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THE CONCEPT OF FORMATION AND IMPLEMENTATION
OF THE RESTRUCTURING POLICY IN INDUSTRIAL PRODUCTION

The concept of formation and implementation of the restructuring policy in industrial production is substantiated. Regulation of economic behaviour of market service and economic relations is determined.

Keywords: state regulation of economic behaviour, national economy, industrial policy, industry regulation, formation.

Матійко С. А. Концепція формування та реалізація політики реструктуризації промислового виробництва

Обґрунтовано концепцію формування та реалізацію політики реструктуризації промислового виробництва. Визначено регламентацію господарської поведінки суб'єктів ринку й обслуговуючих господарські відносини.

Ключові слова: державне регулювання, господарська поведінка, національна економіка, промислова політика, промисловість, регламентація, формування.

Матийко С. А. Концепция формирования и реализация политики реструктуризации промышленного производства

Обоснована концепция формирования и реализации политики реструктуризации промышленного производства. Определены регламентацию хозяйственной поведенья субъектов рынка и обслуживающих хозяйственные отношения.

Ключевые слова: государственное регулирование, хозяйственное поведение, национальная экономика, промышленная политика, промышленность, регламентация, формирование.

Introduction

Industry is one of the most important structural elements of the national economy and it has one of the key values in providing economic and political security of the country, it's economic independence, increase of a welfare. It is the leading branch of the Ukrainian economy, as it provides all sectors of the economy with tools, raw materials, is the most active factor in scientific and technical progress and expanded reproduction in general. Among other sectors of the national economy industry is being distinguished by complex functions. The functioning of the whole economy is largely dependent on how the industry operates.

Therefore, the tempos of growth, the level of development and the structure of industry are the most important indicators of not only the quantitative, but also the qualitative characteristics of the economy, and also the standard of living which is being shown by the employment structure.

Analysis of recent research

Numerous theoretical studies and generalizations of domestic scientists indicate the relevance of the problem of the structural develop-

ment of the industry as a priority in the public policy. These scientists are: O. Alymov, O. Amosha, I. Anedel, B. Andrushkiw, J. Bazhal, S. Bila, L. Anodonta, M. Bilyk, B. Bodrov, R. Boyko, M. Butko, Z. Varnaliy, O. Veklych, M. Amano, A. Galchinsky, V. Hornyk, V. Heyets, O. Hoychuk, B. Gubsky, B. Danylyshyn, J. Zhalilo, M. Koretsky, B. Muntian, B. Paskhaver, Yuri Pakhomov, Y. Pashchenko, T. Pepa, S. Saliga, O. Skydan, A. Fedoryscheva A., V. Shlemko, L. Yaremko and foreign, such as: A. Altukhov, C. Barrett, I. Bogdanov, L. Vodachek, O. Vodachkova, S. Glazyev, A. Gorodetsky, G. Stolyarov, N. Furs and others.

Statement of research objectives

– to justify the concept of formulation and implementation of the restructuring policy in industrial production;

– to determine the regulation of economic behavior of subjects in market and serving economic relations.

Results

During discussions on improving economic policy of transition and deepening reforms the central idea had been arisen concerning strength-

ening the regulation role of government in the economy. In general, an efficient state industrial policy is especially important in our time – in the period of economic recovery and development of the country's economy. This is due to the need to clearly define the objectives and directions of restructuring industry, to improve the efficiency of both individual sectors of the economy and each single company, to form such a regulatory framework, which would be able to provide the increase in competitiveness of domestic products in domestic and foreign markets. In this regard the key task of science is to justify an open and nuanced concept of state regulation in a market economy's transformation.

Analysis of international experience makes it possible to reach an important conclusion: the stability of an economic growth of a state cannot exist without precisely formulated state industrial policy, which is well-adapted to Ukrainian realities (particularly institutional). Throughout and targeted state industrial policy makes it possible to direct the development of real sector of the economy in the direction of such changes that can provide not only the progress in economic (and political) independence, but also help to take a worthy place among developed countries.

The question of construction of industrial policy is extremely important for the developed capitalist countries like the United States: «We will not progress if we do not refuse an absurd idea that any planning on a national scale is the attack on the capitalist system. This idea gives us such a fear that we remain the only developed country in the world that doesn't have its own industrial policy». [6, p. 128].

Before we try to define the adequate contours which are suitable for today's realities in Ukraine's version of this policy, let us briefly characterize the main elements of the concept of «industrial policy» and their systematic relation taking into consideration the specifics of a transformational economy.

Despite the very great attention that is given to industrial policy in the scientific literature, there is no unambiguous definition of what it is. In our opinion that is not a coincidence, because the goals and objectives of its developers had been changing depending on stages of implementation of market reforms and conceptual frameworks embodied in them.

Initially postulates for deregulation of an economy were established in 1992. At that time

there were no talks about any regulation from a side of a state, about the mechanism of its interaction with the market. Polish Minister of Industry in 1989 said: «The best industrial policy is the lack of such» [8, p. 14]. It was a common point of view, because it was thought that all the processes of transition go very quickly if, on one hand, to give the maximum development to the market forces, and on the other – to limit the role of the state to a minimum.

But soon after (in late 1992 and in 1993) measures of general (frontal) support of the industry by the means of offsetting debts of enterprises and concessional lending began to be applied under the threat of catastrophic deepening and accelerating of industrial downturn. It is exactly then when the definitions of an industrial policy appeared, which were characteristic for many official documents. «The main priority of an anticrisis program is the creation of the necessary conditions for overcoming the crisis in the socio-economic sphere as a whole, and not individual specific enterprises». [1, p. 87].

«Industrial policy is a system of legal, economic and organizational activities of public authorities of Zaporozhe region, aimed at improving the efficiency of industry, based on socio-economic interests of the region.»

Then the idea of selective support of certain types of production in accordance with state-formulated priorities had been proclaimed. «Selective governmental intervention with the aim of implementing the priorities of national structural policies, which are based on clearly set strategic objectives, as well as on clear understanding of national competitive advantage – that is an universally approved tool of overcoming the constraints of growth, which are associated with an imperfection of market mechanisms. This is what sets the meaning of an industrial policy» [2, p. 24]. However, the number of «priorities» had appeared to be excessive and their determination, to put it mildly, was not free from subjectivity. In connection with this the risk of industry lobbying and total «dissipation» of funds had increased. That is why declarations on the criteria of branch selection surrendered to the statements about criterion principle regarding higher efficiency of projects, their competitiveness (in 1994 there was a presidential decree on investment competition based on public examination). According to the Concept of Industrial Policy developed by the Ministry of Economy of Ukraine the definition was formed,

under which industrial policy is a set of measures taken by the state to increase the efficiency and competitiveness of domestic industry and the formation of its structure, which should contribute to achieving this goal.

In years 1995-1996 «macroeconomic approach» reigned, meaning that the rate was made on financial stabilization as a necessary and sufficient condition for economic growth, stimulation of investment activity and largescale foreign investment's flows into domestic production. the required level of production and investment, infrastructure development and human potential and mechanism of foreign trade to the quantitative, qualitative and structural improvement of domestic production» [5], and software applications a number of political organizations:» The industrial policy refers to a system of interconnected targeted government measures as direct action, such as public procurement, and through financial and credit levers and other necessary measures to tackle the crisis, economic growth, improve competitiveness of domestic industry at the international and domestic markets» [4, p. 45]. This approach, in particular, was accomplished in determining industrial policy as proposed by the authors of the publication «State regulation of the market economy», where industrial policy is understood as «a coherent organization of works to create conditions for effective development and interaction of public and private sectors, to maintain the required level of production and investment, to develop an infrastructure of development and human potential as well as the mechanism of foreign trade to the quantitative, qualitative and structural improvement of domestic production» [5], and program applications from a number of political organizations:» The industrial policy refers to a system of interconnected targeted government measures as of direct action, such as public procurement, and also through financial and credit levers and other necessary measures of tackling the crisis, ensuring economic growth, improving competitiveness of domestic industry at both international and domestic markets» [4, p. 45].

Attempts to specify the nature of industrial policy with the help of specific tasks to be solved by society at a particular historical interval of its development, in our opinion, it is not justified in the theoretical sense, because it does not give the opportunity to see the main thing that defines its essence. In this regard, we shall determine what lies as a ground for the industrial policy and for-

ulates its views on the matter with the help of considered definitions.

Key importance in determining the merits of industrial policy has, in our view, the allocation of emphasis on understanding what constitutes a policy in general.

To our point of view, in this context the identification of policy with some form of relationship that characterizes the political, class approach to the definition of this concept takes place. Obviously, this is not by chance, taking into account the encyclopedia and reference literature sources, where one can get information about this concept, and the time of its publication. Thus, philosophical Encyclopedic Dictionary defines «policy is the scope of activities connected with relations between classes, nations and other social groups, the core of which is the problem of winning, keeping and using of state power» [9, p. 16]. A distinguishing feature of the policy is its direct or indirect relationship with state authorities.

We believe that policy consists of directions for realization of interests of associated and organized subject, which can be represented by a state and other organizations. Industrial policy is the re-alization of national interests in the specific field of its activity.

Exactly the state interests underlay as a ground for the formation of this or other policies that characterize the situation in modern Ukraine. In a democratic society, where broader national interests are being formed on the basis of consensus from a side of leading political forces, their degree of their convergence or divergence is molded thorough regulative politics. «The main source of economic instability of the 1990s was a permanent political crisis, the inability of the leading political parties and interest groups to reach consensus on the basic problems and goals of economic policy» [7, p. 23].

At the same time one must take into account the subjective factor in determining policy. Policy (even scientific) is an art and a science in one. For instance, economic need can be expressed in various political decisions which content is largely dependent on the discretion of persons eligible to take this decision. The range of deviations caused by the actions of subjective factors is objectively limited. But it is quite sufficient in order to lead to ambiguity of political action.

The necessity for realization of public interests concerns different areas and aspects of social life, including economics. «As for the nature of

political interaction (with the subject of interest) policy is divided into sections (areas). If social groups interact (or cooperate) with each other concerning affairs in the economy, then this economic policy, if it regards natural environment and the conditions of its exploitation is an environmental policy. There are demographic, cultural, educational and other policies (spheres of relations), and also a social policy» [1]. «Depending on the sphere of social relations, which is the object of political action, we can talk about the economic, social, cultural, technical and others types of policies» [3, p. 136].

In fact we are talking about the position of the state, which is based on its interests in respect to different objects and processes that occur in a society. In this case expression from a side of a number of economic and political activists concerning the question what industrial policy becomes more precise.

As it is noted in the scientific journals, the right radicals actually established the primacy of political-ideological and power purposes by the way of taking the levers of state and economic management and beginning the liberal-monetarist reform, which consisted in accelerated overcoming of socialist, collectivist characteristics in the organization of economic and social life, in forced formation of a large capital and in creating an innumerable but financially powerful social standing as a pillar for the political regime that established itself in the country after the dissolution of the Union of Soviet Socialist Republics (1991). This approach, based on the interests of the government, determined an appropriate industrial policy, although it was not officially stated anywhere.

All this leads to the conclusion that while determining industrial policy in a particular stage of social development it is impossible to be completely abstracted from the interests of the government. The state itself forms the state policy, and therefore the claim that any exchange of economic goals and criteria to political gain should be categorically excluded, is just a matter of a wish.

Therefore industrial policy is a direction of the interests of the state (government) in industrial production. If in the current conditions the initial state interests are related to the continuation and strengthening of market reforms, the essence of industrial policy is to further liberalize (de-bureaucratize) relations in the sphere of industrial production and to create conditions of choice for business entities of such conduct that satisfies the requirements of social development. With that liberalization does not mean

complete abandonment of the active position of the state in elimination of all obstacles in economic growth, which cannot be eliminated by the natural course of events.

With all the perfection of the market mechanism as a regulator of the proportions of social reproduction in accordance with supply and demand, which is constantly changing, into his «competence» comes only a relatively narrow segment of social relations, whereas beyond it there is a wide range of closely related social, economic, ethnic, interstate and other relations. Market makes a significant impact on these areas of social life, but is unable to regulate them. This function must hold by the state.

It should be noted that the role of a government in economic management qualitatively varies at different stages of the functioning of a society: on the stage of the formation of market relations and in conditions of a stably functioning, well-established, regulated economy with built market institutions. Self-organization and the market is a classic example of self-organization, characterized by rather stable system and ineffective in the transition period from one system to another. It is important to note that in the terms of socio-economic transformation the principle of self-organization enhances conservative, protective functions, the return of the economy in the former state of things, uprooting old trends. This is very dangerous.

In addition, the absence of any regulatory framework in the transitional period leads to the inevitable growth of random processes. The fact is that during the transitional state of things, with the absence of governmental intervention regulatory functions play the role of inertia, keeping the old system alive. Any system wants to keep its former condition. This includes the distribution of product, standardization, regulation, etc. Therefore, at the stage of reform, as it happens in Ukraine, the state should be more active than in a debugged economy. With an absence of governmental intervention at the stage of market economy spontaneous development increases, which contributes to the emergence of new forces of opposition that monopolize production processes.

The fact that the ratio of non-market and market methods is entirely determined by the specific situation is being proved by the experience of many countries. The sharper the economic situation is, the greater role of the direct non-market methods there is. The more stable position is, the more scope for market mechanisms and indirect controls (taxes,

credit, prices, etc.) exists. However, in all circumstances, no matter how varied the level of state regulation is, it could never fall below a certain threshold, as in this case the reproductive process alone would become impossible, and the market methods of regulation would lead to such distortions and imbalances that they could have caused unpredictable economic and social turmoil.

In this context, the authors specify the content of the term «state regulation of economics». As noted in several scientific journals, today it is more often treated as one or another form or measure of «state intervention in economic life.» And in such limited interpretation this category is being criticized from the liberal point of view as one that carries a potential threat to market freedoms and contains calls for the restoration of the command-administrative methods of the economy's administration.

In fact, enhancing the role of the government means: 1) to effectively reduce the role of officials, while increasing the effectiveness of the legal framework of economic development, 2) to facilitate the effective management of the existing state property (which does not provide the mandatory increase in the size of the latter), and 3) to engage an authentically market mechanism that optimally combines competition and regulation, 4) to littermate stabilizers of social development, 5) to protect national interests in the process of expanding global economic

relations. Moreover, increasing the role of government means raising it to the level of personification from the side of the nation.

Conclusions

Thus, state regulation in adequate (broad) interpretation includes the following main elements: 1) the regulation of economic life (in the forms of production, financial, commercial activities, etc.), creating a set of rules and codes of conduct for business entities, which define their rights and responsibilities, the range of opportunities and the extent of mutual responsibility (including the introduction of certain restrictions designed to prevent the loss of market, to protect the interests of both producers of goods and services and the consumers), 2) the formation of public and private organizational and economic structures which ensure strict control over compliance with generally accepted norms in regards of regulating economic behavior of market service and economic relations, and 3) the development of social and economic policy, determination of the effective use of organizational and economic mechanisms of its implementation (the actual regulation of socio-economic processes). In other words, the rate on strengthening the state regulation is absolutely not identical to suppression of liberal principles in economy and returning to a situation where the state is the «main business entity».

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