# Nina I. Solovyova, Maria S. Fediaieva<sup>1</sup>

# Ніна І. Соловйова, Марія С. Федяєва ВДОСКОНАЛЕННЯ СИСТЕМИ ДЕРЖАВНОГО СТРАТЕГІЧНОГО ПЛАНУВАННЯ НА ОСНОВІ НОВОЇ РЕГУЛЯТОРНОЇ ПОЛІТИКИ ДЕРЖАВИ

# IMPROVEMENT OF THE STATE STRATEGIC PLANNING BASED ON THE NEW REGULATORY POLICY

Розглядається проблема формування інтегрованої системи державного стратегічного планування на засадах розвитку регуляторної політики держави та технології старт-регулювання. Встановлено, що така система має базуватися на принципах узгодження та взаємодії суспільних пріоритетів, партнерства і єдності інтересів господарюючих суб'єктів, суспільних організацій, органів державного управління.

The problem of creating an integrated system of state strategic planning on the basis of regulatory policy and technology start-regulation is examined. It is established that such a system should be based on the principles of coordination and interaction of social priorities, partnerships and community of interests of businesses, social organizations, government (organs of state administration.).

**Key words:** state strategic planning, regulatory policy, public priorities, smart regulation, information and communication integration. **Fig.1., Lit.** 

#### Problem setting.

The main demarcation line is traditionally presented in Ukraine by the sphere of unfair income distribution. More and deeper becomes differentiation between social elements that emerged due to the loss of productive motivational bases of industrial activity. It is known that the basis of material well-being affluent segment of the population is often illegal, informal economic activity. Between economic efficiency and social justice gap is insurmountable, and indeed it is - the usual attribute of socially separated "post-humanistic" society.

So any idea of economic integration is unsustainable without liquidation of the gap between the poor and the rich. And what do the rich and the poor have in common in order to build a bridge over this gap? All the social groups are documentary united in the Government budget of Ukraine - as for income and expenditure, which equitableness is hard to be substantiated using scientific research. The fact is that the Government budget can be both as an integrator and a disintegrator of societal interest and private interests

Individual strategic interest appears to be unable to solve state problems of the society development, since their solution is tightly connected with such parameters as common, joint and universally oriented work of the majority. So, in our opinion, it is illogical to pay attention just to the administrative failures of state policy implementation, because it exists in social relations, global economic tendencies, officially established priority of the market "deregulation"

Informal parameters of management of economy (corruption, shadow process of privatization, "continuity of generations" in government authorities, etc) at that point in time were as a catalyst of market-type reforms. The problem is that the implementation of all the programs (state, regional, earmarked programs) and plans (business planning, budgeting) is

<sup>&</sup>lt;sup>1</sup> Kherson State University, Kherson, Ukraine

performed in the frames of informal economic environment. Taking into account that they had been acknowledged at the beginning of 90ties as revolutionary in building a market oriented society there should be a question: why they are not taken into consideration in the system of state forecasting and strategic planning as actual economic parameters, that require institutionalization and building the forecasting models, and the most important thing – systematic estimation of multifactorial risks in the branches of economy.

The problem of choice of a motive force for the socioeconomic development among such categories as: income, commercial benefit and society wants (that reflect the views of most of citizens of Ukraine as for the material and social discomfort [1]). is being kept current. These problems in the light of the ideological crisis of the postindustrial economy are now under consideration, in particular at the World Economic Forum in Davos, the members of the forum admitted that it is time to reconsider not incontestable capitalistic traditions in order to stop economic recession

## The goal of the article is to determine

The research task is assigned to develop the principles of an integrated system of state strategic planning on the basis of regulatory policy and coordination of social priorities of state planning.

## Latest research and publications analysis.

The problems of state prognostication, strategic planning and public budgeting broadly and deeply studied in the works of Heytsya [2] M. Pashuto [3] M. Demyanenko [4] B. Paskhaver [5] and other scientists. Meanwhile questions of development of conceptual and methodological framework of integration interaction of public and social institutions in the integration of public and budget planning remain relevant. Scientific works of O. Haltsovoyi [6] B. Il'yashenko [7] A. Pokatayevoyi [8] V.Pryadka [9] J. Pustoviyta [10] justify the possibility of regulatory policy in Ukraine as one of the necessary conditions for formation of a progressive, intellectual and creative economy in the country, accompanied by a transformation of the institutional environment.

#### The object of the research is

The object of the study presents separate processes of state prognostication, strategic and budget planning related to the problem of consolidation, partnership and unity of interests of businesses, social organizations and government.

## Key research findings.

Nowadays there is much tension around the issue of consolidated achievement of target goal within the system of strategic budgeting, issues of co-partnership and unity of interests of economic agents, social organizations, and state administration bodies are being made actual. Integrated process of financial forecasting should become a unifying basis for common strategic priorities development, especially in overcoming the information murkiness. It's mechanism will deal with aggregation of financial benefits in the state strategic planning system. The result of integrated financial forecasting in estimating individual, collective multifactorial financial risks, predicted investment background should be found in the long-term strategy of the development of Ukraine, economy branches programme of development, enterprises budgeting system

We have an invincible belief that state strategic planning has to be a system of coordinate interactivity of all the institutional units (enterprises, state institution, and households) when elaborating regional, sectoral programs of the consolidated development. It goes without saying, that such a coordinate interactivity has not got any institutional and juridical assistance yet. First of all, it is so because it denies all the essence of the formed system of public

administration, that was formed on the grounds of non-transparency and corruption of authorities' decisions.

In this regard we set an objective – to integrate state strategic planning into the activity of all the economic entities, all the civil groups, all the territorial Communities, every single person.

Amid critical estimation of corruption in Ukraine (according to all the world ratings) commercialization and parceling of private interests concerns not only big investment projects, but also public administration in the sphere of finance (budget expenditure management), land matters, state procurement. It often happens that the official state position implies some private overtone that is unspecified in public. This situation looks like a general satisfaction by the high level of "shadowing" of the economics, that is variously estimated in Ukraine at 39 % to 50 % [3]. It is true that "shadow" economy was recognized as a convenient way to modernize the socialist society close to market laws. Such a system had been developing for a long period of time and it was independent to choose the objectives of its development. But the adaptation time is over now and there should be a report to the world community about the results of legitimization of market and society institutions.

On the one hand, this main factor of investment attractiveness decline requires fundamental changes in the sphere of tax management. It is referred to the creation of environment for the equitable dialog between taxation bodies and taxpayers, and as a result of it, gradual positive changes in views of taxpayers. And on the other hand, the unshadowing – is a step to the destruction of lines between government officials and business entities that had been being built during twenty years, shadow job market, and the efficient system of slush money and under the table payments.

With such a powerful sector of detached economy it is difficult to discourse upon the system renovation in the sphere of state forecasting and strategic planning if the composition and structure of government budget spendings changes not in concordance with social needs, they are determined by the political power the majority of which is represented in the parliament.

"Regional Center of Planning and Prognosis Initiatives" (Kherson State University) conducted a research as for the implementation conditions of special programmes in the rural sector on regional or district levels. As a result of investigation we obtained the following results:

- 1. The system of informal relationships in the government bodies on the local (regional) level narrows down potentialities of the branch to satisfy the needs in carrying-out of the programme, from this it follows that the branch materially cannot reflect the aims of the government program.
- 2. Correspondingly, the program does not meet growing requirements of the branch, the branch itself serves as a condition for the extension of informal relationships on local and national level
- 3. Informal relationships on a nationwide scale expand conventional strategic priorities and narrow actual priorities. Budgetary financing of the strategic priorities, satisfying individual strategic guideposts, feeds the system of informal relationships on local and national level. It turns out that individual strategic priorities of economic agents in rural sector have the advantage over state in the process of implementation of the development plans.

- a) lack of backyarders' eagerness to cooperate and create producers' cooperatives and servicing cooperatives;
- b) indifference, unbelief in mutually beneficial cooperation with the government, indifference towards participation in government programmes of development;
- c) the acquiescence performed in their actions and weakness of their civic position that serve for the informal relationships with the governing officers (revenue officer, workers of Regional, district, village Councils);
- d) collaboration with illegal gratification way of having compearance and endless list of other things.

That is why the carrying out of a Budget programme is regularly recognized as unsatisfactory: a low level of the financial discipline of public finances holders. There is no efficient system of civilian control over the disposal of public funds meant for the government programmes.

We would like to offer to complicate the process of state forecasting activity by means of systematic mathematical analysis of the informal environment parameters, in which a programme is supposed to be deployed in. In its turn, the formalization of the particular financial risks and their reveal will not only bring the rational application of funds nearer, but it will also bring us nearer to the solution of long-standing issues of information nontransparency, that feeds the branch of corrupt relationships and set the Economic Recovery of Ukraine aside.

With the purpose to create a multi-branch system of consolidated strategic planning it was offered to join the systems of financial forecasting of the economic agents in a whole data base of knowledge. The integrated data base of the system of financial forecasting will be the exit part of the support expert system of strategic and current financial decision-making, that contains heuristic rules and imitation solutions as for the analysis of possible external environment risks, management conditions of the investment projects, directions and priorities of government planning, local priorities of the economical agents, budgeting system development. The basis of the expert knowledge representation in the system of the finance forecasting is supposed to be formed of decisional block of aim. Every slot is supposed to have a unique code, that can characterize the case according to the integral factors. Aggregated financial factors here – the quantification of absolute or relative correlation of the financial conditions indicators. Quantitative and qualitative indexes of the existing cases will be correlated in the system of intellectual analysis of data: financial indicators are joined together with the external environment risks and form the subject sphere for the prognostic –planning decision-making.

The essence of infocommunicational integration is in the union of transaction (incoming messages) of the integrated forecasting system participants with the purpose of their optimization by means of the intellectual analysis of data and its transfer to the data base of knowledge management system. The reverse direction of the support system of the forecasting – prognostic decision making provides the access of the participants to the data base of knowledge, that are formed by standard and alternative scenarios, coming from the transaction information.

The participants of the project (prognostics subjects) are supposed to be independent in their estimation of maltifactorial risks for finance subsystems, taking into account the necessary level of the risk specified. Actually, the entire massive of the data base will automatically have access to the most informative analysis of maltifactorial risks. There is a new opportunity of access to data base of knowledge intellectual analysis: in this case the active participant is not

only a founder of some financial case, this participant becomes an active expert of the support system of grognostic – planning decision. The implementation of the offered project of consolidated financial advantages of the integrated forecasting process participants will assist many-alternatives decision of the agents and subjects of the government programmes of development that are to be carried out in the agricultural sector and other sectors that require urgent budgetary financing, state and private investment support.

In the end we will also offer to use the technology of the state regulator policy development, based on the successful combination of all determined by us strategic priorities. SMART regulation of national economy has to become such a technology to our opinion. In the wide understanding SMART regulation is a regulator cycle, that begins from development of the normatively-legal provision to its implementation, realization, estimation and revision. SMART regulation is used to build common interest of the local community. Using smart regulation can transform regulatory policy at the local level in the current regulatory system, which provides for state regulation of the economy divided responsibility, in which the government, citizens and economic agents play an active role perfectly. A characteristic feature of smart regulation is taking into account public opinion and at the same time the interests and needs of companies and the challenges they face in the global economy. Thus, the regulatory system in the application of SMART regulation is the part of a complex global system that requires the government, local authorities and independent organizations to work better together towards common goals. Let us formulate guidelines for implementing SMART regulation at the level of local government in Kherson region (Table 1).

Table 1. Regional SMART-regulation in the integration process of the strategic planning

Regional Areas of SMART-regulation	Components of SMART-regulation	Implementation in the process of the strategic planning
SMART-economy	Innovative spirit	Consolidation of region ratios target and strategic development of the state vector
		Development of multi-dimensional database for operational analysis of economic, legal and administrative levers of business state regulation
	Entrepreneurship	The ability to identify and formalize factors of influence on macro and micro environment of the company (common knowledge base)
SMART-governance	Correlation of national and regional plans	Participation of region in the development of regional socio-economic programms
	Consolidated planning decision	The combination of local priorities in target- oriented components of development programs
	Transparent governance	Information and communication ensure of functions of prognostication and planning initiatives center
SMART-living	Economic welfare	Systematic mathematical analysis of "informal" environment implementation of government programs
SMART-environment	Ecological awareness	Integrational simulation of prognostic-based planning interests aggregating on social development goals

	Public awareness	Projected analysis of the priorities of the executive agencies under social development objectives and needs of regional and sectoral development
SMART-mobility	Local accessibility	Public examination system of targeted and regional programs
	Availability of IT- Infrastructure	Information system of providing public examination implementation of targeted programs

Government, local communities and businesses work together to build a national regulatory system to maximize the benefits of regulatory policy for the entire population, enables them to take advantage of new knowledge and support positions in the international arena.

Using of SMART regulation in Ukraine will promote the interests of local communities and ensure the objectives of government social policy and financial stability. In addition, SMART regulation and responsibility for its implementation are shared between the central and local governments. It was attended by local authorities and local communities in the context of SMART regulation, that became the basis for the development of intelligent (creative) cities - SMART city [80; 123]. The concept of SMART cities and SMART region is based on the use of information and communication technologies for more efficient development of resources and lower costs; first of all, this concept includes an open dialogue for local authorities.

For example, the current system of intergovernmental relations does not allow the Kherson community to provide quality social benefits at the local level (education, health, housing and utilities) due to insufficient funding distorted model of fiscal equalization. Most of the local government of Kherson goes to consumption rather than on development. Increased funding of Kherson community from the state budget depends on the quality of the developed regional socio-economic development. It should be mutual solution of prognostic and planned activities by public authorities, businesses and public entities decision-making based on expert fruitful cooperation. In addition, Kherson region should take more part in the formation of proposals for national socio-economic development. As you know, most of them are formed centrally in research institutes of city Kyiv, and the Ministry of Economy and branch offices. While Kherson region will take a passive stance in the case in formation of national social priorities of economic, social, technological and scientific development, financial autonomy of local governments remain low. Aggregate (national and regional) strategic advantages form the conceptual forecasting models in the state strategic planning. It is important that the strategic advantages only determine the vector of planning decisions when in identification bases of information and communication systems will be registered maximum number of integrated process prticipants, impersonal in terms of individual commercial interest. We believe that only compatible public, private and academic support of information and communication processes defined by the system is able to carry out the practice of managing complex combination of prognostic methods for multivariate risk. These organizational decisions will establish several new directions in strategic planning: first, it is - government support for consolidated prognostication of multifactor economic risk, and secondly, it is - the direction to integrate private, scientific and business joint efforts to monitor the implementation of agreed prognosticplan making.

**Conclusions**. Local government implements regulatory policy on behalf of the public and in view of its interests in order to achieve the following objectives: to ensure a fair and competitive market environment, protect health and ensure safety, stimulate innovation, maintain natural environment. In this context, government regulation of the economy should be seen as an instrument of economic policy interactions and expectations. In developing strategies for

economic development, its legal security, the government seeks to maximize social utility. This should ensure the adequacy of the used instruments. Organizational mechanism of development of state strategic planning has provided information and communication means integrating all participants in the process, businesses, social organizations and government. Potential implementation of integrated planning opens access to intellectual resources of qualitative and quantitative analysis of multivariate economic risk, investment risk evaluation system to all participants of consolidated process: enterprises, financial and credit institutions, insurance companies, research organizations, information and counseling centers, public authorities. This allows them to choose their own targets participation - from awareness reference to the possibility of state participation in program activities.

#### References:

- 1. Новиков В. Семенов В. Социальная справедливость: сущность, оценка, реализация /теоретико-экономическое исследование /
- http://www.idss.org.ua/monografii/novikov\_semenov.pdf
- 2. Геєць В. М. Про єдність і суперечності у розвитку суспільства, держави та економіки / В. М. Геєць // Економіка України . 2012. № 10. С. 4-23.
- 3. Пашута М.Т. Прогнозування та макроекономічне планування [Текст] : навч. посібник / М. Т. Пашута, А. В. Калина ; К: МАУП. 1998. 185 с.
- 4. Дем'яненко М.Я. Державна політика фінансової підтримки розвитку аграрного сектору АПК: монографія [Дем'яненко М.Я., Саблук П.Т., Скупий В.М. та ін.]; за ред. М.Я.Дем'яненка. К.: ННЦ ІАЕ, 2011. 372 с.
- 5. Пасхавер Б. Й. Історичний і теоретичний аспекти глобалістики та її еволюція в Україні і Росії / Б. Й. Пасхавер // Економіка України . 2013. № 4. С. 95–96.
- 6. Гальцова О.Л. Державне регулювання економіки в контексті євроінтеграційних устремлінь України: [монографія] / О.Л.Гальцова; Класичний приватний університет. Запоріжжя: Вид-во КПУ, 2014. 308 с.
- 7. Ільяшенко В.А. Механізми розвитку місцевого самоврядування в Україні / В.А. Ільяшенко // Держава та регіони. Серія: Державне управління: [Науково-виробничий журнал]. №3, 2011. С. 97 102.
- 8. Покатаєва О.В. Вплив податкової політики на соціально-економічний розвиток країни / О.В. Покатаєва, С.О. Давидков // Інвестиції: практика та досвід: [Науковий журнал]. № 11, 2014. С. 17 21.
- 9. Прядко В.В. Система державних закупівель в умовах євроінтеграції: фінансовий аспект / В.В. Прядко, К.Є. Крищенко // Ефективна економіка: [Науковий журнал]. № 5, 2013. С. 15-21.
- 10. Глуха Г.Я. Тіньова економіка: гальмування економічного зростання чи викривлення реальних результатів // Європейський вектор економічного розвитку. -2013. -№ 2 (15). C. 82–91.