

quasi-insurance. Existence of such demand created respective supply. This resulted in division of the insurance service market into classical insurance and quasi-insurance (optimization insurance);

– tastes of consumers (T), which concern with their intentions regarding purchasing an insurance services that will enable to manage risks or to optimize tax payments with the use of certain types of insurance services;

– accumulated wealth (W), which, on the one hand, needs insurance protection and, on the other hand, can be a subject to mortgage, against which a loan is given. Consequently, this process is an additional incentive for increase of demand for services on property insurance. Subsequently, purchasing property can be an additional source of resources regarding purchasing an insurance service, e.g. a service of personal insurance or insurance of responsibility;

– expectations of companies regarding the change of a risk situation (the change of destructive consequences of natural disasters, a human economic activity, etc.) that increase or decrease demand;

– a state economic policy, e.g., a taxation policy, which can propose certain preferences for payers of insurance payments. Concluding the above-mentioned information, we can indicate that an influence of various factors on market demand for insurance services can be expressed in the form of a demand function:

$$Q_D = f(P_a, P_b, \dots, I, T, W, n, \dots).$$

References:

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INSTITUTIONALIZATION OF POPULATION INCOMES IN UKRAINE UPON THE PATTERN OF COUNTRIES WITH LEGAL ECONOMY

Types of institutionalization of population incomes can make positive as well as negative influence on generation, distribution, and redistribution of incomes. Institutionalization of incomes, which has formed in Ukraine, frequently does not stimulate those individuals, who create the value, but stimulate those being better

at redistribution of incomes in their favor and at usage of mechanisms of ungrounded enrichment. These mechanisms are insufficiently restricted on the legislative level. On the level of morality and ethics, there are also no effective hindrances for unfair and ungrounded profit gaining. Thus, considerable deformation of public morality and business ethics occurs.

In the legal economy, implementing innovations at own risk in race for profit, an entrepreneur simultaneously realizes the public interest consisting in increase of production efficiency. In Ukraine, the situation is frequently opposite: entrepreneurs create elite economies, i.e. the activity fields for a limited circle of persons, with high entry barriers, which provide non-market competitive advantages and guarantee gaining excessive profits. Under such conditions, the large and, partially, medium and small-sized businesses are not too interested in competition with the use of market methods.

In order to counteract negative tendencies in the field of population incomes, there is a need to form income institutionalization upon the pattern of countries with a legal economy. There is the following set of production factors in these countries: entrepreneurship abilities, labor, land, capital, and information. A certain type of incomes responds to each factor: entrepreneurial profit responds to entrepreneurship skills; salary responds to labor; land rent responds to land; an interest responds to capital. As for information as a production factor, there is no generally accepted definition of its revenue. Therefore, we can use a term «information rent». Each of the mentioned income types is institutionally accepted.

Expansion of rent-seeking, which is a type of incomes of governmental officials and politicians that is related to usage of powers for own interests, is a sufficient difference of the institutionalization of population incomes in Ukraine from countries with legal economies.

«Managerial abilities» is a production factor being the basis of rent-seeking. Nevertheless, it is worth emphasizing that managerial abilities do not always generate rent-seeking. During millenniums, there have been governmental officials, whose activity was enough generously rewarded and was not certainly related to corruption actions.

Nevertheless, there is no «managerial abilities» as a particular production factor with a separated type of income in the legal economy. At the same time, functions of public administration have remained. However, involvement of humans in their execution occurs owing to other mechanisms. From the standpoint of officials, this is relations of employment. Thus, the relations are belonged to the production factor «labor». In Ukraine, owners of «managerial abilities» are not satisfied with a salary and try to receive rent-seeking. «Managerial abilities» are considered to

be a certain factor of production, since a specific, independent, and self-funded system of social relations was formed owing to involvement of «managerial abilities» in a production process.

Among factors being inherent to countries with a legal economy, the sense of entrepreneurship abilities is to the greatest extent deformed in Ukraine. Instead of decrease of cost of goods or increase of their quality, intensification of marketing efforts, and enhancement of business reputation, it is frequently more profitably to establish unformal relations with state authorities in order to participate in redistribution of property, financial flows, and government procurements, to receive preferences from a state, and to create non-market barriers for rivals. Existence of rent-seeking causes emergence of elite economies, which generate entrepreneurial profit with non-market nature (its basis is non-market competitive advantages). Other factors of production also suffer deformations of the sense, although they are not so significant.

Rent-seeking does not just drop out from the institutional structure of incomes being inherent to the legal economy, but also significantly deforms institutionalization of other types of incomes, first of all, entrepreneurial profit. Consequently, formation of income institutionalization upon the pattern of countries with legal economies in Ukraine requires decisive fight against such a type of income as rent-seeking.

There are measures, which restrict opportunities of usage of powers vested by the state in order to influence realization of interests of physical persons and legal entities in Ukraine. Those measures should be considered as the main ones among measures aimed at decrease of a rent-seeking amount. To attain this goal, firstly, there is need for comprehensive deregulation of the economy. Secondly, that minimum of state functions, which is expedient, should be strictly regulated by normative and legal acts in order to limit capacities of governmental officials («pros» or «cons» of other persons). There is a need for expansion of a «silent agreement principle». In such cases, when there is no possibility to avoid making subjective decisions, it is worth providing maximal transparency of a decision-making procedure and facilitating independent control. In this context, it is very important to implement «electronic government».

Basic measures regarding counteraction against rent-seeking also comprise total control of incomes, wealth, and expanses of governmental officials, politicians, and related persons. Efficiency of this control can be enhanced at the expense of fighting against money laundering and counteraction against the «grey» economy.

Reduction of fields generating rent-seeking should become an important direction of fighting against this type of incomes. These fields include the sec-

tor of state-owned companies, the «grey» economy, elite economies, and the field of government procurements. There are a set of state-owned companies and procurements, which should not be abandoned. The state should hand over the administration of those companies to respective foreign firms and international organizations.

Ceasession of functioning of corrupt social interrelation is of significant importance. Particularly, the state can apply lustration and rotation of the officials to achieve the mentioned goal.

A peculiarity of rent-seeking is prevailing of unformal institutionalization, frequently illegal. Certainly, incomes of other factors also include an unformal component, but to the lesser extent. Thus, law-enforcement and judicial systems can turn out effective in fighting rent-seeking. However, these systems of Ukraine are also corrupt. This leads to creation of the institutional trap «exclusive circle of corruption», when expansion of corruption within all the public authorities and social areas enable to benefit from participation in the corrupt activity and to loss advantages in a case of counteraction of corruption.

To abandon existence of the «exclusive circle of corruption», there is a need for outside pressure, i.e., on the part of the civil society and foreign collaborates of Ukraine. The question is the West can insist on fighting corruption, urge to fight it, but the West is unable to carry out micro management of this problem. Simultaneously, the Ukrainian civil society is undeveloped and does not sufficiently pressure corruption in the meantime.

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INEQUITY IN REALIZATION OF SOCIAL AND ECONOMIC RIGHTS IN UKRAINE

The core purpose of a legal and social state refers to its obligations to sustain absolute equity of rights for all social classes generally and for each individual particularly. Realization of this purpose becomes extremely important in Ukraine as a legal and social state. So far as our country remains under conditions, when certain social and economic rights are already attained in a legal way, possibilities for their realizations are absent or differ for various subjects because of state interference in a business process.

In present mixed economic systems, state is forced to interfere in processes of social product division and providing optimal balance of private and public