

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

interests. Such relations usually result in depression of economic and property rights of one group of participants in favor of another one. But, it's important to distinguish between situations, when certain rights are consciously restricted by the state (for instance, the right for revenue within progressive taxation) and situations, when different subjects can't realize similar rights because of governmental interference. In the first case, restriction of rights is equitable and doesn't consist exclusions: restrictions cover all the subjects of certain group (a social group, a sector, a market, etc.). In another case, restrictions have selective character: they are imposed on one subject and don't refer to another. In such cases, the state acts as the source of inequity in the process of right realization.

The mechanisms of inequity strengthening in the process of realization of social and economic rights are the following:

- appliance of illegal practices of business activity regulation;
- support of private entities on account of state-owned entities;
- artificial restriction of the rights of certain entities on the selective basis;
- direct prohibition of realization of legally required rights;
- creation of special legal conditions for chosen types of business activities.

From our point of view, the main reason of inequity strengthening in realization of social and economic rights of business entities is caused by the use of public force in favor of a limited group of interested persons rather than the whole public. The ground of this process is defects of the institution of property. Firstly, as a result of privatization, property concentration assists power seizing and its transformation to the source of restricted access to commercially attractive types of business activities for other participants. Secondly, a low rate of legitimacy of acquired property rights makes large owners to keep in touch with governmental officials, using them as a means of protection of their personal property interests. Thirdly, the difficulty of organizing public control over state corporate right usage is also worth mentioning. Disadvantages of the property institute led to organizing and conservation of an inefficient institutional environment, where expenses for organizing and participation in redistributing processes are much lower than expenditures for organizing and improvement of production of products and services.

Total distrust to state authorities, expansion of informal institutions, «grey» financial flows, absence of motivation to improve production efficiency, and investment discourage occur as consequences of inequity in social and economic rights realization. Thereby, the use of public institutes for private interests must be restricted. Subsequently, work of governmental officials as an instrument of property rights protection on selective basis must be forbidden.