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**SOCIALIZATION OF UKRAINIAN ECONOMY IN THE CONTEXT
OF THE RIGHTS, FREEDOMS AND RESPONSIBILITIES
OF A MAN AND CITIZEN**

Abstract. The author of the article has offered a synergistic approach to the ways of developing a socially-oriented economy through its socialization and raising the level of legal culture of economic agents. It has been grounded that the development of the economy in the whole and certain business entities is impossible without respect for the rights and freedoms of their counterparts, which also increases the level of social responsibility in the process of business development. The author argues the opinion that socialization of the economy functionally involves the predicted movement of financial flows in order to develop the production and technical, socio-economic subsystems of a business entity within the framework of legal regulation for using contractual forms of the formation, distribution and redistribution of national wealth. At the same time, the predicted nature of the movement of financial flows is possible in the condition of using the possibilities of contractual regulation of the distribution of resources of a business entity by economic subjects. The author has also emphasized that neglect of the law, disrespect for the rights and freedoms of a man and citizen for the sake of personal enrichment makes it impossible to sustain business development and to satisfy the interests of the owner of the means of production in regard to the lack of social peace and harmony in society. The author has argued in general that the socialization of the economy and its connection with the rights, freedoms and responsibilities of a man and citizen must be understood as the state of the equitable redistribution of national wealth. At the same time, justice must be understood in the context of the Art. 21 of the Constitution of Ukraine, that is, as equality of a man in his dignity and rights. Awareness by the economic subjects of interdependence of satisfaction of their socio-economic interests with their legal culture will allow to form new approaches to the redistribution of national wealth, starting with the level of enterprise, institution, organization, which finally will affect the state of the economy. It has been proved that respect for human rights and freedoms and the right to personal development are not only a social goal of legal regulation, but also a basis for the socialization of the economy. It has been suggested to consider the socially-oriented economy as a condition for the equitable redistribution of national wealth on the basis of the organization of state and contractual regulation of the national economy.

Keywords: socialization of the economy, socially oriented economy, law, rights, freedoms and responsibilities, legal culture, financial flows, constitutional rights, contractual forms.

JEL Classification: K1, P4

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**СОЦІАЛІЗАЦІЯ ЕКОНОМІКИ УКРАЇНИ В КОНТЕКСТІ ПРАВ, СВОБОД ТА
ОБОВ'ЯЗКІВ ЛЮДИНИ І ГРОМАДЯНИНА**

Анотація. Запропоновано синергетичний підхід до шляхів розвитку соціально орієнтованої економіки через її соціалізацію та підвищення рівня правової культури економічних агентів. Обґрунтовано, що розвиток економіки загалом та окремих суб'єктів господарювання не можливий без поваги до прав і свобод своїх контрагентів, що також підвищує рівень соціальної відповідальності у процесі розвитку бізнесу. Відстоюється думка,

що функціонально соціалізація економіки передбачає прогнозований рух фінансових потоків з метою розвитку виробничо-технічної та соціально-економічної підсистем суб'єкта господарювання в межах правового регулювання з використання договірних форм формування, розподілу і перерозподілу національного багатства. Водночас прогнозований характер руху фінансових потоків можливий за умови використання економічними суб'єктами можливостей договірного регулювання розподілу ресурсів суб'єкта господарювання. Окремо наголошується, що нехтування законом, неповага до прав і свобод людини і громадянина задля особистого збагачення унеможлиблює стійкий розвиток бізнесу та задоволення інтересів власника засобів виробництва у зв'язку з відсутністю соціального миру і злагоди в суспільстві. Загалом відстоюється думка, що соціалізацію економіки та її зв'язок із правами, свободами і обов'язками людини і громадянина потрібно розуміти як стан справедливого перерозподілу національного багатства. Водночас справедливість тут варто розуміти в контексті статті 21 Конституції України, тобто як рівність людини у своїй гідності та правах. Усвідомлення економічними суб'єктами взаємозалежності задоволення їх соціально-економічних інтересів з їхньою правовою культурою дозволить сформулювати нові підходи до перерозподілу національного багатства, починаючи з рівня підприємства, установи, організації, а це в підсумку позначиться на стані економіки. Доведено, що повага до прав і свобод людини та її право на особистий розвиток є не лише соціальною ціллю правового регулювання, а й базисом для соціалізації економіки. Запропоновано соціальноорієнтовану економіку розглядати як стан справедливого перерозподілу національного багатства на основі організації державного і договірного регулювання національної економіки.

Ключові слова: соціалізація економіки, соціально орієнтована економіка, право, права, свободи і обов'язки, правова культура, фінансові потоки, конституційні права, договірні форми.

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СОЦИАЛИЗАЦИЯ ЭКОНОМИКИ УКРАИНЫ В КОНТЕКСТЕ ПРАВ, СВОБОД И ОБЯЗАННОСТЕЙ ЧЕЛОВЕКА И ГРАЖДАНИНА

Аннотация. Предложен синергетический подход к путям развития социально ориентированной экономики через ее социализацию и повышение уровня правовой культуры экономических агентов. Обосновано, что развитие экономики в целом и отдельных хозяйствующих субъектов невозможно без уважения к правам и свободам своих контрагентов, что также повышает уровень социальной ответственности в процессе развития бизнеса. Отстаивается мнение, что функционально социализация экономики предполагает прогнозируемое движение финансовых потоков с целью развития производственно-технической и социально-экономической подсистем хозяйствующего субъекта в рамках правового регулирования с использованием договорных форм формирования, распределения и перераспределения национального богатства. Доказано, что уважение к правам и свободам человека и его права на личное развитие является не только социальной целью правового регулирования, но и базисом для социализации экономики.

Ключевые слова: социализация экономики, социально ориентированная экономика, право, права, свободы и обязанности, правовая культура, финансовые потоки, конституционные права, договорные формы.

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Introduction. The development of any society is impossible without economics and law, but we do not always realize that their combination is not simple, and synergistic action is the engine of growth of the development. Thus, the development of a socio-oriented economy in Ukraine has not been lagging in recent times, and in combination with a decline in the general level of legal culture, this indicates about the need for urgent measures to revise the economic content of relations as relations between economic subjects and their counterparts.

Analysis of research and problem's setting. Issues of the socialization of the economy since the proclamation of Ukraine's independence are researched by the scholars of various branches of national science. The methodology for the development of a socially-oriented economy in modern Ukraine is based on the scientific works of V.M. Heits, S.M. Golubiev, A.A. Hrytsenko, M.S. Doronina, E.M. Libanova, L.S. Shevchenko. At the same time, the methodology of the movement of cash flows in Ukrainian economy is substantiated in the scientific works of H.M. Azarenkova, O.I. Baranovskyi, A.Ya. Kuznetsova, B.V. Samorodov, T.S. Smovzhenko and others. The legal dimension of the researched problem is grounded in the writings of V.B. Averianov, O.V. Zaichuk, O.L. Kopylenko, Ye.B. Kubko, N.M. Onishchenko, N.M. Parkhomenko, Yu.S. Shemshuchenko and others.

The objective of the article is to substantiate the relationship between economy and law in the process of managing financial flows and enterprises' resources for the development and socialization of Ukrainian economy in the context of the rights, freedoms and responsibilities of a person and citizen.

Research results. A significant part of the problems of braking the socialization of Ukrainian economy is concentrated in the working conditions offered by employers to the economically active population. At the same time, both employers and employees try to realize their constitutional rights to entrepreneurial activity, which is not prohibited by the law, and the right to labor, which includes the possibility of earning a living, freely chosen or freely agreed by everyone, enshrined in the Articles 42 and 43 of the Constitution of Ukraine [1]. Therefore, citizens by realizing their constitutional rights, must understand that in the course of their economic activity, they cooperate with other people who are also endowed with inalienable rights and freedoms. By establishing the ways of realizing the constitutional rights and freedoms of a man and citizen in the law, the state fulfills its functional purpose in society, but the law and its norms are powerless in the conditions of legal nihilism and open neglect of the law. The economy of the country will not acquire social features until the economic activity of economic subjects will acquire a predictable social nature.

The scholars fairly argue that "the right ... gives the society the features of orderliness, civilization, ensures the functioning of various social institutions; the right is the scale of an individual's freedom in society, it defines the measure of this freedom" [2, p. 69]. In our opinion, legal culture is one of the ways of the socialization of the economy, while such a socialization that is implemented not under the pressure of normative regulations, but under the influence of legal values and social dimension of the role of economic relations in society. In this context, we agree with the conclusion of M.S. Doronina and S.M. Holubeva that the process of economic socialization has long been carried out in the developed countries. And this is not so much a consequence of the moral development of the capital owners, as a forced measure. There is awareness that the further maintenance of business life is impossible without increasing attention to an employee, his personal development, which is directly related to the transformation, enrichment of his needs ... The socialization of the economy involves the social reorientation of the production and simulation in general [3, p. 218-219]. Thus, the legal culture within economic relations of the owners of the capital and employees should be realized as the strict observance of the law and the creation of opportunities for personal and professional development of an employee in the manner prescribed by the law. Failure to comply with this vector of development while carrying out economic activity generates the dangers, threats and risks of further business functioning. This is confirmed by the situation in Ukraine due to the reluctance of skilled employees to work in Ukraine.

Thus, commenting on labor migration in Ukraine, the Director of the Department of Monetary Policy and Economic Analysis of the National Bank of Ukraine S.A. Nikolaichuk noted that “the issue of migrants is a serious reason for us to worry about, because with such a scale as we currently observe, it will definitely affect our potential GDP. We found out that migration over the past 2 years has led to the reduction in our labor power by 5-8%, though not on a constant basis, but nevertheless. The impact on the potential GDP is quite high, especially given the fact that the most productive citizens leave. A significant number – about 70% – are males. In the age framework about 35% are emigrants up to 30 years old, and this has become a tendency [4, p. 2].

What is the reason for this situation? In our opinion, this is the lack of understanding between employees and employers against the background of legal nihilism. The desire at any cost to get the profit from the business leads to the violation of the constitutional right of a man and citizen to earn a living by labor. On the other hand, the lack of understanding by employees of the essence of property rights and the economic consequences of the possession, use and disposal of property force the owners of the means of production to tough, sometimes, unjustified supervision and control over employees. As a result we have unfavorable working conditions, physical and psychological fatigue from work, deterioration of health, and, consequently, decrease in life interval, the lack of effective GDP growth in Ukraine.

It should be noted that Ukraine holds the 88th place in the human development index, while the Czech Republic is 27, Poland is 33, Latvia is 42, Kazakhstan is 59, without mentioning Germany that holds the 5th place, Singapore is 9, Slovenia is 25, being in the ranking behind Ecuador, but ahead of Peru [5, p. 22-23]. Ukraine has not the best indicators of components of the human development index, such as: expected life interval, duration of training, average duration of training and gross domestic product per caput. Consequently, their increase and positive growth can testify to the effectiveness of the economic socialization in Ukraine.

The value of the development of the country’s economy should be assessed not by the accumulation of a certain level of capital, but by the conditions of life of a man and citizen, his possibilities of access to public goods, such as health care, education, awareness, participation in public life, etc. The socialization of the economy also assumes that business entities are socially responsible for their economic activity. And we agree with the statement that “the social responsibility of the business arises as an objective need not only of society, but also of the enterprises, which aspire to find their place in a competitive environment, their consumers, to interest national and international partners, highly skilled specialists in cooperation” [6]. There is a logical question: What is the segment of economy and law, where there should be the high-priority changes indicating about the social responsibility of the business? To our mind, the answer to this question is as follows: “The constancy of the movement of financial resources should be considered not only as a tool of changes, but as one of the indicators and essential levers of the mechanism of self-regulation. The essence of transformational changes is reflected primarily in the financial system, namely in the movement of financial resources, which should be considered in conjunction with the movement of other resources” [7, p. 7]. That is, the changes in the economy must be reflected in the movement of financial resources.

The legal plane of the problem of the development of socially-oriented economy in Ukraine is that “society’s achievement of such a state of development, when there is a domination of the legal culture, requires the people’s awareness of the importance of the role of law in the life of society as one of its most important cultural values” [8, p. 318]. This is explained by the fact that the social value of law is manifested in promoting the development of those relations that are the interest of both individuals and society in the whole at a certain historical stage of development, affects the behavior of subjects by reconciling their specific interests, general, group and individual will, promoting social progress, serving as a source of renewal of society [2, p. 68]. Consequently, the deliberate use of regulatory acts and contractual forms of cooperation in the economic activity of economic agents will promote the development of economic relations on civilized basis. Only when the economically active population of Ukraine will realize the power of law by its actions,

only then the laws will be able to provide the basis for the functioning of socially-oriented economy.

The socialization of the economy does not require the expectation of legislative changes as the way to achieve social and economic effects of economic activity. On the contrary, the formation of new progressive types of relations and cooperation between economic agents should form a public request to provide them with a legal form with subsequent regulation at the level of legislation. The legal form of new social relations, in turn, should create such a legal regime for the activities of economic agents in the process of their cooperation, which would fully create a predictable nature of relations and ensure respect for their rights and economic interests. Such changes, in our opinion, should occur not only at the level of the state and its regions, but also in enterprises, institutions and organizations, and it is necessary to agree with the statement that “law is a necessary component of culture as the way of human life. As a mean of forming universal stable order in the society” [8, p. 315].

Therefore, it is necessary to ensure such a movement of financial flows for the socialization of the economy, which contributes to the development of the totality of subsystems of enterprises, institutions and organizations. At the same time, such a movement should take place in accordance with the provisions of the current legislation with the possibility of choosing alternative behavior of economic subjects within the limits permitted by the law. Consequently, the socialization of the economy and its connection with the rights, freedoms and responsibilities of a man and citizen must be understood as the state of fair redistribution of national wealth. At the same time fairness must be understood in the context of the Art. 2 of the Constitution of Ukraine, that is, as equality of a man in dignity and rights.

The scholars prove that “the company’s labor resources play a leading role in the solution of scientific and technical, organizational and economic tasks ... The level of enterprise’s supply of labor power and its rational use largely determines the organizational and technical level of production, the degree of using equipment and technology, labor objects” [9, p. 5]. That is, if we talk about the enterprise’s labor resources and the redistribution of funds to enhance the professionalism and competitiveness of employees, then the labor resources fully become an intellectual capital capable to defend business in crisis conditions. But, can one achieve professional development in conditions of disrespect for a person, his life, health, honor and dignity? No, we can not. Hence, there is a conclusion that the professional development of employees as a necessary condition for the functioning of business of the owner of means of production can not be ensured without a stable relationship between legal values and the redistribution of resources. At the same time, while fulfilling its duty, the state ensures the rights and freedoms of a man and citizen through legal tools, which being normatively consolidated, provide the possibility of choosing any legal forms of activity by economic subjects. Herewith, contractual forms of cooperation between economic agents involved in the production, distribution, exchange and consumption of public goods prevail in democratic states in the market relations.

Meanwhile, we must borne in mind that the socialization of the economy should involve the integration of the social needs of a man in any process of activity, since all goods, work and services are created in the interests of a man. It is also essential to understand that economic subjects while exercising their activities in a democratic, legal state, are equal under the law and the court. This principle follows from the constitutional provisions on equality of constitutional rights and freedoms, equality of everyone under the law, equality of the rights of foreigners and stateless persons with the rights of citizens, with the exceptions established by the Constitution, laws or international treaties of Ukraine [10, p. 185]. That is, regardless of the status of a subject – the owner of the means of production or the employee or the resident or non-resident, their cooperation should provide legal equality, which allows by reconciling economic needs and interests to reach a compromise solution for the fair distribution of resources, in particular resources of a business entity. On the basis of the above mentioned, we offer a chart of the relationship between the movement of financial flows in terms of the socially-oriented economy (Fig. 1).

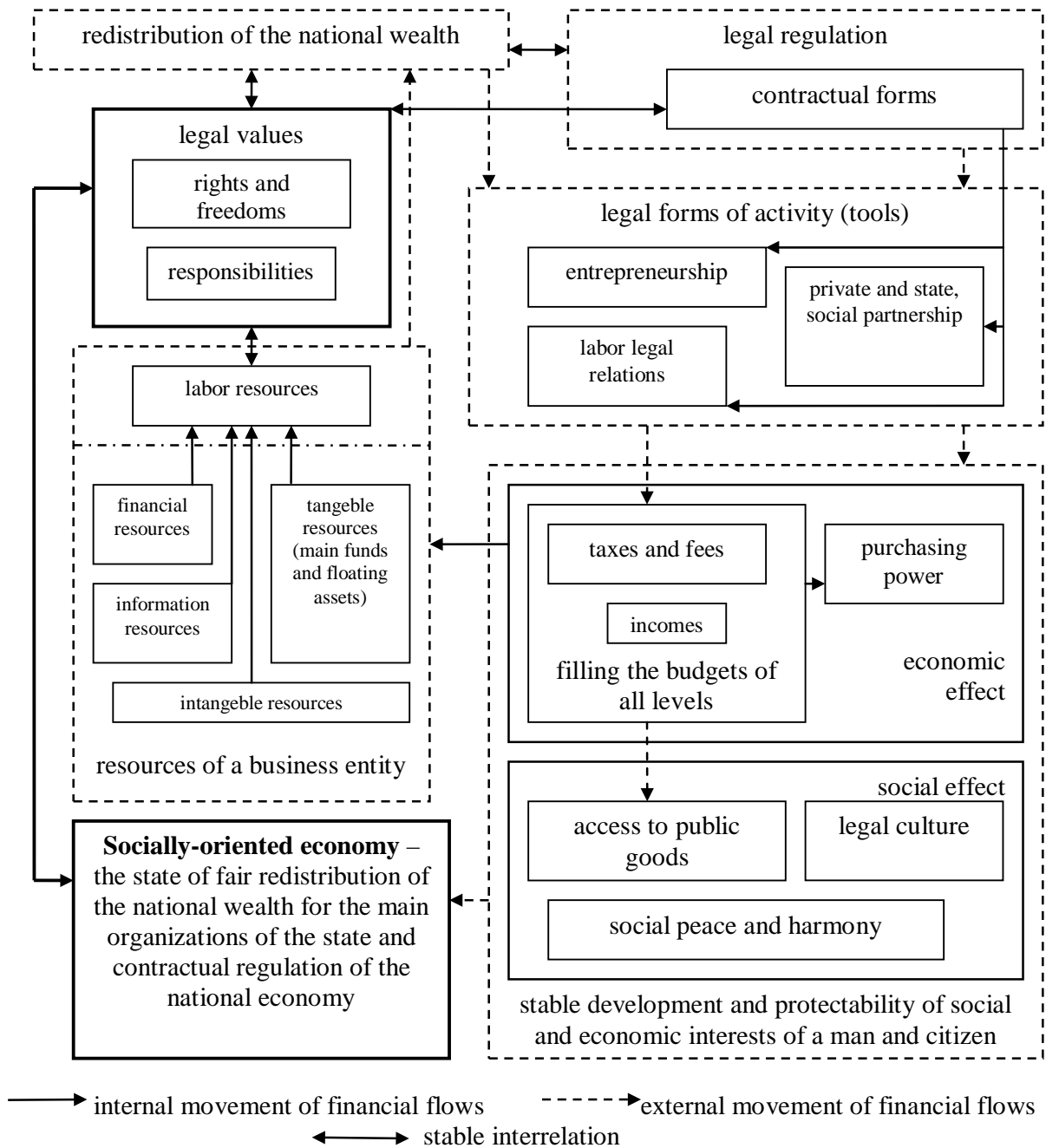


Fig. 1. The chart of the relationship of the movement of financial flows in terms of socially-oriented economy

The stated above demonstrates that the internal movement of flows of money is carried out within the organization of a business entity through the following legal forms of activity: entrepreneurship, labor legal relations, private-government and social partnership. These legal forms are of a contractual nature, where the legal culture of economically active subjects and their readiness to use contractual forms of cooperation in order to achieve sustainable development and protection of socio-economic interests of a man and citizen is fully revealed. Regarding the external movement of financial flows, we would like to note the strong link between the redistribution of national wealth and legal regulation and legal values. It is important to emphasize that the fulfillment of the duty to pay taxes and fees, enshrined in the Art. 67 of the Constitution of Ukraine, should be considered as a legal opportunity to influence on filling the budgets of all levels, which determines the access to public goods of Ukrainian population in the whole.

Conclusions. First of all, the socialization of the economy functionally involves the predicted movement of financial flows in order to develop the industrial and technical, socio-economic subsystems of a business entity within the framework of legal regulation on the use of contractual forms of the formation, distribution and redistribution of national wealth. Secondly, the predicted nature of the movement of financial flows is possible in terms of using the possibilities of the contractual regulation of the distribution of resources of a business entity by economic subjects. Thirdly, neglect of the law, disrespect for the rights and freedoms of a man and citizen for personal enrichment makes it impossible to sustain business development and to satisfy the interests of the owner of the means of production in regard to the lack of social peace and harmony in society. Fourthly, respect for the rights and freedoms of the counterparts increases the level of social responsibility of the owners of the means of production in the process of business development. Fifthly, the awareness by economic subjects of the interdependence of satisfaction of their socio-economic interests with their legal culture will allow to form new approaches to the redistribution of national wealth, starting with the level of an enterprise, institution, organization that will finally affect the state of the economy. In the sixth place, the socially-oriented economy is the state of fair redistribution of national wealth based on the organization of state and contractual regulation of the national economy.

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