THE FORMATION OF PRIORITY DIRECTIONS OF THE STRATEGY OF STATE REGULATION BY THE ECONOMIC MECHANISM OF THE SPHERE OF CULTURE IN UKRAINE

**Purpose.** The purpose of the study is to identify current trends in the strategy of state regulation of the economic mechanism of the sphere of culture in Ukraine.

**Design/methodology/approach.** During the study, the classical methods of scientific knowledge (analysis, synthesis, grouping, analytical, forecasting, studying of scientific and statistical sources) were used.

**Findings.** The problem of choosing of the priorities of the strategy of state regulation by the economic mechanism of the sphere of culture is extremely relevant, considering the structural changes in economy of Ukraine and manifestations of crisis phenomena. We propose to improve the state regulation by the economic mechanism of the sphere of culture in Ukraine on the basis of introduction of elements aimed at its reforming and consisted of a group of administrative, organizational and economic methods. The group of administrative methods includes the use of motivational means, the provision of an appropriate legal framework and the use of an arsenal of methods of non-material incentives. There must be a correspondence between the main purpose of improving of the state regulation by the economic mechanism in the field of culture and the such organizational methods: training and qualification improvement; creation and implementation of management and monitoring; effective management; appropriate analytical support. Economic methods of improving of the state regulation by the sphere of culture include the economic benefits, the material incentives, the use of effective methods and effective tools of fundraising. However, there are a significant number of unresolved issues and contradictions in the field of remuneration. One of them is the absence of a solid dependence of the wage on the actual efforts of the employee. The fee system of remuneration in cultural institutions needs to be more widely implemented, but without reducing the link between remuneration and collective achievements.

**Research limitations/implications.** The obtained results and conclusions are the basis for in-depth scientific research of the problems of development of the national and world socio-cultural sphere.

**Originality/value.** Results and conclusions can be used in the development of national economy development programs, in the formation of a modernization strategy for modern economic systems. The practical value of the work consists in the fact that the provisions and practical recommendations make it possible to solve the broken scientific and practical problem, and the results of the research, which are of an applied nature, can have practical application in the activities of government and local self-governments.

**Keywords:** state regulation, economy, mechanism, culture, strategy.
У статті виявлено першочередні напрями стратегії державного регулювання економічним механізмом сфери культури в Україні. Метою дослідження є виявлення сучасних тенденцій у стратегії державного регулювання економічним механізмом сфери культури в Україні. У ході дослідження використовувалися класичні методи наукового знання (аналіз, синтез, групування, прогнозування, вивчення наукових і статистичних джерел). Проблема вибору приоритетів стратегії державного регулювання економічним механізмом сфери культури є надзвичайно актуальною з урахуванням структурних змін в економіці України та проявів кризових явищ. Запропоновано вдосконалити державне регулювання економічним механізмом сфери культури в Україні на основі впровадження елементів, спрямованих на його реформування, які складаються з групи адміністративних, організаційних та економічних методів. Отримані результати та висновки є основою для поглибленого наукового дослідження проблеми розвитку національної та світової соціально-культурної сфери. Результати та висновки можуть бути використані при розробці програм розвитку національної економіки, у формуванні стратегії модернізації сучасних економічних систем. Практична цінність роботи полягає в тому, що положення і практичні рекомендації дають можливість вирішити порушену науково-практичну проблему, а результати дослідження, що мають прикладний характер, можуть мати практичне застосування в діяльності органів державної влади та місцевого самоврядування.

Ключові слова: державне регулювання, економіка, механізм, культура, стратегія.

Кучын С.П.

ФОРМИРОВАНИЕ ПЕРВООЧЕРЕДНЫМ НАПРАВЛЕНИЕМ СТРАТЕГИИ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ ЭКОНОМИЧЕСКИХ МЕХАНИЗМОВ СФЕРЫ КУЛЬТУРЫ В УКРАИНЕ

В статье выявлены первоочередные направления стратегии государственного регулирования экономическим механизмом сферы культуры в Украине. Целью исследования является выявление современных тенденций в стратегии государственного регулирования экономического механизма сферы культуры в Украине. В ходе исследования использовались классические методы научного знания (анализ, синтез, группировки, прогнозирование, изучение научных и статистических источников). Проблема выбора приоритетов стратегии государственного регулирования экономическим механизмом сферы культуры является чрезвычайно актуальной с учетом структурных изменений в экономике Украины и проявленной кризисных явлений. Предложено усовершенствовать государственное регулирование экономическим механизмом сферы культуры в Украине на основе внедрения элементов, направленных на его реформирования, которые состоят из группы административных, организационных и экономических методов. Полученные результаты и выводы являются основой для углубленного научного исследования проблем развития национальной и мировой социально-культурной сферы. Результаты и выводы могут быть использованы при разработке программ развития национальной экономики, в формировании стратегии модернизации современных экономических систем. Практическая ценность работы состоит в том, что положения и практические рекомендации дают возможность решить возникшую научно-практическую проблему, а результаты исследований, имеющих прикладной характер, могут иметь практическое применение в деятельности органов государственной власти и местного самоуправления.

Ключевые слова: государственное регулирование, экономика, механизм, культура, стратегия.

Formulation of the problem. Now the sphere of culture in Ukraine belongs to the least protected part of the competitive environment of the market economy, so its position is quite difficult and often not predictable. In modern Ukraine, this has led to the aggravation of a number of socio-economic, managerial, organizational problems that hinder the process of effective development of the sphere of culture as a part of the socio-cultural sphere. The relevance of our study is underlined by the fact that the culture of society and its social development are recognized in Ukraine as an important factor of national security. In a context of the current complexity of social relations in Ukraine, significant attention should be paid to the creation of an effective mechanism for the functioning of the sphere of culture, considering the fact that a significant part of the cost of maintenance and development of this sphere falls
on the bodies of state power and local self-government. That is why the urgent task which belongs to the domestic economic science is to improve the state regulation by the economic mechanism of the sphere of culture in Ukraine, taking into account the specifics of the formation and development of a competitive environment in the socio-cultural sphere in terms of overcoming negative macroeconomic trends, stabilization and transition of the national economy to sustainable growth.

**Analysis of recent research and publications.** A significant contribution to the study of state regulation by the economic mechanism of the sphere of culture was made by scientists such as T. Abankina [2], W. Baumol [1], I. Bezgin [3], M. Dyha [7], A. Dehtiar [6], G. Zadorozhnyi [9], A. Kolot [10], A. Rubinstein [12] and others.

Despite the importance of the scientific achievements of the above-mentioned researchers, there are problems that remain insufficiently developed both in theoretical and practical aspects, that necessitates the further scientific justification of theoretical and methodological aspects and applied recommendations for improving of the state regulation by the economic mechanism of the sphere of culture in Ukraine.

**Formulating the aims of the article.** The purpose of the study is to identify the current priorities of the state regulation strategy with an economical mechanism of the cultural sphere in Ukraine. The subject of the research is the current trends in the development of state regulation methods in Ukraine and in the world. The study uses classical methods of scientific knowledge (analysis, synthesis, grouping, analytics, forecasting, the study of scientific and statistical sources).

**Presenting main material.** Since the first years of independence of Ukraine, the actions of the authorities in relation to the problems in the field of culture are hardly called contributed to the rapid overcoming of crisis phenomena in this area. In recent years, the consolidated budget expenditures on culture and art in 2010 amounted to 1.6% of the total budget expenditures, in 2015 and 2016 – 1.3%, and in 2017 – 1.5% [4]. In addition, the share of expenditures of the consolidated budget as a percentage of GDP shows a decreasing trend and in 2010 it was only 0.5%, and in 2016 – 0.4%. Number of professional cultural institutions during the years of independence has decreased almost twice, it concerns the number of theatres and libraries, and the number of their visits has also decreased [11].

To increase the effectiveness of scientific researches it is appropriately to separate an infrastructure "cultural and artistic infrastructure" into the independent element as a complex of objects and subjects of the sphere of culture, which are the object of systematic state regulation and which are responsible for achieving of a human development through the mechanisms of formation in society of moral and ethical values, worldview, established value orientations as the foundation of socio-economic development of the state and the priority direction of the state cultural policy.

The category "socio-cultural sphere" is characterized by a set of subjects of the national economy, which, thanks to the methods of state regulation and factors of social reproduction, provide society with products, primarily spiritual production, aimed at satisfaction of the socio-cultural needs in social and creative activities, communication, knowledge, physical and psychological protection, spiritual and value improvement of the person and, considering the importance of its development for the social security of the state, it requires enhanced control and regulation by public authorities and local self-government.

Also, despite the wide applicability of the concept of "infrastructure", in economic researches there is no certainty in the understanding of its essence, and therefore a single well-established meaning. In this article we interpret the concept of "infrastructure" through its interpretation as a complex set of interrelated physical and material complexes (objects), individuals and legal entities (subjects), which function for the formation and satisfaction of cultural needs of society.
If we consider the development of the state from an economic point of view, the economic growth in Ukraine cannot be achieved only through the development of industry. All developed countries and a number of developing countries in recent years have shifted the structure of the national economy from the production of goods to the production of services. There were services that have become a source of long-term economic growth of countries. The insufficient level of development of the service sector is often defined as a "mismatch" of the structure of the domestic economy to the conditions of integration into the European space.

As part of the specification of the features of state regulation by the economic mechanism of the sphere of culture in Ukraine, it should be noted that the state policy in the sphere of culture should be focused on the preservation of the national cultural and artistic heritage, the support of academic directions of art, the raising of the professionalism, the support of artistic and culturological education, material and technical re-equipment of the sphere of culture, promotion of Ukrainian art in the world. After all, in Ukraine, today, in most cases, there are outdated approaches to the formation of appropriate state policy. Modern socio-economic conditions and the lack of "flexibility" of subjects of the sphere of culture in the direction of adaptation to new conditions of management do not contribute to the effective development of subjects of the sphere of culture in Ukraine.

The solution of the problems that have been accumulated in the sphere of culture requires not only the appropriate budget financing, but also the improvement of state regulation by the economic mechanism of the sphere of culture, the financial support, the improvement of the system of corporate governance, the increasing of management efficiency in the institutions of the sphere of culture.

Studying the world experience of financing of the socio-cultural sphere, we can distinguish two groups of countries that apply fundamentally different approaches to the mechanisms of budget financing of the socio-cultural sphere.

The first group of countries has a socially oriented economy characterized by a high level of taxes and social orientation of budget expenditures at different levels. A characteristic feature of these countries is that their socio-economic systems are set to work to achieve a high standard of living of the vast majority of the population (Sweden, Germany, Denmark, Austria, Spain). This model can function effectively only on condition of the high level of socialization of national income, the accumulation of large financial resources by the state. It is impossible to choose such model of budget financing of the socio-cultural sphere as a basis for the implementation of the model of budget financing of the sphere of culture in Ukraine due to lack of financial resources, although this model is more consistent with the mentality of Ukrainian society, because it is based on such principles as the social justice, solidarity, collectivism.

The second group of countries has a liberal economy, lower taxes and social spending from the budget. Financing of the social sphere takes place on a conditionally residual principle, in which the state assumes the performance of those functions which are not properly performed by the market (USA, Canada).

These models differ in the level and composition of social spending. Thus, on average, the share of social spending in the gross domestic product in the developed countries is about 25%, including in the USA – 21%, and in Japan – about 18%. Among the European countries, Greece and Switzerland lag behind the average level, while the rest of the European countries are ahead. The share of the social budget in them is about 30%, significant part of which is directed to the financing of the sphere of culture [13, P. 154-158].

One of the acute problems of the modern development of the sphere of culture is that the specifics of the functioning and the system of management and administration in the sphere of culture do not allow them to use the opportunity to strengthen their material and technical base entirely due to the development of effective financial, personnel management, diversification of financial resources. In this regard, there is a need to improve the professional requirements.
for applicants for senior and economic positions in the field of culture by making of appropriate changes to the "Directory of qualification characteristics of workers professions" [8].

Meanwhile, economic science and social practice faced serious challenges, revealing a tendency to reduce the interest, especially of the younger generation, to artistic and aesthetic values. This has a very negative impact on the number of consumers of cultural services. In such circumstances, the problem of studying the social aspects of pricing is significantly actualized. State influence on prices is appropriate in those markets where the privileged place belongs to social and cultural, but not economic processes. An objective necessity in this case is the intervention of the state in the process of pricing in areas where there is one of the laws of consumption and production of services in this area – the so-called "cost disease", the opening of which belongs to W. Baumol and W. Bowen [1].

In modern Ukrainian society there is a tendency to reduce the interest in artistic and aesthetic values – this has a negative impact on the number of consumers of cultural services. During the period of independence of Ukraine, the market of cultural and educational services has been shrinking due to significant demographic and economic problems, which are the determining factors for ensuring of the stable, effective and innovative development of the country. It is also necessary to take into account the negative geopolitical factors of 2014-2019, which previously had no manifestation in the development of Ukraine [5].

The most important for the state is the education of innovative type of thinking and culture for human, the design of acmeological educational space, taking into account the innovative development of education, the requests of the individual, the needs of society and the state, "merging" into a single mechanism of formation and satisfaction of the cultural and educational needs of institutions of the sphere of education and culture.

In this direction, security issues are relevant, considering the desire of the state to protect its national interests and create the new formation of educated, fully developed individuals as a fundamental link of Ukrainian society. The decline of the cultural sphere inevitably leads to spiritual degradation of the person, which negatively affects the development of the labor potential of the country, causes deterioration of the quality of business ethics and culture of communication. The formation of appropriate value orientations in society and on their basis the ensuring of the security of the state are one of the priorities of state secure and cultural policy.

On the basis of the development of the system of interrelated elements of organizational culture, social partnership, social responsibility of business and on the principles of formation of value and moral orientations of society it is necessary to build appropriate principles of organizational economic culture within the enterprise (organization), to motivate adequate policy in the social and economic responsibility of business. This can eventually become the "locomotive" of economic development in the sphere of culture and the guarantee of social security of the state.

**Conclusions.** Thus, the study of the dynamics of the main economic processes allow us to conclude that the sphere of culture is at the stage of a deep crisis, which demonstrates its depth and unpredictable high rates of deterioration as a branch of the national economy.

The problem of choosing of the priorities of the strategy of state regulation by the economic mechanism of the sphere of culture is extremely relevant, considering the structural changes in economy of Ukraine and manifestations of crisis phenomena.

We propose to improve the state regulation by the economic mechanism of the sphere of culture in Ukraine on the basis of introduction of elements aimed at its reforming and consisted of a group of administrative, organizational and economic methods.

The group of administrative methods includes the use of motivational means, the provision of an appropriate legal framework and the use of an arsenal of methods of non-material incentives.
There must be a correspondence between the main purpose of improving the state regulation by the economic mechanism in the field of culture and the such organizational methods: training and qualification improvement; creation and implementation of management and monitoring; effective management; appropriate analytical support.

Economic methods of improving of the state regulation by the sphere of culture include the economic benefits, the material incentives, the use of effective methods and effective tools of fundraising. However, there are a significant number of unresolved issues and contradictions in the field of remuneration. One of them is the absence of a solid dependence of the wage on the actual efforts of the employee. The fee system of remuneration in cultural institutions needs to be more widely implemented, but without reducing the link between remuneration and collective achievements.

Taking into account the abovementioned, we note that the state regulation by the economic mechanism of the sphere of culture is an important component of the state economic policy. A kind of "litmus" of development of society is the shape and level of financial and material support of cultural and artificial infrastructure. The effective and sustainable economic development of Ukraine is impossible without the formation and implementation of the strategic state program of development of subjects of the sphere of culture. The economic feasibility of the modern market "supresses" the importance of the subjects of the sphere of culture. The sphere of culture loses the functions of social consolidation, spiritual and moral self-determination of a person. The current socio-economic situation forces the subjects of the sphere of culture to stand on the rails of market relations and look for ways to ensure their existence in a strict competition and "primacy" of economic reasonability, that increases the probability of turning of their highly artistic product into a product of "mass unconscious" consumption. Traditionally, one of the first victims of the financial and economic crisis is the sphere of culture. The procedure of implementation of directions of improvement of state regulation by the economic mechanism of the sphere of culture should be realistic and adequate to the objective conditions of the national economy.

The improvement of the state regulation by the economic mechanism of the sphere of culture is a necessary and non-alternative condition for the formation of an effective system of national economy in Ukraine. Contributing to the development of culture, Ukraine should become a highly developed, stable and prosperous country.

References: