ministries to conduct quality monitoring and evaluation, for which the necessary key skills must be available, it is necessary to create databases, organize resource provision;
- ensure the transparency of all procedures during the implementation of the provisions of the Association Agreement [116, p. 20].

In the process of realization of the III stage - direct preparation of Ukraine for the process of integration into the corresponding European socio-political, financial-economic and normative-legal space, the information-communication mechanism acquires special urgency. This mechanism:

- is responsible for the level of general public awareness about the course of resolving European integration issues;
- promotes openness, transparency and accessibility of information exchange between public authorities at different levels;
- allows timely publication of draft regulations in the media, including on various websites of public authorities and in official publications;
- makes it possible to enshrine at the legislative level the necessary procedures for holding referendums, conferences, public hearings, etc.

At the third stage the use of the information mechanism will provide:

- intensification of public participation in the formation of public administration policy in the field of economic cooperation of the Eastern Partnership countries;
- the ability of citizens to influence the relevant management decisions, budget development;
- appropriate levels of general public awareness of the peculiarities of public administration in the field of economic cooperation of the Eastern Partnership countries, openness, transparency and accessibility of information directly at the level of authorities;
- adequate support for effective dialogue between the relevant authorities and civil society;
- coherence of socio-economic interests of the state and society in the regulation of public administration issues in the field of economic cooperation of the Eastern Partnership countries,



etc.

Due to the implementation of the functions of the information-communication mechanism, the opinion of the entire population on joining the relevant European socio-political, financial, economic and legislative space will be presented and taken into account.

In this aspect, for the effective implementation of public administration in the field of economic cooperation of the Eastern Partnership countries, it becomes important to organize public consultations as an important element of the process of developing and implementing effective policy by authorities of all levels. Public consultations conducted to date without taking into account progressive legislation have not acquired a specific systemic practice in the activities of the authorities.

Institutional-administrative mechanism designed to: form and strengthen the relevant legal framework of an effective organizational structure responsible for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries in the country; to form a modern system of training and retraining of highly qualified management personnel who are directly related to the process of public administration in the field of economic cooperation of the Eastern Partnership countries; to ensure the active participation of all social strata in the formation of the state policy of European integration.

The application of the institutional-administrative mechanism will ensure a clear division of powers of state institutions involved in the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries and the subjects of the socio-political process. These powers must be clearly defined, it must ensure the reliable implementation of the rights and freedoms of citizens and take into account the views of all segments of the population on European integration policy.

Effective implementation of public administration in the field of economic cooperation of the Eastern Partnership countries of Ukraine is possible only through the development of a clear vertical and horizontal institutions of power that are responsible for dealing with various European integration issues. The application of the institutional-administrative mechanism helps to clearly and concretely define the powers of such institutions and other subjects of the socio-political process involved in the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries.

Institutionalization of the process of European integration is becoming very important on the way to effective implementation of public administration in the field of economic cooperation of the Eastern Partnership countries. This directly means the process of formation and functioning of a network of special institutions, the main functions of which are the formation, implementation, monitoring and evaluation of state policy of integration with the European Union.

The financial-economic mechanism is responsible not only for financial support related to the implementation of European integration policy, but also for providing ongoing financial support for initiatives related to the settlement of tasks related to the effective European integration policy of each state and the like. Taking into account all the above, it should be noted that the application of mechanisms for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries of Ukraine is flexible and may vary depending on the specific situation.

Thus, in the process of implementing public administration in the field of economic cooperation of the Eastern Partnership countries at the first stage, the main mechanism is socio-political, because the foundations are laid for further implementation of European integration priorities in



Ukraine. Normative-legal and institutional-administrative mechanism are also important. It is through these two mechanisms that specific powers are distributed among the relevant actors in the implementation of public administration policy in the field of economic cooperation of the Eastern Partnership countries. These mechanisms ensure the effective implementation of the policy, as well as, in order to conduct a consistent, systematic implementation of such a policy, form the regulatory framework. The financial-economic mechanism of public administration at this stage is not fully involved. The key task of implementing the information-communication mechanism of public administration in the field of economic cooperation of the Eastern Partnership countries at the first stage involves the formation of public opinion in the field of such policy and public support for its implementation.

At the second stage, normative-legal and institutional-administrative mechanism are become the main ones, they serve as conceptual bases of public administration in the field of economic cooperation of the Eastern Partnership countries of Ukraine, in particular, on observance of requirements of implementation of provisions of the Association Agreement. Usually, in the process of ensuring the implementation of the Association Agreement, the financial-economic mechanism is especially relevant, because it is responsible for stable financing of the relevant European integration policy, without this material support the implementation of policy provisions will be almost impossible.

During this period, the influence of the socio-political mechanism partially decreases. As at this stage the socio-political mechanism has practically lost its previous crucial importance, it is intended only to determine the choice of priority areas for further development and effective implementation of the already chosen European integration policy, to coordinate actions necessary to strengthen socio-political relations; the main goal is to implement public administration policy in the field of economic cooperation of the Eastern Partnership countries.

The information-communication mechanism at the second stage ensures the use of innovative IT technologies in the organization of monitoring of key areas of public administration in the field of economic cooperation of the Eastern Partnership countries, as well as provides access to the necessary information. At the same time, the information-communication mechanism operates taking into account the European integration situation in the country. At this stage, mechanism is extremely important for the successful implementation of the provisions of the Association Agreement. Thus, it is necessary to promote the organization of public monitoring for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries. The key methods for conducting public monitoring are as follows:

- analysis of relevant legal documents governing public administration in the field of economic cooperation of the Eastern Partnership countries;
- providing the necessary information in accordance with requests and appeals to public authorities in the context of obtaining relevant information in the field of public administration in the field of economic cooperation of the Eastern Partnership countries;
- in the process of development and adoption of balanced management decisions on the implementation of European integration policy, the implementation of external monitoring directly on the work of responsible officials of public authorities of different levels of government and collegial bodies. This helps to assess the reality of the application of decision-making procedures and further analyze their compliance with applicable law.

In the further process of public administration in the field of economic cooperation of the Eastern Partnership countries - at the third stage, when Ukraine is preparing for integration into the



European socio-political, financial, economic and legislative space, the information-communication mechanism becomes extremely relevant.

The information-communication mechanism must be constantly involved in all three stages of public administration in the field of economic cooperation of the Eastern Partnership countries; the key to its successful application is the following provisions:

- timely updating of information on the current state and prospects of development of relations between Ukraine and the European Union;
- obtaining the necessary information on the negotiation process, on the relevant expected goals and structure of public administration in the field of economic cooperation of the Eastern Partnership countries, including creation of appropriate deep and comprehensive free trade zones between Ukraine and the Eastern Partnership countries;
- comprehensive informing of the population about the changes that have taken place during the formation and implementation of state policy in the field of economic cooperation of the Eastern Partnership countries;
- providing information on the adoption in the EU of sound management decisions on the organization of international relations, which relate directly to Ukraine and their implementation;
- organization of constant information and analytical work to ensure progress or regress in the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries, etc.

Thus, the relevance of the information-communication mechanism is due primarily to the fact that public opinion is formed by providing comprehensive information education, in particular, the acquisition of knowledge about the basic conceptual and methodological principles of state European integration policy, national interests, about the purpose of Ukraine's European integration, about the rules of functioning of the relevant institutions adopted in the EU, the living standards established in European countries. Citizens' understanding of the positive prospects that will result from effective cooperation between Ukraine and the EU and the Eastern Partnership countries will help strengthen public support for Ukraine's entry into the European socio-political, financial, economic and legislative space.

Unfortunately, in modern conditions, Ukraine's integration into the European Union does not receive the unanimous support of Ukrainian society. The main reason for this situation is the lack of awareness of citizens, which is expressed in the lack of knowledge about various aspects of European integration. In addition, the residents of Ukraine have not formed the necessary outlook that would allow to develop an active position on issues related to the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries. There is also a problem of understanding and acceptance by citizens of important democratic ideals and values. That is why, in this aspect, it is important to transparently and in a coordinated way inform the whole public about the peculiarities of resolving European integration issues. The solution of this problem is possible with the proper functioning of the information-communication mechanism.

Thus, in order to effectively implement public administration in the field of economic cooperation of the Eastern Partnership countries, it is necessary to increase the level of education of citizens, this can be achieved through the organization of the following: organization of large-scale visual information campaigns; conducting informational and educational activities for the formation of general public support for Ukraine's integration into the EU; creation and filling of websites with up-to-date information that will clearly cover all European integration issues; providing all



citizens with the opportunity to receive the necessary information online and to influence public administration decisions in the field of economic cooperation of the Eastern Partnership countries; establishing communication between the population and public authorities, which are entrusted with the main functions of implementing decisions of European integration policy, etc.

The use of the institutional-administrative mechanism also remains relevant, because at each stage, to promote the effective implementation of public administration in the field of economic cooperation of the Eastern Partnership countries, professional organization of the implementation of this policy is required.

CONCLUSIONS

Therefore, it can be argued that effective governance in the field of economic cooperation of the Eastern Partnership countries is possible only through clear coordination, for which the institutional-administrative mechanism is responsible, as well as proper financial support, ie stable functioning of financial-economic mechanism. Normative-legal and socio-political mechanisms are used at a stage that is not promising for the implementation of public administration in the field of economic cooperation of the Eastern Partnership countries. As the requirements for the organization of the efficiency of civil servants have increased significantly in Ukraine at the moment, proper information support, which enables to make informed management decisions, is of special importance.

As a result of the study, we identified the main relevant areas for Ukraine, which are reflected in the use of public administration mechanisms in the field of economic cooperation of the Eastern Partnership countries, in accordance with the priorities: "Economic development and market opportunities" – overcoming gaps in access to finance and financial infrastructure; attracting new opportunities for job creation at the local level; harmonization of digital markets in the context of achieving the objectives set out in the Association Agreement; implementation of provisions for the establishment of a deep and comprehensive free trade area; "Strengthening institutions and good governance" – strengthening the rule of law and the fight against corruption; carrying out key reforms in the judicial system; public administration reform; achieving national security goals; "Interconnection, energy efficiency, environment and climate change" – expansion of key TEN-T networks; energy efficiency, use of renewable energy, as well as emission reduction; preserving the environment and adapting to climate change; "Mobility and people-to-people contacts" – visa liberalization and mobility partnerships; youth, education, skills development and culture; the establishment of the European School of the Eastern Partnership; research and innovation.

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CURRENT ASPECTS OF STRATEGIC CONFLICT MANAGEMENT IN THE SYSTEM OF LOCAL GOVERNMENT

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ABSTRACT

The article examines the current components of strategic conflict management at the local government level. The importance of constructive conflicts that can prevent stagnation and stimulate further development of systems is emphasized. It is established that conflict management is aimed at choosing a method that will minimize the impact of negative emotions, give an objective description of the situation, determine further constructive actions of the parties to the conflict. It is emphasized that management without conflicts is impossible and the main strategies of conflict management in the system of local government are presented. It is noted that constructive conflict resolution provides certain options. Methods of conflict resolution, as well as their positive and negative sides, are described. The author's vision of an effective conflict management algorithm in the system of local government is presented and the need for proper assessment of the risk of conflicts to increase the effectiveness of this process is emphasized.

Keywords: conflict management, local government, risk management, strategic conflict management, conflict resolution.

INTRODUCTION

Formulation of the problem. In the context of public administration reform in Ukraine, the problem of conflict interaction requires a deep theoretical understanding and solution of several extremely important issues, as it concerns a large number of participants in public management. Scholars and practitioners of public management have repeatedly emphasized that the problem of conflict in the system of public relations requires innovative thinking through the prism of improving the process of interaction and the development of technologies for conflict prevention or its effective resolution. The main elements of such a system are relations between civil society and public authorities, which act simultaneously in the interests of society and their own. As Ukraine is on the path of profound transformations that affect the sphere of the social life of citizens, issues of social conflicts remain the most relevant for the public management system, as the level of tension within the state and the development of civil society depend on them.

Analysis of recent research and publications. Scholars continue to actively explore ways to improve the effectiveness of conflict management in the practical field of public management. The conflict management process was considered in detail by L. Dolynska, A. Hirnyk, N. Hryshyna, Y. Kalyuzhna, L. Karamushka, L. Lozhkin, N. Novikova, N. Poviakel, B. Khasan, and others. O. Danilyan, D. Dzvinchuk, T. Karlov, N. Nyzhnyk, M. Piren, A. Poichenko, N. Fedchun, and others directly studied the peculiarities of conflicts in the system of public management.

The purpose of the article. Research of existing conflict management strategies, ways of conflict resolution, and construction of conflict management algorithms in the system of local government



Presenting main material. The current view is based on the fact that even in organizations with good governance, some conflicts are not only possible but may be desirable. The latter is assigned the role of so-called constructive conflicts, which are based on differences in the solution of fundamental problems of the system, which can prevent stagnation and stimulate further development [1].

Important in the process of extracting relevant information about the conflict and its further analysis is the temporal characteristics of the conflict situation [2]. Of course, such characteristics will directly affect the conflict management process, because even in the presence of the situation at the moment it is very difficult to make an objective analysis, characterize the parameters, as well as the current negative emotions of the parties to the conflict. In this case, the conflict management will be aimed at choosing a method that will minimize the impact of negative emotions and give an objective description of the situation, to determine further constructive actions of the parties to the conflict [3]. Therefore, in conflict situations in the system of local self-government, it is possible to reach constructive decisions or "go into a dead-end", because governance without conflicts is impossible. The main strategies of conflict management in the system of local government, which can be used in different situations, should be presented in the form of Table 1.

Table 1**Possible conflict management strategies at the local government level**

Name	Characteristics
Ignore strategy	To effectively manage a conflict, it is necessary to study its development, level of opportunities, and place in the system of contradictions. Sometimes minor contradictions at different levels of local self-government are difficult to identify, and their consequence is the constancy of conflicts. Hidden contradictions between local self-government entities in the absence of their declaration do not manifest themselves in the form of a conflict, which creates a safe situation and erroneous use of the strategy of ignoring.
Conflict elimination	Such a strategy involves changes in the conflict environment after it ends. Although there are a large number of ways to eliminate or isolate one of the parties to the conflict, however, in the local government system, most of them are not suitable for use. This strategy is more appealing for resolving conflicts in the business environment.
Conflict resolution	Strategy is related to changes in the behavior / properties of participants in the conflict, which create a conflict-free environment. For example, when the conflicting parties are at different hierarchical levels in the local government system and have an unequal amount of power resources, a decision may be made to change the formal structure in someone's favor. In the case of resolving conflicts through negotiations, it is worth considering an important condition – the participation of all parties authorized to make decisions. If negotiations are held without responsible persons, the contradictions of the parties and hostile relations may be removed, but the primary sources of the



	conflict will remain unresolved.
Using the conflict for it's own purposes	It provides for the choice of the subject of the conflict of a way of behavior that is beneficial to him in a conflict situation. For example, if we are talking about conflicts in the formal structure of local self-government bodies, the subjects of the conflict are: 1) Limited in freedom of action, since they are formal cells of the organization; 2) have a certain level of freedom, like ordinary citizens. Thus, in the management structure, a public servant may have a conflict with management or other employees, and therefore, it is worth noting that a constantly smoldering conflict is likely to develop into problems for the entire local government system.
Conflict escalation	In a general sense, it acts as ignoring the conflict and involves managing its growth or resolution. The strategy is usually chosen as the best "of the two evils". In addition, it is used if it is necessary to strengthen the internal structure of certain groups or in an era of change. In some cases, it allows you to identify all parties interested in the object of the conflict (which remained in the shadows) and important aspects of the conflict that have passed attention. To bring the system out of stagnation, sometimes it is necessary to break the balance, which interferes with further development.
Confrontation	Usually, such a strategy is used in the process of interaction with the external environment and is a form of implementing a strategy for escalating the conflict, as well as related to the identification and awareness of the conflict by the parties. The form is convenient in cases where there is a hidden contradiction of the conflict, and the conflicting parties declare superficial and understandable factors. It also allows you to understand the real state of affairs and can be applied in combination with other strategies.

In this focus, we note that constructive conflict resolution involves the use of concession, compromise, humor, cooperation, and awareness of the positions of the parties, and conflict resolution involves possible options: 1) concessions from one of the parties; 2) compromise as a result of equality of the conflicting parties; 3) participants in the conflict become victims of a third party who previously did not take part in the conflict. Currently, there are also five ways to resolve conflicts, which are general, and each of which has its own positive and negative aspects (Table 2).

So, the formation of an optimal model of conflict management in the local government system should take into account the existing research of scientists in the modern socio-economic environment, which will help to better understand not only the nature of the conflict but also to use all important aspects of possible ways to resolve conflicts. The implementation of conflict situations at the local level can lead not only to the emergence of psychological tension but also to a decrease in the effectiveness of all local government entities.

**Table 2****Key ways to resolve conflicts in the local government system**

Method	Pros	Cons
Adaptations	if the subject of the dispute is not important enough, but it is more important to maintain the relationship, then the concession allows the other party to assert itself in a certain way, which may be the best option for behaviour.	if the conflict raises important issues, such a strategy cannot be considered productive. Its consequences will be negative emotions of the conceded party, and in the future, there may be a loss of trust, respect, and mutual understanding between the participants in the conflict.
Compromise	interests of all conflicting parties are taken into account, and such a result can most likely be called fair	it should be noted that in the vast majority of cases, a compromise is considered only as an intermediate stage of conflict resolution before finding the necessary solution, in which all parties would be able to fully meet their needs.
Cooperation	this method can be perceived as the most constructive if the subject of the dispute is important for both participants. The desire to listen to the other, understand a different point of view, take into account other interests and find the right solution that suits the parties is a necessary condition for any strategic relationship, as it contributes to the development of mutual understanding, trust, and gives the relationship stability.	it is important to note that in many situations, finding a solution that suits all parties can be difficult, especially if one of the parties is not ready to cooperate. Under such conditions, the process of finding a solution to the conflict can become long and difficult.
Avoidance (evasion, ignoring)	the strategy can be useful in cases where: 1) the subject of the conflict is not very important; 2) it is not necessary to maintain a long-term relationship with the other party to the conflict	from the strategic perspective of relations, it is important to openly discuss controversial issues, since avoiding existing difficulties can lead to the accumulation of dissatisfaction and tension.



Emulation (contest, rivalry)	defending your interests as opposed to the interests of the other party can help you temporarily gain a certain advantage in a conflict situation.	this approach is not effective for maintaining long-term relationships. In a long-term relationship, you can only use elements of the competition if it is conducted fairly. In this case, you can force people to achieve their goals more actively.
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Here it is necessary to take into account the need to form a certain subsystem of talent and leadership management, as a feature of Conflict Management, which will contribute to a comprehensive vision of Local Government problems and allow us to present a holistic approach to conflict management based on appropriate strategic attitudes. Taking into account the above, the author's vision of the conflict management algorithm in the local government system is generally presented in Figure 1.

At the same time, in this case, it is important to take into account the risk of conflicts, which, according to the author, should be understood as regulatory, administrative, organizational, as well as other factors (factors, conditions) in the activities of Public Administration entities that contribute or may contribute to the emergence of conflict situations. Work with such risks should be formed as follows: 1) identification of risks; 2) assessment and analysis of risks; 3) Risk Management; 4) development of strategies, programs, plans, as well as control over their implementation. Conflict risk identification is the process of identifying, realizing, and understanding such risks by public administration entities. Risk assessment consists in identifying potential and real consequences for certain areas of the local government system. In addition, risk assessment determines the probability of their occurrence. Risk analysis involves studying the causes and conditions of risks, as well as possible consequences after their implementation. Risk management is the identification and selection of the most effective measures to counter and prevent conflict situations. At the stage of planning and monitoring the implementation of relevant strategies, programs, and plans, further steps are developed to identify, assess and manage risks, and the effectiveness of previously implemented conflict prevention measures and monitoring their implementation is analyzed. In the practical analysis of individual areas and types of activities, depending on specific circumstances, other, different ways of identifying risks can be used, specific methods of their prevention and elimination (minimization) can be developed and used, more characteristic of a particular, specific field of activity.

So, we can state that interaction is the basic characteristic of conflict, and effective conflict management involves the use of effective managerial influences. In this case, the importance of the conflict for the public administration system increases, which is to promote its renewal and adaptation to the changes taking place in Ukraine. In conflict situations, the local government system has certain conflict management strategies that can be used in various situations. At the same time, various methods of conflict resolution have both positive and negative aspects, which should be taken into account when building an optimal model of conflict management at the local government level. The presented conflict management algorithm will increase the effectiveness of this process, provided that the risk of conflicts is properly assessed.

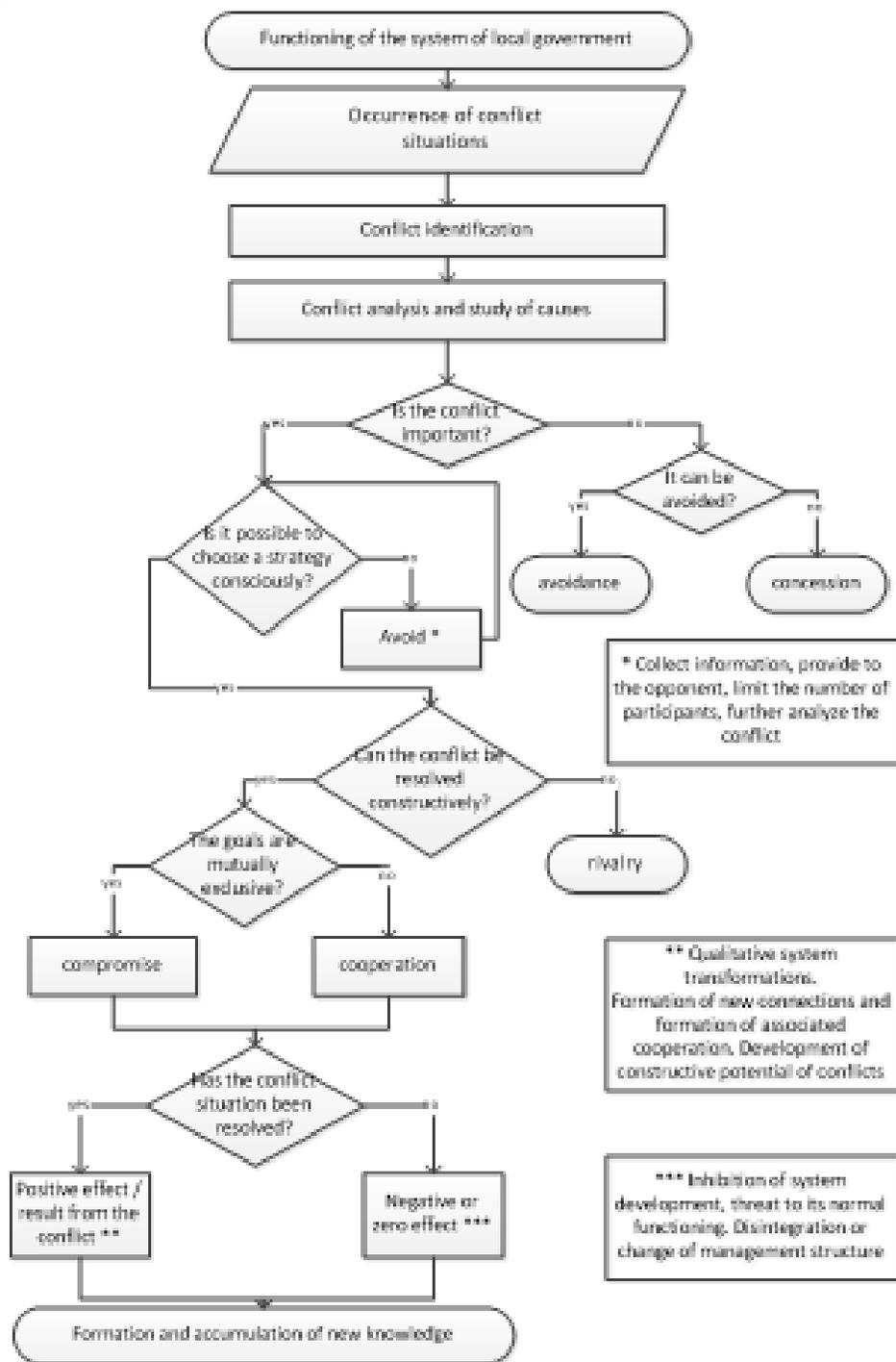


Fig.1. Algorithm for managing conflicts in the local government system⁴

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STRATEGIC VECTORS OF FUNCTIONING OF THE FINANCIAL MECHANISM FOR REGULATION OF THE AGRICULTURAL SECTOR DEVELOPMENT IN UKRAINE

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ABSTRACT

The article presents the strategic guidelines of the financial mechanism for state regulation of the domestic agricultural sector development: state regulation methods of the agricultural sector development do not directly relate to this sphere, but affect the efficiency of its operation; protection of agricultural producers in the domestic market, stimulation of the export of agricultural products and food, promotion of the creation of a single agricultural market, creation of favorable conditions for import of machinery and technologies that increase the competitiveness of domestic agricultural producers; development of the regulatory framework for the functioning of the agricultural sector of the country; improvement of land relations; ensuring the development of production infrastructure, which involves the allocation of public funds for long-term activities: subsidies for the construction of farm buildings, land reclamation, as well as promotion of the establishment of farmers' associations; development of integration processes in the agricultural sector; promotion of the intensification of investment processes in agriculture; provision of commodity producers with agricultural machinery, development and improvement of leasing activities; regulation of rational use of natural resources; regulation and support of research activities. The financial mechanism of state regulation of the development of the agricultural sector in Ukraine is represented by a set of organizational and functional institutions, among which public authorities occupy a prominent place. The basic and determining institution for the agricultural sector development in Ukraine is the institution of the state, which covers the system of legislative, executive and judicial authorities, functioning of which affects all components of public life.

Key words: agricultural sector, financial mechanism, state regulation, development, financial and credit policy

INTRODUCTION

Formulation of the problem. Agricultural production is a sphere where financial and credit relations play an important role. In order to ensure the effective functioning of the agricultural sector in the current market environment, it is necessary to pursue a prudent financial and credit policy in the context of the implementation of the state mechanism for regulation of the agricultural sector in the direction of creating conditions for its comprehensive strategic development. Ukraine continues making decisions in the direction of ensuring the functioning of an effective mechanism for state regulation of the agricultural sector, namely forming and improving financial and credit institutions. It is the participation of the state that becomes an indicator that characterizes the prospects for the agricultural sector development in Ukraine. After all, in the conditions of long-term information asymmetry, private financial and credit institutions focus mainly on business, which is able to independently carry out necessary amounts of



investment. Agricultural production is one of the economic spheres, which primarily requires the formation of effective state institutional support because its effectiveness influences food and environmental security, etc.

Analysis of recent researches and published papers. Leading scholars in public administration and economics have paid sufficient attention to the study of the problems related to the development of the financial mechanism for state regulation of the agricultural sector and its institutional support, namely: O. Amosov, O. Borodina, S. Volodin, V. Vorotin, V. Halushka, I. Hryshova, O. Datsii, M. Dem'ianenko, A. Dibrova, O. Dudka, S. Kvasha, O. Kovtun, M. Koretskyi, M. Latynin, S. Maistro, O. Mohylnyi, H. Mostovyi, T. Palamarchuk, O. Shpykuliaka, S. Shcherbyna, T. Shestakovska, O. Shulha and others.

The purpose of the article is to study current problems and substantiate the prospects for the development of the financial mechanism for state regulation of the agricultural sector development in Ukraine.

Results of the research. The financial mechanism for state regulation of the agricultural sector development in Ukraine is represented by a set of organizational and functional institutions, among which public authorities occupy a prominent place. The basic and determining institution for the agricultural sector development in Ukraine is the institution of the state, which covers the system of legislative, executive and judicial authorities, functioning of which affects all components of public life. The agricultural sector development depends on the functioning of the bodies of different regulatory levels, which act interconnected and form a complex mechanism. Based on this, we have identified the following main levels of organizational support for regulating the agricultural sector development in Ukraine:

- 1) international level is carried out in accordance with established treaties, quotas, standards and membership in international organizations (the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agricultural Development (IFAD), the International Federation of Organic Agricultural Movement (IFOAM), the Codex Alimentarius, a Food Safety Management System (HACCP); International Standard for the Management of Production and Supply of Safe Products (Global GAP);
- 2) European level contains a set of rules and regulations governing the production and trade of agricultural products (*Council Regulation (EC) No. 834/2007 of 28 June 2007 on organic production and labelling of organic products*, Regulation (EU) No. 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy);
- 3) national level (the Verkhovna Rada of Ukraine; the Ministry of Agrarian Policy and Food of Ukraine, the Committee on Agrarian Policy and Land Relations, the Ukrainian Fund for Entrepreneurship Support, the Ukrainian State Fund for Support of Farms);
- 4) regional level (regional departments of agro-industrial development, regional branches of the Ukrainian State Fund for Support of Farms);
- 5) local level (district departments of agro-industrial development, village and settlement councils) [1-3].

The organizational structure of the mechanism for state regulation of the agricultural sector development in Ukraine at the state level is represented by: the Verkhovna Rada of Ukraine, the President of Ukraine and the Cabinet of Ministers of Ukraine, which carry out their activities directly and through relevant state institutions within certain powers.



The Verkhovna Rada of Ukraine, which is the only legislative body of state power in Ukraine, occupies a special place in regulating the agricultural sector development. The Verkhovna Rada has a profile committee on agricultural policy and land relations, which includes 6 subcommittees that address a range of issues related to: improving the structure of public administration in the agricultural sector; innovation and basic industries in the agricultural sector; pricing in the agricultural sector; social, financial and economic policy in the agricultural sector.

The system of executive bodies that provide financial and credit regulation of the agricultural sector in Ukraine includes the following main state institutions: the Ministry of Agrarian Policy and Food of Ukraine, the Ministry of Ecology and Natural Resources of Ukraine, the Ministry of Economic Development and Trade of Ukraine, the Ministry of Finance of Ukraine, industry institutes, and subordinate institutions. For instance, among the subordinate institutions of the Ministry of Agrarian Policy and Food of Ukraine, a special role in the development of farms belongs to the Ukrainian State Fund for Support of Farms.

In our opinion, the financial mechanism for state regulation of the agricultural sector development in Ukraine can be represented as a set of interdependent elements that provide regulatory, optimization and control functions for the functioning of the agricultural sector, increase its competitiveness and profitability of the agrarian producers.

State support for current activities (preferential taxation and lending for seasonal work in agriculture, price regulation, support for producers' incomes, including direct state payments, which include compensation payments, disaster loss payments, public procurement, insurance, etc.), has more tactical, short-term nature in relation to the above-mentioned strategic objectives of state regulation and support for the agricultural sector development on an investment and innovation basis. It is aimed at solving the problems that arise for businesses in the process of current production and economic activities and should stimulate the implementation of the main blocks of the program for strategic agricultural sector development in Ukraine.

Given the complex current state of the agricultural sector in Ukraine, subsidies and compensations play an important role in generating income from sales of products, especially livestock. However, it should be noted that the existing system of subsidies and compensatory payments, unfortunately, does not create incentives for the effective operation of the agricultural sector. In practice, the compensatory-cost approach to the distribution of financial resources allocated to the agricultural sector prevails. Most often, farms that work less efficiently receive larger subsidies and vice versa, which does not contribute to the interest of agricultural producers in improving their performance.

The current mechanism for financial and credit state support for the agricultural sector does not solve the problem of objectively determining the size of the needs of agricultural businesses in relevant funds, primarily because there are no generally accepted criteria for assessing the need for support and priorities in their allocation. In general, the main disadvantage of the existing mechanism for financial and credit state support is the lack of sufficient regulatory materials that determine the necessary subsidy operations in certain areas. This includes the lack of economic incentives and responsibilities that ensure the rational use and reduction of state support funds, as well as the weakness of control over their spending. The existence of the above-mentioned shortcomings has led to a decrease in the amount allocated by the state for the agricultural sector development [2-4].

It should be emphasized that the level of financial support is largely determined not by economic but by political reasons, and primarily by the effectiveness of agricultural lobbying in the



legislature. For instance, in foreign countries, the first and third spheres of the agricultural sector are interested in state support for agricultural producers only indirectly, because financially independent farmers are in demand for their goods and services. On the contrary, in Ukraine, agrarian producers receive in some cases direct transfers from the budget. Therefore, a significant part of the agricultural budget is funds to support the development of agricultural enterprises.

Proponents and opponents of agricultural protectionism have a misconception that the level of real support for the agricultural sector is measured by the scale of budget expenditures. The agricultural sector is focused on increasing its expenditures from the state budget, and supporters of the liberal approach seek to oppose this. However, the amount of budget expenditures itself cannot serve as a reliable assessment of the level of state support for this sector. Their increase or decrease still does not indicate an improvement or deterioration of the situation of agricultural producers.

Moreover, the financial problems of the agricultural sector are not only connected to a lack of funds, but also to an inefficient mechanism for their use. Thus, the problem is not only how much financial resources should be allocated from the budget for agricultural production, but also how best to dispose of them. As a result, it encourages the improvement of the existing financial mechanism of state support of the agricultural sector of Ukraine in modern conditions.

The statements of leading scholars that the market mechanism and state regulation of the agricultural sector are complementary elements of modernity are indeed true. After all, the state must perform those functions that the market cannot provide, and the main tasks include the formation of an effective regulatory framework, protection of competition and property rights, distribution and redistribution of income. However, the priorities of state regulation have been changing over the years since in the relevant period of time there is a need to implement the relevant goals, which must comply with modern methods and principles of state regulation. In our opinion, state intervention in the agricultural sector development should be rational and balanced [4].

The market relations development in Ukraine has prompted the formation of prerequisites for the self-organization of the agricultural sector. The study of the forms of state regulation has led to conclusions that confirm the existence and periodic updating of mixed forms of regulation of the agricultural sector, i.e. a combination of state regulation and functioning of self-governing economic initiatives. In modern conditions, such forms are quite relevant in the implementation of tools for effective regulation of the agricultural sector development in Ukraine. This approach to the regulation of the agricultural sector is appropriate because the results of its operation are of great social importance for the country.

In turn, the symbiosis of the market and state regulatory mechanisms for the agricultural sector development is specified in the direct functions of the state to influence the stimulation of market mechanisms of self-regulation in the context of ensuring agricultural product competitiveness. The content of this function of state regulation is to implement a set of measures to influence the production and social processes through the development of methods of the financial mechanism for state regulation of the agricultural sector development (Table 1).

Thus, in our opinion, ensuring effective implementation of the methods of the financial mechanism for state regulation serves as a strategic basis for the financial stability of the agricultural sector.

**Table 1**

**Methods of the financial mechanism for state regulation of agricultural sector development
in the conditions of market economy**

Method groups	Method content
Budget policy	functioning of special funds of state support at the international, state and regional levels in the direction of providing: acquisition of material and technical resources, crop insurance; regulation of foreign economic activity, financing of works on preservation of soil fertility and production of ecological products; guaranteed purchase of agricultural products;
Tax policy	establishing a single land tax for all agricultural producers; imposing preferential taxation for all legal entities and individuals financing the development of agricultural sector entities
Credit policy	providing access to long-term lending to the agricultural sector on favorable terms for the period of restoration of price parity for agricultural products; loan debt restructuring
Pricing policy	purchasing agricultural products to state resources at guaranteed prices; introduction of partial subsidies of certain subjects of the agricultural sector; ensuring the profitability of agricultural sector entities at the level of expanded reproduction through price and non-price regulators

Source: [2; 5-6]

Given the world experience, agricultural specialists define that the main strategic goal of the agricultural sector is to ensure food security of the country and strengthen Ukraine's position in the world market of food and agricultural products [7]. In this regard, we propose to identify the main strategic guidelines of the financial mechanism for state regulation of the domestic agricultural sector, as follows:

- macroeconomic policy: state regulation methods of the agricultural sector development do not directly relate to this sphere, but affect the efficiency of its operation (preferential tax policy, support for the national currency, foreign trade);
- protection of agricultural producers in the domestic market, stimulation of the export of agricultural products and food, promotion of the creation of a single agricultural market, creation of favorable conditions for import of machinery and technologies that increase the competitiveness of domestic agricultural producers;
- development of the regulatory framework for the functioning of the agricultural sector of the country;
- improvement of land relations;
- ensuring the development of production infrastructure, which involves the allocation of public funds for long-term activities: subsidies for the construction of farm buildings, land reclamation, as well as promotion of the establishment of farmers' associations;
- development of integration processes in the agricultural sector;
- promotion of the intensification of investment processes in agriculture;



- provision of commodity producers with agricultural machinery, development and improvement of leasing activities;
- regulation of rational use of natural resources;
- regulation and support of research activities, etc. [2; 3; 5].

For the effectiveness of the implementation of the above strategic guidelines, the state through appropriate mechanisms focuses on creating the necessary conditions for the agricultural sector development. Furthermore, when forming the financial mechanism for state regulation of agricultural sector development, it is worth remembering the multifunctional role of the agricultural sector. Its importance lies not only in providing the country with necessary food and food security but also in solving other tasks: employment, socio-economic development, conservation of land and natural resources, etc. The interaction of mechanisms of market self-regulation and state regulation in the agricultural sector is manifested in the effectiveness of state regulation of food production and consumption in the context of globalization and determined by the optimal combination of domestic production and export-import policy [7]. In addition, it should be noted that self-regulatory institutions of agricultural sector development should not be limited to performing self-regulatory functions, but should be endowed by the state with real delegated powers. It will help to achieve a rational combination of market and state regulation and compromise public-private regulation.

CONCLUSIONS

The financial mechanism for state regulation of the agricultural sector development in Ukraine is represented by a set of organizational and functional institutions, among which public authorities occupy a prominent place. The basic and determining institution for the development of the agricultural sector in Ukraine is the institution of the state, which covers the system of legislative, executive and judicial authorities, the functioning of which affects all components of public life. The development of the agricultural sector depends on the functioning of the bodies of different regulatory levels, which act interconnected and form a complex mechanism. The market relations development in Ukraine has prompted the formation of prerequisites for the self-organization of the agricultural sector. The study of the forms of state regulation has led to conclusions that confirm the existence and periodic updating of mixed forms of regulation of the agricultural sector, i.e. a combination of state regulation and functioning of self-governing economic initiatives. In modern conditions, such forms are quite relevant in the implementation of tools for effective regulation of the agricultural sector development in Ukraine. Thus, the financial mechanism for state regulation of the agricultural sector development should be formed based on the situation of domestic and foreign markets, existing and potential opportunities of the agricultural sector. Taking into account natural and organizational and economic conditions, the volumes of production necessary for ensuring food security in Ukraine must be substantiated.

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CURRENT PROBLEMS OF AGRICULTURAL LAND RENTAL

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ABSTRACT

The article highlights one of the current problems in land relations. With the opening of the land market, this problem has become even more relevant, as the owner of the land today in the person of the landlord - is a subject not protected by the state. Some of the most important aspects of the landlord-tenant relationship will be covered in the next article.

Keywords: standard contract, lease agreement, landlord, tenant, rights of the landlord, obligations of the tenant.

INTRODUCTION

Formulation of the problem. Land conflicts in Ukraine have been the most common category of disputes for many years. Land use in Ukraine is a link that requires a balanced state policy, effective forms and mechanisms of state regulation. The issue of leases in relation to agricultural land is becoming quite relevant from year to year, and with the opening of the land market, this issue has become global among landowners. Therefore, for the sustainable development of relations between the state and man, special attention is paid to the lease of agricultural land. The task is to address these shortcomings and develop the institution of rent.

Analysis of recent research and publications. Zinchuk T.O. paid a lot of attention to the study of the main problems of the land relations market in agriculture. [13], state regulation of the land market Alenikova O.V. [10], Kovalenko T.O. [11], Ternivsky T. [8], Penzdey L. [14], Mishchenko D.A. [12]. Among the modern scientific researches devoted to separate aspects of lease of agricultural lands, it is necessary to allocate works of Sokolova A.K. , Pogribny O.O, Shulga M.V., Dmitrenko I.A, Kulinich P.F. , Sonyuk V.A., Titova N.I., Fedorovich V.I. , Yanchuk V.V. , Nosyk V.V. , and other scientists.

Research results. Land lease in the current conditions of development of land relations in Ukraine is the main form of acquisition of land rights by agricultural producers. The right to lease agricultural land is acquired by concluding a land lease agreement. Recently, there has been a trend towards long-term land leases, which contributes to the sustainable development of agricultural production. At the same time, the issue of concluding and re-concluding lease agreements with owners of agricultural lands after the expiration of the land lease agreement remains relevant. In order to protect the rights of previous conscientious tenants, the legislation of Ukraine guarantees them the preemptive right to renew (extend) land lease agreements. However, unfortunately, in practice, it is the landlords of agricultural land, people who own a land part (share) or a land plot for personal farming, that are not protected at all. There are many problems with the exercise of this right and the possible protection in the event of its violation, because the state protects the rights of tenants, but at the same time forgets to take care of landlords. Land lease is a contract-based term paid possession and use of land required by the lessee for business and other activities. A land lease agreement is an agreement under which the landlord is obliged to transfer the land to the lessee for possession and use for a certain period, and the lessee is



obliged to use the land in accordance with the terms of the agreement and the requirements of land legislation. The land lease agreement is concluded in writing and at the request of one of the parties can be notarized. The owner of the land plot may establish a requirement for notarization of the land lease agreement and cancel such requirement. Establishment (cancellation) of the claim is a unilateral transaction subject to notarization. Such requirement is an encumbrance of property rights to land and is subject to state registration in the manner prescribed by law [Article 14/2]. It would still be more appropriate to delegate the authority to conclude and register land lease agreements to notaries. As practice shows - the registrar of property rights is only the executor in this matter, in the performance of his work he acts in accordance with the requirements of the Procedure for state registration of rights to immovable property and their encumbrances {4}. The standard form of the land lease agreement is approved by the Cabinet of Ministers of Ukraine.

The essential terms of the land lease agreement are:

1. Lease object (cadastral number, location and size of the land plot).
2. Date of conclusion and term of the lease agreement.
3. Rent with indication of its size, indexation, method and conditions of calculations, terms, the order of its payment and revision and responsibility for its non-payment.

By agreement of the parties, other conditions may be specified in the land lease agreement. If the contract does not contain at least one of these essential conditions, in the future it may be declared unenforceable in court. If the land lease agreement provides for the implementation of measures aimed at the protection and improvement of the leased object, the agreement to reimburse the lessee for the costs of such activities is attached to the agreement. The state registrar is technically not able to verify all the requirements of the contract, firstly, because he is not a specialist in the field of land relations, and secondly - it is not provided by the Procedure [4]. What happens in practice: the company draws up a lease agreement with all the conditions convenient for it, a representative of the company collects signatures of people (and, as a rule, a person does not have time to read the contract, to study or consult with specialists of all these terms, under the threat of not receiving the rent for the last year, this is the main motivation of the tenant's representative, usually when signing the lease agreement, and then the bundle of agreements goes to the state registrar of property rights. The term of the land lease agreement shall be determined by agreement of the parties, but may not exceed 50 years. The expiration date of the lease agreement is calculated from the date of its conclusion. The right to lease land arises from the moment of state registration of such right [Article 12/2]. When leasing agricultural land the term of the land lease agreement is determined by agreement of the parties, but may not be less than 7 years. When leasing land plots for commercial agricultural production, farming, personal farming, agricultural land plots, which are land plots of reclaimed lands and on which hydraulic reclamation is carried out, the term of the land lease agreement is determined by agreement of the parties, but cannot be less than 10 years old. The land lease agreement includes the obligation of the lessee to invest in the development and modernization of relevant reclamation systems and engineering infrastructure and to promote their proper operation. When leasing agricultural land located within a mining allotment provided for the development of oil or gas field, the term of the land lease agreement shall be determined taking into account the terms of commencement of construction of wells and production facilities related to their operation on the leased site or on its part. The person who manages the inheritance, which includes agricultural land, which is not leased, has the right to lease such land for a period until the state registration of ownership of the heir to such



land, or until the entry into force of a court decision on recognition of inheritance from the deceased, which must be specified in the lease of land. If the term of the land lease agreement, which does not contain conditions for its renewal, expired on the day or after the death of the lessor, the agreement is renewed at the request of the lessee for the same period and on the same terms until the state registration of ownership of the heir ownership of such land by court decision on the recognition of inheritance from the deceased. This application must be submitted to the State Register of Real Property Rights within one month from the date when the tenant became aware of the death of the landlord. From the moment of state registration of ownership of the heir to the land leased by the person managing the inheritance, or state registration of ownership of such land by court decision on recognition of inheritance from the deceased, the lease agreement is terminated, and state registration of termination of lease is carried out simultaneously with state registration of property rights [Article 19/2]. If the contract contains a condition on its renewal after the expiration of the term for which it was concluded, this contract is renewed for the same period and under the same conditions. Renewal of the contract is considered renewal of the contract without the parties to the contract a written transaction on its renewal in the absence of a statement of one of the parties to exclude from the State Register of Real Property Rights information about the renewal of the contract. Performing other actions by the parties to the contract is not required for its renewal [Article 126/1]. A party to the contract who wishes to exercise the right to refuse to renew the contract no later than one month before the expiration of such contract, submits to the State Register of Real Property Rights an application for exclusion from this register of information on contract renewal [Article 126/1]. In the absence of an application for exclusion from the State Register of Real Property Information on the renewal of the contract before the expiration date of such an agreement after the expiration of the contract, state registration of property rights continues for the same period [Article 126/1]. These conditions are not correct, as 70% of the owners of agricultural land leased for commercial agricultural production are elderly people. Not only are they unaware and there is no information in the villages about the interpretation and understanding of the law, but because of their mature age they will simply forget that in 7-10 years they have to inform the tenant about the termination of the contract in a month. It would be correct to state this article as follows: "If one of the parties wishes to renew the lease on the same terms as it was concluded, it must notify the other party in writing of its intentions no later than 90 days before the expiration of the contract. If the other party has not submitted its claims or objections within 30 days of receiving such a request, the contract shall be deemed to be renewed for the same period and under the same conditions. "

Renewal of the contract is considered to be renewal of the contract without the parties to the contract a written transaction on its renewal in the presence of a statement of one of the parties to renew it and no response of the other party to deny such renewal. No other actions are required by the parties to the contract to renew it. In the absence of an application for renewal in the State Register of Real Property Rights (information on renewal of the contract before the expiration date of such agreement after the relevant expiration date of the contract) state registration of real property is canceled automatically. Let's try to analyze all the nuances related to the conclusion of a lease agreement by example: a citizen received land ownership and now the question arises how to dispose of their land. Land is a major national asset and is protected by the state and needs proper care and maintenance. The logical solution for a person who does not have the opportunity to cultivate the land on their own is to lease the land plot. First of all, in order to lease land, you need to have a document confirming that you really are the owner of this land. There are two



groups of these documents:

1. Documents that were issued before January 1, 2013: state act on the right of ownership of land; a certificate of inheritance; contracts of sale, gift, change, lifetime maintenance, etc.
2. Documents issued after January 1, 2013: certificate of ownership of real estate or extract from the State Register of Real Property Rights on registration of ownership.

Importantly! The right of ownership of a land plot in case of change of owner without change of its boundaries and purpose is also certified by a certificate of the right to inheritance or a contract of sale. According to the current legislation (Law of Ukraine “On Land Lease”, Land Code of Ukraine) tenants of land plots can be:

1. State administrations of all levels, the Cabinet of Ministers of Ukraine and the Government of the Autonomous Republic of Crimea within the powers defined by law.
2. Village, settlement, city, district and regional councils, the Verkhovna Rada of the Autonomous Republic of Crimea.
3. Citizens and legal entities of Ukraine, foreigners and stateless persons, foreign legal entities, international associations and organizations, as well as foreign states.

A land lease agreement must be concluded between the owner and the tenant, registered in accordance with the laws in force at the time of concluding the law. The amount of the annual rent is set by agreement of the parties, but may not be less than 7% of the value of the regulatory monetary valuation of the land. By agreement of the parties, other conditions may be specified in the land lease agreement. If the land plot is not assigned a cadastral number, it is necessary to apply to the project organization, which includes certified engineers - land managers, and enter into an agreement on the preparation of technical documentation on land management at the location of the land plot. After that it is necessary to pass registration in regional division of the State geocadastr and to register the property right in the State register of the real rights to real estate. After that, you can enter into a land lease agreement. The standard land lease agreement was approved by the Resolution of the Cabinet of Ministers of Ukraine №220 of 03.03.2004. But today there are many legislative changes that require changes and adjustments to the Model Agreement. There are also many requirements that arise in the practice of concluding contracts, which also entails the adjustment of the Model Contract. Firstly, it is the term and conditions of renewal of contracts, they were discussed in more detail at the beginning of the article. Secondly - the calculation of the amount of rent. A standard contract gives the choice to take into account or not to take into account the inflation index [P.10 s / 9], which in practice is often abused by tenants and apply the condition without taking into account the inflation index. The current legislation also supports the tenant: the calculation of the amount of rent for the land is carried out taking into account inflation indices, unless otherwise provided by the lease agreement [Article 21/2]. It is advisable to apply the affirmative requirement, namely: the calculation of the amount of rent for the land is carried out taking into account inflation indices as of 01.01. each current year. Thirdly, neither the standard contract nor the current legislation sets clear deadlines for the payment of rent, which also leads to dishonest actions of the tenant, very often in practice there are cases when the tenant either does not pay rent at all, or pays it with a long delay. The landlord is forced to seek help from the court, and this entails additional costs, which are often not justified in relation to the value of the rent itself, and the knowledge of the landlord. It is advisable to establish a requirement that the lessee of the land is obliged to pay rent for the leased land within 10 working days after the state registration of the real right of lease in the State Register of Real Rights for the current year preceding the date of registration of the real right. Fourthly, both the



standard contract and the current legislation contain a rule on the improvement of the land plot, carried out by the lessee with the written consent of the landlord, are (are not subject to) reimbursement. Conditions, amounts and terms of reimbursement to the lessee of expenses for the improvement of the condition of the land plot are determined by a separate agreement of the parties [p.23 / 9]. The tenant cultivating the land by default improves it, and the process of improvement or lack thereof is a question of the tenant who wants to harvest, whether he is willing to invest in land to increase the size of his final income. This rule is superfluous in the contract and in no case should the costs of land improvement be borne by the landlord. However, the rate of reimbursement in case of deterioration of the land should be spelled out in the contract, moreover, in order for the landlord to be able to assess whether the land is in the previous condition or not at the time of the lease and the return of land agrochemical inspection should be carried out on the site. That is, the passport of agrochemical inspection should not be a negative condition of the contract. Sixthly, clause 7 of the standard Agreement allows you to make other features of the leased object that may affect the lease. As a rule, the tenant prescribes a convenient rule that the land can be used not depending on what land he rents, and not depending on the consent / disagreement to change the land of the land owner. It should be prescribed that the change of land or the purpose of the land can be changed only with the written consent of the owner of the land notarized, on the basis of the relevant land management project.

CONCLUSIONS

Thus, the issue of the content of state regulation of tenant-landlord relations in Ukraine remains relevant and requires a broad scientific and practical discussion on the content, forms and timing of implementation. As agricultural land in Ukraine accounts for more than 70% of the total land resources, and more than 70% of them are leased to producers, irresponsible state approaches can lead to a loss of trust between tenants and the individual state. Thus, the main approaches on which public administration should be based in the field of land lease relations should be: a comprehensive approach - the formation of a standard sustainable contract, without the possibility of deviations from it by any party, situational approach - in the process of implementing reforms, especially reforms on land rights, the real social, political and economic situation should be taken into account; the strategic approach determines the need to understand the long-term role of land resources, rather than focusing on solving current problems of economic development.

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ASSESSING ORAL MICROFLORA DURING PERIODONTITIS AGAINST THE BACKGROUND OF INVOLVEMENT OF COMPLEX TREATMENT WITH SAPERAVI GRAPE OIL

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ABSTRACT

Periodontitis is a very common disease. Due to this pathology, a person loses teeth 5 times more often than due to caries complications.

Grape seed extract (GSE) was supplied as a promising immunomodulator, especially due to its proanthocyanidin effect.

The aim of our research is to study the microbial characteristics of oral fluid during periodontitis against the background of involvement of traditional treatment.

Methods: 88 patients with periodontitis aged 25-59 years from the contingent of the Sadasu Dental Clinic were under study, and the study cohort was divided into two groups. 41 of them were receiving traditional treatment, 47 - traditional+application with seed extract. The oil was taken into the oral cavity with dental instruments and was immobilized with an insulating swab. Microbiological characteristics were studied in oral fluid by routine method.

Statistical analysis

For qualitative indicators, comparisons between groups were performed using the accurate Fisher test, and before and after treatment using the Wilcoxon test. The risk of microbial contamination was determined.

Results: During the standard treatment there was remarked a tendency to reduce the frequency of all microbes, from which the incidence of those who have had fungus and streptococcus is being significantly reduced.

When adding grape seed oil applications to the standard treatment, the incidence of persons in whom fungus appeared decreased by 15%, $p=0.0082$, staphylococcus - by 21% $p=0.0016$, streptococcus - by 15%, $p=0.0082$; e-coli - 19%, $p=0.0027$, reduction in all cases was reliable.

During the mild and moderate severity periodontitis, when including grape seed oil in traditional treatment, after treatment the frequency of patient who had staphylococcus and streptococcus is significantly lower in the oral cavity fluid compared to traditional treatments alone - $\chi^2=4.25$, $p=0.040$; $RR=0.60$ (95%CI:0.34-1.0) and $\chi^2=17.90$, $p < 0.001$; $RR=0.25$ (95%CI:0.10-0.62) respectively. In the case of fungus and e-coli, there is remarked a tendency to improve outcomes compared to traditional treatments.

Conclusion: The inclusion of grape seed oil in the traditional treatment of periodontitis improves the microbial characteristics of the oral cavity and reduces microbial contamination.

Keywords: Grape seed extract, periodontitis, microbial contamination/



INTRODUCTION

Inflammatory disease of the periodontium is defined as a pathological process that damages the periodontal tissue and manifests itself in the form of gingivitis and periodontitis.

The disease is characterized by a high frequency - the prevalence of periodontal disease in the adult population is 98%, in 15-19 years old population this figure reaches 55-99%.

Periodontitis is a very common disease. Due to this pathology, a person loses teeth 5 times more often than due to caries complications.

To date, several hundred species of microorganisms have been described as part of the normal microflora of the oral cavity. They include bacteria, viruses, fungi and protozoa. Among the microbes in the oral cavity, there are autochthonous and allochthonous species - immigrants from other biotopes of the host (nose-throat, intestines, etc.) and microflora from the environment. In the autochthonous microflora there are obligates that permanently reside in the oral cavity, and temporarily-transitory, in the composition of which are often found pathogenic or conditionally pathogenic bacteria.

In the conservative treatment of periodontitis, both local and general antimicrobial drugs are used (prescribing chlorhexidine, doxycycline-containing gels, minocycline microspheres, appointment of Peros doxycycline, amoxicillin, metronidazole).

However, with the use of anti-inflammatory and antibacterial drugs, a decrease in the immunobiological reactivity of the body, the emergence of allergic reactions and other undesired side effects may be observed.

A study of the antimicrobial efficacy of various medicinal plants found a positive correlation with the therapy with herbal extracts and the rate of elimination of all types of bio-membrane in the oral cavity.

Grape seed extract (GSE) was supplied as a promising immunomodulator, especially due to its proanthocyanidin effect. It represents a natural polyphenolic compound which has a wide range of biological activities, such as antioxidant, anticancer and anti-inflammatory.

GSE generates its anti-inflammatory effect by calibrating the balance between proinflammatory and anti-inflammatory cytokines. It protects collagen from decomposition and has a bacteriostatic effect on anaerobes, thereby weakening the maturation of bio-membrane, hence it can be used to prevent periodontal disease.

The aim of our research is to study the microbial characteristics of oral fluid during periodontitis against the background of involvement of traditional treatment.

Methods: Treatment of chronic generalized periodontitis was based on the principle of individual approach to each patient, a detailed analysis of the form and severity of periodontal tissue damage was performed for each patient. Taking into account the peculiarities of the clinical course, concomitant pathology, the general condition of the organism and the dental status.

Patients with periodontitis were divided into two groups according to the degree of periodontitis - two groups of patients with mild and moderate severity periodontitis were distinguished.

Eighty-eight patients with periodontitis aged 25-59 years from the contingent of the Sadasu Dental Clinic were under study, and the study cohort was divided into two groups. 41 of them were receiving traditional treatment, 47 - traditional + application with seed extract. The oil was taken into the oral cavity with dental instruments and was immobilized with an insulating swab. Microbiological characteristics were studied in oral fluid by routine method.

Statistical analysis: For qualitative indicators, comparisons between groups were performed using the accurate Fisher test, and before and after treatment using the Wilcoxon test. The risk of

microbial contamination was determined. Mathematical support was implemented using IBM SPSS 22.0 software package.

Results: As can be seen in the table, the same type of microbes were observed in all three groups before treatment, however their frequencies in individuals with periodontitis did not differ reliably by groups. Streptococcus predominates among oral fluid microbes. Staphylococcus is also distinguished by high frequency.

The microbiological status of the oral cavity before and after treatment against the background of standard treatment of periodontitis is given in Table 1

Table 1.

Microbiological status of the oral cavity before and after treatment against the background of standard treatment of periodontitis.

	Before treatment		After treatment		P
	n=41	Mean	n=41	Mean	
Fungi	13	31.71	6	14.63	0.0196
Staphylococcus	20	48.78	16	39.02	0.1573
Streptococcus	31	75.61	20	48.78	0.0009
e-coli	10	24.39	8	19.51	0.1573

During the standard treatment there was remarked a tendency to reduce the frequency of all microbes, from which the incidence of those who have had fungus and streptococcus is being significantly reduced.

Table 3.6.4 presents an assessment of the microflora in the oral fluid during periodontitis before treatment and after treatment with the inclusion of seed extract in standard treatment.

Microbial reduction occurred after treatment with both standard and grape seed preparations.

During the standard treatment, the number of people in whom fungus appeared decreased by 17%, those with the staphylococcus - by 10%, streptococcus - by 27%; e-coli - by 4%. Thus, in the case of standard treatment for fungus and streptococcus, the reduction was found to be credible.

Table 2.

Microbiological status of the oral cavity before and after treatment against the background of standard + grape seed treatment of periodontitis.

	Before treatment		After treatment		P
	n=47	%	n=47	%	
Fungi	14	29.79	4	8.51	0.0016
Staphylococcus	19	40.43	9	21.28	0.0027
Streptococcus	29	61.70	4	8.51	0.0001
e-coli	19	40.43	5	10.64	0.0002

When adding grape seed oil applications to the standard treatment, the incidence of persons in whom fungus appeared decreased by 15%, $p = 0.0082$, staphylococcus - by 21% $p = 0.0016$, streptococcus - by 15%, $P = 0.0082$; e-coli - 19%, $p = 0.0027$, reduction in all cases was reliable.

Thus, the inclusion of grape extract in the standard scheme of the treatment of periodontitis is marked by a significant reduction in the incidence of all microbes. Comparison of results in the first and second groups and relative risk assessment are given in Table 3.

**Table 3.**
Statistical analysis and risk assessment of microbial contamination in traditional treatment and treatment with the inclusion of grape oil in the standard scheme

	χ^2	p	RR	95%CI(RR)	
Fungi	0.82	0.367	0.73	0.33	1.59
Staphylococcus	4.25	0.040	0.60	0.34	1.0
Streptococcus	17.90	<0.001	0.25	0.10	0.62
e-coli	1.37	0.242	0.69	0.34	1.41

During the mild and moderate severity periodontitis, when including grape seed oil in traditional treatment, after treatment the frequency of patient who had staphylococcus and streptococcus is significantly lower in the oral cavity fluid compared to traditional treatments alone. In the case of fungus and e-coli, there is remarked a tendency to improve outcomes compared to traditional treatments.

The inclusion of grape seed extract in traditional treatments for mild to moderate severity periodontitis significantly reduces the relative risk of staphylococcal and streptococcal contamination.

Discussion. The primary cause of periodontal inflammatory diseases is the microbial plaque of the tooth, as associations of microorganisms existing in the latter lead to the development of inflammatory changes [11].

The development of inflammatory changes is caused by the interaction between microbial bio-membrane and inflammatory mediators, followed by disruption of tooth-supporting structures such as periodontal ligaments and alveolar bone [12].

As local and general factors are involved in the genesis of periodontitis, the treatment of metabolism and dysfunction should be complex in nature and should consist of general and local remedies. Must include anti-inflammatory, anti-allergic, immunostimulatory agents. The following is considered a modern trend in periodontology: Priority of conservative methods over surgical treatment and saving attitude towards periodontal tissues [13];

In recent times, herbal remedies have been widely used to treat periodontal disease, and the growing interest in them is explained by the side effects of antibiotics and hormonal drugs. In addition, microbial resistance reduces the effectiveness of antibiotics. In contrast, medicinal plants have a broad spectrum of action, are non-toxic and well tolerated by the patient regardless of age. In this regard the grape seed extract is of a great interest; Its containing proanthocyanidins, resveratrols and other bioflavonoids which have anti-inflammatory [14], antibacterial [15,16] and antioxidant properties [17]. Our research showed that after the inclusion of grape seed preparations in standard treatment, the incidence of fungi, staphylococci, streptococci, enterococci, and intestinal sticks was significantly reduced.

CONCLUSION

The inclusion of grape seed oil in the traditional treatment of periodontitis improves the microbial characteristics of the oral cavity and reduces microbial contamination.

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THE IMPACT OF THE SOUTH CAUCASUS CONFLICTS ON THE REGIONAL ECONOMY

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ABSTRACT

We can say that the current geopolitical situation in the world shows that security is of invaluable importance. It should be noted that in the modern world, states have to deal with a number of threats and challenges which require a great deal of effort from them. The threats posed by the global player in world politics further complicate the national security of states. With this in mind, we should mention the conflicts in the South Caucasus, in particular - in the direction of Abkhazia, Tskhinvali and Karabakh. All this has a huge impact on the region's economy and its rate of stability. Therefore, the article will focus on the interests of global and regional actors.

The South Caucasus conflicts are still a problematic issue. Recent events have otherwise shown the impact of Russia's soft power on the Karabakh conflict. The article presents an analysis of the conflicts in the South Caucasus, also its impact on the regional economy.

Keywords: South Caucasus region, conflicts, economy, interests of the players

INTRODUCTION

Reasons for causing conflicts in the South Caucasus. Most Russian politicians and political scientists considered the disappearance of the superpower from the map - the Soviet Socialist Union - quite a catastrophe. The collapse of the international system of socialism and the establishment of new sovereign states in the post-Soviet space made a correction on the world map. Geostrategic changes have taken place around the world. A new stage has begun in international relations. It must be said that new centers of power have emerged, and the struggle between them over the redistribution of influence has exacerbated the already difficult situation.

It must be said that the most acute and urgent problem in the world is solution of regional conflicts, especially in such a difficult environment as the South Caucasus.

The issue of peaceful settlement of the conflicts in the South Caucasus is always relevant in the reports of all important international organizations. The urgency of this issue is certainly due to the growing rate of ongoing ethno-political conflicts in the world.

“It should be noted that the origin of the Caucasian conflicts is conditioned by the peculiarities of the new historical period of international relations. This is the era of the formation of a multipolar world. Also, this is a period of establishing completely new relations between the West and the East, the US and Russia.”

As the Cold War ended, the South Caucasus became one of the main venues for global and regional superpowers. This is due to the fact that the region has a favorable location and a solid supply of energy resources. It must be said that from a geographical point of view, the South Caucasus is located on the very historic trade route that connects Europe and Asia. It is a space



where Caucasian, Turkish, Persian and Slavic cultures, Christian and Muslim civilizations are united.

Indeed, the conflicts in the South Caucasus have slowly turned into the most difficult space for confrontational geopolitical rivalry, where the interests of states of scale were opposed to each other. These countries are global (US) and regional (Russia, Iran, Turkey). Conflict resolution is really important for the world, but it is all incredible. Now we discuss the interest of each player in this region.

The interests of global and regional players in the South Caucasus. Interests of Russia - The regional factor plays a big role in shaping Russia's policy towards Georgia. We know that the North Caucasus is a serious hotbed of instability. Therefore, Moscow sees the growing influence in the South Caucasus as a guarantee of stability in the North Caucasus. By establishing control over Georgia, Russia can easily control the East-West energy corridor, as well as gain a monopoly on the transit of Caspian energy resources.

Achieving a monopoly on energy resources is a guarantee of economic stability for Russia. Oil and gas are the main sources of income for the country. Therefore, the operation of the Baku-Tbilisi-Ceyhan oil pipeline and the Baku-Tbilisi-Erzurum gas pipeline is undesirable for Russia. In our opinion, Russia needs Georgia as a transit country with Armenia.

Professor Gegeshidze, who published the article "Global Processes and Georgia" in the "Guide to Democratization of Georgia", shares his views on the Russian factor: "The issue of Georgia has a special place in Russia's foreign policy. It is based on personal and geopolitical reasons. We must mention five points:

1. Euro-Atlantic aspirations of Georgia;
2. Development model of Georgia (non-Russian, non-Soviet), which sets a dangerous precedent for Russia to achieve its goal in the post-Soviet space.
3. Georgia's clear strategic partnership with the United States, in the post-Soviet space;
4. Georgia's neighborhood with the North Caucasus;
5. Competitive transit energy corridor through Georgia to Russia"

It should be noted that gaining influence over Georgia is the best way for Russia. This will strengthen Russia's position in the South Caucasus.

The interests of the United States. American political scientist Zbigniew Brzezinski noted that American policy should be extended throughout Eurasia. The countries of the Black and Caspian Seas were considered to be the most important strategic parts, which made the region especially important. In the book, the political scientist calls this region "Eurasian Balkans". This in turn leads to an association of ethnic conflicts and rivalries between powerful states in the region. "The word "Balkans" in Europe evokes an association of ethnic conflicts and rivalries between great powers. Eurasia also has its "Balkans", although the "Eurasian Balkans" is much larger. It is also more densely populated and more ethnically diverse". It can be said that the main areas of American interest in the South Caucasus are:

1. Access to Caspian energy resources, also providing free transit;
2. Resolving "frozen" conflicts and ensuring security in the region;
3. Forming an anti-terrorist coalition against Islamic fundamentalism. Also, increasing pressure on Iran.

We consider that the geopolitical factor in the South Caucasus is much more important to the United States than the economic one. The Black Sea is located in the Caspian region on the Eurasian continent, surrounded by three American rivals - Russia, China and Iran. Therefore, by



gaining control of the region, Washington manages to dominate between the five seas (Black Sea, Caspian Sea, Mediterranean Sea, Persian Gulf and adjacent Arabian Sea) and accordingly on the whole continent.

The Interests of Iran. Iran's Caucasus policy is characterized with two main features:

Control of Azerbaijan as a potential threat. The issue is conditioned with the factor of so called "South Azerbaijan". More than 20 million ethnic Azerbaijanis reside in the northern part of Iran, 2 times more than in the Republic of Azerbaijan itself. Of course, Iran sees a threat to national security in this particular case.

Strengthening its positions in the energy-rich Caspian Sea region: thus preventing Turkish influence on transit pipelines.

The interests of Turkey. Turkey's interests in the Caucasus are large in scope, therefore, it seeks to have closer ties with the countries of the region. The proximity of Turkey with Azerbaijan is worth mentioning. The latter is due to the linguistic-cultural adjacency of both countries and the special geopolitical location of Azerbaijan. Baku-Tbilisi-Ceyhan and Baku-Tbilisi-Erzurum pipelines, as well as the Baku-Tbilisi-Kars railway, have attached special importance to the South Caucasus, all of which are important for Turkey. "From the very beginning Turkey's desire was to fulfill the function of an energy and transport corridor between Europe and the Caspian region".

Overview of the South Caucasus conflicts. The Nagorno-Karabakh conflict is topical to everyone nowadays and has a significant impact on the region. The history of Karabakh ownership is a complex issue because the territory of Karabakh has historically passed from hand to hand. Traces of Albanian and Azerbaijani, Armenian or Persian are found. Each mosque, church, inscription or cemetery reinforces the arguments for different parties. It is indisputable that during the Soviet Union, the Karabakh region belonged to the Soviet Socialist Republic of Azerbaijan. It should be noted that since 1994, the independence of Karabakh has not been recognized by any state, including Armenia. Azerbaijan repeatedly urges foreign partners to respond to conflict. The positions of Armenia are also interesting. Naturally Armenia wanted to resolve the conflict in compliance with its own interests and therefore tried to act in the international field.

Before the active phase of the conflict began with the Karabakh war in 2020, several facts are noteworthy.

In July, there was a military clash between Armenia and Azerbaijan, which resulted in significant casualties. According to experts, this military confrontation took place quite far from the territory of Nagorno-Karabakh, which was a bit strange. The population of Azerbaijan became more active in order the government to take decisive measures from July. At the same time, Turkish propaganda was intensified and military support was expressed on the Azerbaijani side. Then the joint Turkish-Azerbaijani military exercises began.

On September 27, 2020, the active phase of the military conflict began and lasted for about a month and a half. Armenia had expectations that Russia would be involved in this war, but its expectations were not met. A large number of unmanned aerial vehicles were used in the war, which presented a completely different model of war production. Armenia, despite great efforts, could not cope with the opponent. On November 9, 2020, the Azerbaijanis captured the city of Shusha, which, due to its geo-strategic location, ended the hot phase of the conflict with a ceasefire agreement. This agreement entered into force on November 10, 2020. Russia's involvement in the ceasefire agreement was really great, but in our opinion, the interference was initiated because of its interests to act again as a savior for Armenia and as a peacemaker for the Caucasus.



Turkey's strengthening in the region irritates Russia for failing to launch a conflict with Turkey, the latter is a member of NATO, and strengthening weakened positions in the Caucasus will inevitably fit its future prospects.

Russian military bases were not only located on the territory of Azerbaijan, from the countries of the South Caucasus. It now also has armed forces in Azerbaijan with peacekeeping status. It should be noted that during the Karabakh war, Georgia found itself in a rather difficult situation. Our country could be involved in this war at any time. It is a welcome fact that Georgia has calmly and decently coped with its impartial position in the region and its partnership with both neighbors.

The cessation of the Nagorno-Karabakh conflict at this stage, ended in a crash only for Armenia. However, it must also be noted that without the involvement of large actors, the war could have ended much more dramatically for Armenia.

Conflict in Abkhazia. The conflict in Abkhazia turned out to be the most acute manifestation of the North Caucasians' confrontation with the Georgian state. It started on August 14, 1992 with the entry of the armed formations of the State Council of Georgia on the territory of Abkhazia. At the same time, at a congress in Grozny, the confederation announced a mobilization aimed at gathering large numbers of volunteers to help Abkhazia and fight against Georgia. Representatives of almost all ethnic groups of North Caucasian origin fought against Georgia in the war; both volunteers and mercenaries, regular Russian military units, including special forces. In September 1993, the capital of Abkhazia, Sukhumi, fell. Georgian government troops suffered heavy defeats, which resulted in heavy casualties, and 250,000 people became refugees.

The fact that Russia has a big role in the tragedy in Abkhazia is proved by concrete facts. Professor Tamaz Nadareishvili shares an interesting view on this issue:

“The great Russian Empire, which with centuries of experience in conquering various countries and peoples can perfectly cut off the population of the targeted country and successfully carry out its plans there, easily managed our split and confrontation and as a result of many years of special services, the icon of the Georgian as an enemy for Abkhazia has been masterfully sculpted.”

The Russian Federation still carries out its propaganda for the people living on the territory of Abkhazia. The country easily manages to create an enemy icon and fake stories.

Conflict in Tskhinvali Region. The Georgian-Ossetian conflict is of a typical ethno-political nature.

The ongoing processes in Georgian society can be considered as a cause of the controversy.

On January 27, 1989, the newspaper "Literary Georgia" published an article by Professor Tamaz Shavgulidze on the definition of the legislative status of the language, which discussed that the proceedings in the territory of the South Ossetian Autonomous District, according to the current legislation, should be conducted in the state language - Georgian.

This was followed by retaliation from South Ossetia, which later escalated into the so-called "War of Laws". Since then the situation has been constantly complicated. The controversy escalated in 2004-2008.

In August 2004, Georgian-Ossetian conflict in the Tskhinvali region escalated into a military confrontation. The reason for the escalation of the conflicts was the closure of the Ergneti market by the current government.

The Georgian side explained this fact by the necessity of fighting smuggling. "The Roki tunnel, through which the South Ossetians have a direct connection with the northern republic - Alanya, played a big role in the escalation of the conflict. Thanks to this tunnel, the separatists regularly



received military and other assistance from Russia, both during the 1991-1992 armed conflict and the well-known events of August 2004.“

On August 13-14, 2004 an emergency meeting of the Joint Emergency Commission was held in Tskhinvali, where a protocol on the ceasefire was signed. Nevertheless, the parties constantly accused each other of violating the existing agreement.

On August 7, 2008, about 150 units of armored vehicles of the 58th Regular Army of the Russian Federation crossed the Georgian-Russian state border through the Roki tunnel and headed for the town of Tskhinvali, marking the start of a large-scale military operation by Russia against Georgia. The conflict covered the whole of Georgia, which eventually took the form of a Georgian-Russian military confrontation.

On August 12, 2008, a six-point ceasefire agreement was signed between Russia and Georgia, mediated by the European Union. The August war showed the world that Russia is an occupier and is trying to gain control of Georgia by force.

CONCLUSION

We would like to note that the conflicts in the South Caucasus have a significant impact on the regional economy. The important North-South transport highway runs through Tskhinvali region which connects the Russian Republic with Georgia, Armenia, Azerbaijan, Iran and Turkey. The aggravation of the situation in the Tskhinvali region poses a threat to Armenia, both from economic and security point of view.

From our point of view, in order the existing conflicts to be resolved, it is necessary Russia to refuse to recognize the independence of Abkhazia and the so-called "South Ossetia". Afterwards, the Tskhinvali region will be completely demilitarized and traffic communications will function freely. This, on the one hand, will help restore trust between the Georgian-Ossetian side, and on the other hand, will enable the countries of the region to be strategic partners in the economic direction.

Peaceful settlement of the conflict in the Caucasus will facilitate the implementation of economic mega-projects of international importance.

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Group 2 - Drafting the article, Critical revision of the article

Group 3 - Final approval of the version to be published

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JOURNAL INDEXING



Accepted for publication in this edition 17.06.2021

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ISSN: 2733-2713; E-ISSN: 2733-2721; DOI: 10.36962/SWD

©**Publisher:** Sokhumi State University. R/C 405282260.

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MTÜ Rahvusvaheline Teadus-, Haridus- ja Koolituskeskus.

Registered address: Narva mnt 5, 10117 Tallinn, Estonia.

ISSN: 2733-2713; E-ISSN: 2733-2721

DOI: 10.36962/SWD

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SOCIOWORLD

SOCIAL RESEARCH & BEHAVIORAL SCIENCES

REFEREED & REVIEWED JOURNAL

VOLUME 05 ISSUE 03 2021

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