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## SCIENTIFIC BASIS OF HUMAN DEVELOPMENT STATE ADMINISTRATION IN UKRAINE<sup>1</sup>

**Background.** Development of the polity "life in a new way" through the introduction of PPB system (Prediction, Programming, Budgeting) of human development in socio-economic terms, the regions and the country as a whole, involves the formation of the scientific and educational and staffing mechanism of governance at the national and regional levels.

Scientific achievements of the Economic Research Institute of the Ministry of Economic Development and Trade of Ukraine, the Research Institute of the State financial educational and scientific institutions "Academy of Financial Management" of the Ministry of Finance of Ukraine, the private higher education institution "Bukovynskiy University", V.I. Vernadsky Institute of Natural Economy, S.A. Podolinsky Institute of Physical Economy allows us to generalize the recommendations and proposals for the formation of scientific and educational and staffing functions, procedures and processes of "life in a new way" state administration during the years of independence.

**Problem.** The article is a rationale for the establishment of the state educational and scientific institution, the Academy of Economic Administration, based on the Economic Research Institute. It is also considered to be a part of the Department of Economics of the National Academy of Sciences of Ukraine and directly subordinated to the Cabinet of Ministers of Ukraine (compared to the Academy of Financial Management, established within the Research Institute of the Ministry of Finance of Ukraine, and to obtain a dual subordination – both to the Ministry mentioned above and to the Department of Economics of the National Academy of Sciences of Ukraine).

Academy of Economic Management is able to implement:

1. Introduction, improvement and development of current scientific methods of National and Regional human development formation programs developed by the Department of Economics of the National Academy of Sciences of Ukraine in the system long, medium and short-term forecasts, programs and plans for socio-economic development at the national and regional levels.

2. The National and Regional human development programs monitoring of state administrative divisions

and applied theme of Masters Dissertations and research recommendations.

3. The proposals justification for further system scientific researches of economic and statistical indicators, social norms, human development norms and standards of their reference values for each region and for the country as a whole.

**Main material.** The Economic Research Institute (ERI) was established in March 1961 as a major research institution in the field of spatial planning methodology for comprehensive economic and social development of the republic and its regions in Ukraine and among former Soviet Union republics.

It is particularly deserved to pay special attention to the following comment on doubled sector model of economic management of Ukraine established in the Economic Research Institute and includes a mechanism for coordination of national, sectoral, regional and individual reproductive processes (V.F. Stolyarov, V.M. Ilyin, V.S. Fedorenko, V.P. Kryvoborodenko) [4-6]. Today this model is valid in the Chinese economy.

In this model, the public sector is the first one to incorporate various forms of state control ownership in all reproductive processes through the development and implementation of Prediction, Programming, social and economic development administration planning of regions, districts, villages, towns and the state as a whole. The model first sector is identical to only state ownership, and provides the introduction of public-private partnership elements based on the principles of social responsibility.

The second one in this model is to be a casual sector of the national economy state managing and includes enterprises, firms, organizations and businesses which activities in terms of deployment of market relations in the production of goods or services are not regulated by the specified above Prediction, Programming and Planning. That is a sector of free enterprise.

Owing to this methodological approach to the state management it was ensured a consistent evolutionary transition from the administrative-command system of planned management to state regulation of social and economic development in a market economy. A proportionality of sector model of a ("public" and "free enterprise") have changed sequentially,

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simultaneously with the development of market relations, ensuring integrity, self-organization and stability of the national economy as an organic unity at the national socio-economic system.

It would be advisable to use advanced position of doubled sector economic model for the formation of the polity "life in a new way" in the Research Institute of the State financial educational and scientific institutions "Academy of Financial Management" of the Ministry of Finance of Ukraine:

- Identities multiculturalism recognition ownership in the structure of the public sector of the national economy;
- Addition to national economy focus (external influence of state regulator) with its desire to achieve goals (an intrinsic property of the national economy);
- State influence mainly in the area of scientific and technological potential of the model first sector;
- Differentiated development of social norms;
- Socio-economic development transformation of in public procurement;
- Complex construction of the national economy in aggregate economic Matrix density (characterizes the distribution of social labor in the economic space of probabilities that determine the density of the distribution) and state regulators;
- The separation of powers between Center and local government as the basis for the coordination of the entire national economy with the development of local economies;
- The scope of innovation determination and planning of the necessary specialists (scientific and practical), their rational allocation by social norms on human labor and other territories.

Accelerated implementation Anglo-Saxon model "shock without therapy" in the transition from a planned economy to a market one in Ukraine led to the productive capacity of the economy and of Ukrainian people logistics lifestyle destruction, and as a result - the spiritual structure of all segments of the Ukrainian society.

We can assume that the geopolitical forming scenario of the "golden billion" humanity on Earth is actually implemented and continues to be implemented in Ukraine. In the early years of the market economy introduction a domestic economic science was excluded from the training procedures and the decision making on strategic management of the national economy with elements of planning.

The Revolution of Dignity in Ukraine oriented the society to the indispensable epistemological analysis and synthesis of spiritual and ideological components of own socio-cultural nature of the Ukrainian people with the best achievements of mankind.

The fundamental basis of the "life in a new way" polity are organic components of the national system of the Ukrainian society values and the current under-

standing of the areas of sustainable human development ("Nature's Wisdom"), which, in their turn, are based on philosophical and ideological ideas of outstanding Ukrainians S.A. Podolinsky and V.I. Vernadsky<sup>1</sup>.

That is, the state administration formation of the "life in a new way" in Ukraine through the use of the Human Development Concept becomes a global mission of our country. It becomes possible to make only after reviewing the role and place of national economics in the development of Ukrainian society.

And nowadays it is the establishing the State financial educational and scientific institutions (SFESI) "Academy of economic administration» at the Economic Research Institute of the Ministry of Economic Development and Trade of Ukraine in the Department of Economics and the National Academy of Sciences and directly subordinated to the Cabinet of Ministers of Ukraine. The Academy of economic administration should not only have The Scientific Research Plan (SRP) but also the plan of the SRP results implementation conducted by the Institute of the Department of Economics of the National Academy of Sciences of Ukraine (NASU) as well as recommendations based on the results of universities, master's and doctoral research and scientific institutions of the Ministry of Education and Science of Ukraine in the social sphere, based on National and Regional programs of human development.

The Economic Research Institute (ERI) initiative for the Academy of Economic Studies establishment in 1993-1994 was the impetus for the establishment of the State educational and scientific institution (SESI) "Institute of Economics and Forecasting", directly subordinated to the Cabinet of Ministers of Ukraine, in the first stage, (Decree of to the Cabinet of Ministers of Ukraine since 19.07. 1997 № 772"On the establishment of the Institute of Economic Forecasting"), and then, the National Academy of Sciences of Ukraine (NASU) (Decree of the Presidium of NASU since 09.05.1997, № 298).

If the Academy of Economic Studies at the Economic Research Institute (ERI) of former State Planning Committee of Ukraine (directly subordinated to the Cabinet of Ministers of Ukraine and incorporated into the Department of Economics of the National Academy of Sciences of Ukraine (NASU)) with its wider authority and responsibility governance toward socio-economic impact assessment of the Government and the President of Ukraine Decrees had been established earlier, some of the decrees would have been

<sup>1</sup> The continuation. The beginning see : Shinkaryuk, O. V. (2014, Jan 15). State administration formation of regional human development in Ukraine. (Z. Čekerevac, Ed.) MEST Journal, 3(1), 104-113. doi:10.12709/mest.03.03.01.12

refined or even wouldn't have been accepted (similar with scientific assessment of socio-economic impact of Laws of Ukraine enactment by Verkhovna Rada of Ukraine specialized unit, the Chief Scientific Expert Department). The former employees of The Economic Research Institute (ERI) as well as of The National Security and Defense Council of Ukraine became the employees of the Chief Scientific Expert Department.

The development of the Programs of development or specific sectors reforming of national economy is appropriate to entrust to the State financial educational and scientific institutions (SFESI) "The Institute of Economics and Forecasting", which, in addition to their own, prepares consolidated national reports based on local papers of all Institutes of Economics Department of NASU. And also these Programs of development or specific sectors reforming of national economy should not only be entrusted to experts, consultants and experts from various skill levels and different scientific schools that practiced in the past in the Cabinet of Ministers of Ukraine and the Administration of the President of Ukraine. Their state projects should be estimated also by specialists of the Institute of Economics and the Bureau of National Academy of Sciences.

For example, in 2010, after the publication program of NASU academician Valeriy Heyets "Liberal democratic foundations: a course on modernization of Ukraine" [9] the State financial educational and scientific institutions (SFESI) "The Institute of Economics and Forecasting" prepared the National Report "The New Deal: the reform in Ukraine. 2010-2015 " [10] and the annual President of Ukraine Proclamation to the Verkhovna Rada of Ukraine "Modernization of Ukraine is our strategic choice" was based on the materials of this report [11].

In turn, the Institute of Industrial Economics (NASU) (Donetsk) has developed scientific methods of monitoring the stages and processes of modernization of Ukraine and its economic regions based on the experience of China [12]. All mentioned above has increased the scientific management level of the national economy for sustainable development.

In addition to these important documents of state influence on the socio-economic development of regions and Ukraine as a whole, the Institutions of Economics Department (NASU) should develop the projects of the State comprehensive reform programs of the national economy (O.S.Yemelyanov [2]) that, after review by The National Security and Defense Council of Ukraine, have been adopted on a joint session of the Verkhovna Rada of Ukraine, the Cabinet of Ministers of Ukraine and the President of Ukraine (with the participation of the Bureau of Economics NASU), based on scientific expertise specialists of the Institute for Strategic Studies and the Institute of legislation of the

Verkhovna Rada of Ukraine) and public discussion (including the participation of foreign experts).

With the change of Government and the President of Ukraine it has to be maintained a strategic course of the national economy reforming, without the new radical reform usage of "shock therapy", it should be kept the leading components of the institutional mechanism of its methodological support (this part was recently the Committee on Economic Reforms under the President of Ukraine) [13].

Based on the objectives of integrated programs in the context of the polity "life in a new way," Cabinet of Ministers of Ukraine shall conduct to clarify the quantity, structure, functions of staffing number of ministries and departments of the socio-economic profile, sufficient for the development and implementation of programs and plans for socio-economic development of Ukraine and its regions, in which national and regional programs of human development would have been the leading element, and their routines with a set of appropriate measures in education, health care, pension and social security, etc. would have been the objects of reform. However, the reforms in education and health must be made according to the criteria of indices increase of national and regional human development, not from the standpoint of minimization of state and local budgets for their operation. Failure in the state to regulate the processes of socio-economic development and the country could lead to deterioration of the National and Regional Human Development Indices.

National reports and projects of Government Action Programs and annual President of Ukraine Proclamation to the Verkhovna Rada of Ukraine are also advisable to be prepared as forecast-analytical construction materials of all the Institutions of Economics Department (NASU). It is in these materials the projects of new Government Actions may be presented, such as the introduction of PPB system (Prediction, Programming, Budgeting) of human development through the development of National and Regional Programs based on the principles and provisions of fiscal federalism that requires the establishment of Chief Research Institute of socio-economic profile of these issues at the Economic Research Institute of the Ministry of Economic Development and Trade of Ukraine.

**Conclusions.** In the eve of the 50th anniversary The Economic Research Institute (ERI) clarified its mission, which is to be the informational, analytical and scientific support of the Ministry of Economic Development and Trade of Ukraine in the development and implementation of economic policy and with an aim to improve the market economy, ensuring its functioning, improving the level and quality of life on this basis, promoting socio development.

The Economic Research Institute (ERI) strategic aim is to acquire and consolidate the informal status of the leading scientific institution in Ukraine to develop a methodology for strategic planning, information, methodological and organizational support of economic and social development programs at the macro and meso level, the formation of economic policy measures and their implementation mechanism [15].

The Institute science activity is carried out to the primary and secondary thematic The Economic Research Institute (ERI) research plan, formed on the basis of the relevant contracts and agreements with the Ministry of Economic Development and Trade of Ukraine and other organizations.

The main thematic plan problems are defined by tasks of the Ministry of Economic Development and Trade of Ukraine for the development and implementation of state economic policy of Ukraine in the following areas [16]:

1. A comprehensive analysis of the economy main trends (by institutional sectors and markets).
2. Modeling of economic development.
3. Methodological principles for the development of strategic and program documents of economic and social development of the country and regions.
4. Tools of strategic and program documents implementing of economic and social development.
5. Monitoring of economic and social development of Ukraine.

The Institute actively collaborates with the Cabinet of Ministers of Ukraine, the standing committees of the Verkhovna Rada of Ukraine, Ministries and Departments, regional authorities, the National Academy of Sciences of Ukraine.

The Economic Research Institute (ERI) doctoral studies are engaged in academic training for central and local authorities, local governments, research institutions and other economics. All graduate students, doctoral students and scientific degree applicants are assigned to the relevant departments of the Institute and are directly involved in the implementation of planned research on topical issues of development of Ukraine.

The specialized Academic Council for the Protection of theses on specialties 08.00.03 "Economics and management of national economy" and 08.00.08 "Money, Finance and Credit" is presented in the Economic Research Institute (ERI). Leadership of the Institute has provided the priority development of its own scientific methods of strategic planning based on the needs of institutionalization of state of the national economy in the future.

The Economic Research Institute (ERI) is able to start the work on the "Scheduled Code of Ukraine" (similar to the Budget Code of Ukraine) with 30 years of fruitful collaboration with the former State Planning Committee (Gosplan) of Ukraine, and considerable

library collection and archive of research papers on methodology of current, medium-term and long-term planning.

В 2011 році, крім здійснення планових досліджень, Інститутом було підготовлено та передано до центральних органів державної влади ряд доповідних записок, рекомендацій та інших матеріалів. Серед них слід відзначити:

In 2011, in addition to the implementation of planned research, the Institute has prepared and submitted to the central government a number of memoranda, recommendations and other materials. Among them should be noted:

- Proposals to improve the project of Law of Ukraine "On state strategic planning";
- Analytical materials for Consensus forecast "Ukraine: Prospects for Development";
- A set of analytical materials on import substitution policy and its possible implementation in Ukraine;
- Proposals to improve the mechanisms of long-term lending to the real sector and households;
- Information on the current status and trends of investment and production of high and medium technology industries in Ukraine in 1998-2009 pp.;
- Proposal of a plan to the State's policy to change the structure of the real economy, to increase the technological level of production and increase the share of manufacturing, focusing on the domestic market;
- Policy Brief overview of the general trends and results of operation in Ukraine for special (free) economic zones and territories of priority development with special investment regime.

The Economic Research Institute (ERI) with the Ministry of Economic Development and Trade of Ukraine created a unique state document based on Prognosis of integrated development of the national economy and social sphere for the first time since independence, in 2011. Unfortunately, the project of the State Economic and Social Development of Ukraine for 2012 objectively caused rapid adjustment of the State Budget of Ukraine for 2012, which was directly connected with the objectives for its implementation ("Market needs help ...of the former State Planning Committee (Gosplan)" [2 p. 53]).

That is, the State Program of economic and social development of Ukraine and the State Budget of Ukraine should be treated as a single government document that contains a set of planning guidelines and address problems of development macroeconomics, industries, regions and departments and supported the definition of specific terms of their implementation of responsible and targeted on specific issues, while the forming the polity "life in a new way".

Scientific and methodological support to achieve an whole forecasting, planning and budgeting of hu-

man development at the national and regional level can provide the Economic Research Institute (ERI) to be part of the Institutes of Economics Department of NASU and be subordinated to the Cabinet of Ministers of Ukraine.

Organizing its activities as Chief Research Institute of socio-economic profile, the Research Institute of the State financial educational and scientific institutions "Academy of Financial Management" of the Ministry of Finance of Ukraine should make joint mid-term Scientific research work plans with the State Institution "Research Institute of industrial relations" at the Ministry of Social Policy of Ukraine, with the State Enterprise "Scientific and Technical Complex statistical Research" (Institute of Statistics and Research and Design Institute of Statistic Technology) at the State Statistics Service of Ukraine and the Institute of legislation of the Verkhovna Rada of Ukraine.

In terms of the development of the polity "life in a new way" it is appropriate to put the functional approach in the foundation of ministries and departments of the socio-economic profile and to determine their powers (rights and responsibilities) according to the processes and procedures for national and regional human development programs. These programs must be central (top chains) while forming the state programs and plans for socio-economic development and regional, state and local budgets Ukraine.

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#### Шинкарюк О. В. Наукові основи державного управління людським розвитком в Україні

В статті на основі розкриття ролі та місця Науково-дослідного економічного інституту (НДЕІ) колишнього Держплану України в управлінні народним господарством розкрито роль та місце вітчизняної економічної науки в науково-методичному забезпеченні державного впливу на соціально-економічний розвиток держави та регіонів. Обґрунтовано доцільність створення ДННУ «Академія економічного управління». Визначені напрями та завдання діяльності Академії щодо формування науково-освітняського забезпечення механізму

державного управління «життям по-новому» в Україні.

*Ключові слова:* механізм, економіка, управління, забезпечення, координація, національний, регіональний.

**Шинкарюк О. В. Научные основы государственного управления человеческим развитием в Украине**

В статье на основе раскрытия роли и места Научно-исследовательского экономического института (НИЭИ) бывшего Госплана Украины в управлении народным хозяйством раскрыта роль и место отечественной экономической науки в научно-методическом обеспечении государственного воздействия на социально-экономическое развитие государства и регионов. Обоснована целесообразность создания ГУНУ «Академия экономического управления». Определены направления и задачи деятельности Академии по формированию научно-образовательного обеспечения механизма государственного управления «жизнь по-новому» в Украине.

*Ключевые слова:* механизм, экономика, управление, обеспечение, координация, национальный, региональный.

**Shinkaryuk O. V. Scientific Basic of Human Development State Administration in Ukraine**

On the basis of the disclosure of the role and place of the Research Economic Institute (INAH) of the former State Planning Committee of Ukraine the role and place of national economic science in the scientific and methodological support of state influence on the socio-economic development of the state and regions. The expediency of the creation of the mode of "Academy of Economic Management" is disclosed. The directions and objectives of the Academy on the formation of scientific and educational governance provision which may be called "life in a new way" in Ukraine.

*Keywords:* mechanism, economics, management, maintenance, coordination, national, regional.

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