

Prylypko S. M.

*Doctor of Law, Professor,
Active member (academician) of NAS of Ukraine,
Professor of the Department of Labor Law
Yaroslav Mudryi National Law University, Ukraine;
e-mail: lpsm@i.ua; ORCID ID: 0000-0001-9763-0719*

Kasiliunas T.

*Head of Legal Research Centre, Lithuania;
e-mail: kaziliunas1970@gmail.com; ORCID ID: 0000-0003-4364-8029*

LIBERAL IDEAS AND STATE REGULATION ON THE WAY OF SOCIO-ECONOMIC DEVELOPMENT OF UKRAINE

Abstract. The main purpose of the article is to substantiate the socio-economic development of Ukraine on the basis of partnerships between market participants, where the state acts as the main regulator of socio-economic processes. The article emphasizes that the current liberal ideas prevailing in Ukraine regarding the further development of the state's economy do not meet the existing prerequisites for the development of market relations. It is emphasized that state ideology should consolidate society around integrated ideas of development in social, economic and technological directions. The opinion is expressed that in order to modernize the Ukrainian economy, it is necessary to implement the state regulation of the economy, which should form the skills of doing business on the terms of partnership, which is realized in turn, through the remuneration of workers, and it should increase the general level of welfare of the country's population. It is justified that liberal ideas in the economy should be limited to the time of formation of social and cultural preconditions for the development of free trade and the capital movement. It is concluded that state regulation of the economy is the optimal way of socio-economic development of Ukraine. In the absence of a proper resource base for Ukraine's socio-economic development, the country's economic policy should strengthen state regulation of economic relations. The economy of the country should be aimed at raising the well-being of the population and forming a culture of doing business, rather than enriching the owners of means of production at any cost. Socialization of the economy should occur not by increasing social payments, but by raising wages through the distribution of corporate profits. Increasing opportunities for people to access social goods is the key to creating a new quality of intellectual capital in the country. In order to develop the country's economy, it is first of all necessary to form social and cultural preconditions. Liberal ideas of free movement of capital, in particular towards the outflow from Ukraine, can only be implemented after stabilization of the country's economy and its progressive growth. State regulation in the economy is not only the control of the movement of financial flows, but also the control of the movement of labor and the prevention and cessation of loss of intellectual potential of Ukraine. The state as an economic entity should be impersonal, and any actions of officials should be the actions of the state, not of a specific power or political force. While building the economy of a country with rigid government regulation, economic agents must acquire the skills to fulfil contractual terms, and government entities are no exception. Only after we learn how to negotiate and fulfil contractual obligations will we be able to speak about the mitigation of government intervention in the economy. State regulation of the economy in Ukraine today is the only way to stop chaotic development.

Keywords: economy, state regulation, socio-economic development, business, worker, state, welfare, socialization.

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Прилипка С. М.
доктор юридичних наук, професор,
дійсний член (академік) НАПрН України,
професор кафедри трудового права
Національного юридичного університету імені Ярослава Мудрого, Україна;
e-mail: Ipsm@i.ua; ORCID ID: 0000-0001-9763-0719

Казіліюнас Т.
керівник Центру правових досліджень, Литва;
e-mail: kaziliunas1970@gmail.com; ORCID ID: 0000-0003-4364-8029

ЛІБЕРАЛЬНІ ІДЕЇ ТА ДЕРЖАВНЕ РЕГУЛЮВАННЯ НА ШЛЯХУ СОЦІАЛЬНО-ЕКОНОМІЧНОГО РОЗВИТКУ УКРАЇНИ

Анотація. Головна мета нашого дослідження — обґрунтування соціально-економічного розвитку України на основі партнерських відносин між суб'єктами ринку, де держава виступає основним регулятором соціально-економічних процесів. Наголошується, що сучасні ліберальні ідеї, які панують в Україні стосовно подальшого розвитку економіки держави, не відповідають наявним передумовам розвитку ринкових відносин, а також на тому, що державна ідеологія повинна консолідувати суспільство навколо інтегрованих ідей розвитку в соціальному, економічному та технологічному напрямках. Висловлюється думка про те, що для модернізації економіки України необхідно впровадити державне регулювання економіки, яке повинно сформувати навички ведення бізнесу на умовах партнерства, яке, у свою чергу, через оплату праці працівників має підвищити загальний рівень добробуту населення країни. Обґрунтовується, що ліберальні ідеї в економіці повинні бути обмежені до часу формування соціальних і культурних передумов розвитку вільної торгівлі та руху капіталу. Зроблено висновок, що державне регулювання економіки є оптимальним шляхом соціально-економічного розвитку України. За відсутності належної ресурсної бази для соціально-економічного розвитку України економічна політика держави повинна посилити державне регулювання економічних відносин. Економіка країни повинна бути націлена на піднесення добробуту населення та формування культури ведення бізнесу, а не збагачення власників засобів виробництва за будь-яку ціну. Соціалізація економіки повинна відбуватися не шляхом збільшення соціальних виплат, а підвищення заробітної плати за рахунок розподілу прибутку підприємств. Зростання можливостей людей у доступі до соціальних благ є запорукою формування нової якості інтелектуального капіталу в державі. Для розвитку економіки країни перш за все потрібно сформувати соціальні та культурні передумови. Ліберальні ідеї вільного руху капіталу, зокрема у бік відпливу з України можуть бути запроваджені тільки після стабілізації економіки країни та її прогресивного зростання. Державне регулювання в економіці — це не тільки контроль руху фінансових потоків, а й контроль руху робочої сили та попередження і припинення втрати інтелектуального потенціалу України. Держава як економічний суб'єкт має бути знеособлена, і будь-які дії посадових осіб повинні бути діями держави, а не конкретного можновладця чи політичної сили. Будуючи економіку країни із суворим державним регулюванням, економічні суб'єкти повинні набути навичок виконання договірних умов, і державні суб'єкти не є винятком. Тільки після того, як ми навчимося домовлятися і виконувати договірні зобов'язання, можна буде говорити про пом'якшення державного втручання в економіку. Державне регулювання економікою сьогодні в Україні виступає єдиним способом припинення хаотичного розвитку.

Ключові слова: економіка, державне регулювання, соціально-економічний розвиток, бізнес, працівник, держава, добробут, соціалізація.

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Прилипка С. Н.

доктор юридических наук, профессор,
действительный член (академик) НАПрН Украины
профессор кафедры трудового права

Национального юридического университета имени Ярослава Мудрого, Украина;
e-mail: Ipsm@i.ua; ORCID ID: 0000-0001-9763-0719

Казилиюнас Т.

руководитель Центра правовых исследований, Литва;
e-mail: kaziliunas1970@gmail.com; ORCID ID: 0000-0003-4364-8029

ЛИБЕРАЛЬНЫЕ ИДЕИ И ГОСУДАРСТВЕННОЕ РЕГУЛИРОВАНИЕ НА ПУТИ СОЦИАЛЬНО-ЭКОНОМИЧЕСКОГО РАЗВИТИЯ УКРАИНЫ

Аннотация. Главной целью статьи является обоснование социально-экономического развития Украины на основе партнерских отношений между субъектами рынка, где государство выступает основным регулятором социально-экономических процессов. Отмечается, что современные либеральные идеи, господствующие в Украине относительно дальнейшего развития экономики государства, не соответствуют имеющимся предпосылкам развития рыночных отношений, а также то, что государственная идеология должна консолидировать общество вокруг интегрированных идей развития в социальном, экономическом и технологическом направлениях. Высказывается мнение о том, что для модернизации экономики Украины необходимо внедрить государственное регулирование экономики, которое должно сформировать навыки ведения бизнеса на условиях партнерства, которое, в свою очередь, через оплату труда работников должно повысить общий уровень благосостояния населения страны. Обосновывается, что либеральные идеи в экономике должны быть ограничены до времени формирования социальных и культурных предпосылок развития свободной торговли и движения капитала. Сделан вывод, что государственное регулирование экономикой является оптимальным путем социально-экономического развития Украины.

Ключевые слова: экономика, государственное регулирование социально-экономического развития, бизнес, работник, государство, благосостояние, социализация.

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Introduction. The socio-economic conditions of Ukraine's development clearly demonstrate the need to revise public policy not only in the area of economy or law, but to form new approaches to the modernization of economic, social, legal and cultural spheres of public life. The fascination with the general liberal ideas of the social system in our country has led to the uncontrolled development of all spheres that significantly affect the socio-economic development of the state. Partly, this situation is explained by the permanent state of domestic reforms, but the keys of the problem are concentrated in the unreasonable delineation of reforms in the sectoral direction and uncontrolled formation of social institutions, and therefore the economy of the country can not go to the stage of sustainable development. At present, the liberal ideas that prevail in Ukraine are mutually opposite and are mutually exclusive and contradictory. Such condition requires the formation of an unique coherent strategy for the development of the socio-economic environment in Ukraine, based on the analysis and allocation of integrated goals in the mentioned spheres in public life. At the same time, it should be paid attention that classical liberal ideas have long been transformed and in their original form almost never realized in the developed countries of the world.

Research analysis and problem statement. The problem of liberalism and the realization of its ideas have been studied for a long time. Modern researchers exploring liberal ideas in the area of economics, law, political science, etc., express polar opinions from the denial of liberalism to the claim of its rebirth. In this work, scientific and methodological basis has the researches of foreign and domestic scientists such as: W. Bonefeld, A. Bandurka, D. Viter, O. Glushchenko, M.

Zveriakov, E. Libanova, O. Nosova, Y. Kindzrskii, D. Kuthy, O. Kostyuchenko, G. Kutz, J. Montgomerie, Charles R. Hankla.

The purpose of the article is to substantiate the socio-economic development of Ukraine on the basis of partnerships between market participants, where the state acts as the main regulator of socio-economic processes.

Research results. The historical experience of socio-economic transformations shows that their success and effectiveness depends on a certain ideological doctrine that expresses the interests of a large part of society [1, p. 14]. At the same time, it is these interests that prompt the pursuit of the best economic, legal or social ideology in society. At the same time, ideology in Ukraine needs the formation of new integrated approaches to socio-economic development. Thus, the ideological basis in the economy, formed as Keynesianism, is revealed from the standpoint of two key ideas, where: the first is «to introduce such principles of state regulation into the economy that are able to restrain market uncontrollability, and, second, to regulate the social sphere in order to avoid manifestations of extreme individualism (when only stronger survives)» [2, p. 175]. That is, in order to implement these ideas in Ukraine, it is necessary to determine whether the state is able to restrain the uncontrolled market today?

«Against to Keynesianism, the market school liberalism developed the idea of the incompatibility of economic freedom and state regulation of the economy... An expanded interpretation of economic freedom, which has acquired a socially meaningful content, has spread to the understanding of the structure of economic relations not only within the country, but also within the general economic space for several countries. As a result, the market school confirmed the need for full economic integration as a process of creating an unique market space outside the country, because it is in this process is possible to ensure complete freedom of market forces and competition, as well as equal conditions of movement of goods and factors of production» [3, p. 74—75]. In this context, it is important for Ukraine to assess the ability of its business entities to compete in international markets.

Analyzing the concepts of different economics schools and their fundamentals, the scientists notice that «the concept of a market and institutional school proposes the distribution of forms of integration into institutional and non-institutional groups. The first group provides the implementation of economic integration on the basis of the creation of joint authorities, i.e. on the basis of practical implementation of the principle of complementarity of market and regulatory mechanisms. The other group includes those types of economic integration that arise both on the basis of the implementation of the complementarity principle and on the basis of the exclusive priority of the market mechanism, when the state's participation in these processes is either minimized or completely absent. The institutional approach to the interpretation of economic freedom that is demonstrated by the market and institutional school, supports a dichotomy in which economic integration is at the same time a process and a certain condition of the economy, which is determined by the economic policy of the state» [3, p. 76]. That's why, the economic policy of the state and the condition of the economy are key guidelines in economic integration.

Therefore, it should be noted that economic science has justification and state regulation of the economy with a regulatory impact on the social area, and the rejection of the state regulation based on the idea of economic freedom, and integrated approaches based on institutional and non-institutional integration. At the same time, any concept is a subjective view of the possibility of development, which in practical life is certainly exposed to external factors that have not been taken into account in this concept. Exactly the influence of external factors of development leads to the emergence of new approaches based on classical theories. At the same time, the actual interpenetration of different spheres of life of economic entities requires integrated approaches to the strategy of socio-economic development of the state, and for Ukraine this task is still relevant from the standpoint of the consolidation of society around the fundamental ideas of strategic development of the state. At the same time, the domestic economy in its current condition can be hardly considered as competitive, and the economic state policy that constantly changes, does not contribute to the stability of economic relations with the participation of Ukrainian agents.

Thus, Charles R. Hankla, Daniel Kuthy having analyzed the Economic Liberalism in Illiberal Regimes got a conclusion that «Over the last few decades, a vast literature has emerged examining the relationship between democratic political institutions and trade policy outcomes. While this literature has added significantly to our knowledge, it has effectively ignored policymaking in dozens of important states — those that remain autocratic. Our contention is that more institutionalized authoritarian regimes will tend to adopt more open trade policies. This relationship should hold, we argue, for two distinct reasons. First, we argue that autocratic regimes with larger «selectorates» should have greater incentives to provide public rather than private goods. As a result, we expect that multiparty, and to a lesser extent single-party, autocracies will tend to prefer more open trade policies than non-party (often personalistic) dictatorships, monarchies, and military juntas. Second, we contend that more stable autocratic regimes will have longer time horizons and therefore greater incentives to adopt policies, such as trade openness, that may strengthen long-run economic performance. We find strong support for these arguments using several cross-national time-series models of all autocracies ranging from 1962 to 2007 (contingent on data availability)» [4, p. 492].

This confirms the fact that the economy of the country is entirely dependent on the ideology that prevails in society, and at the same time proves that state regulation, even if it is based on an authoritarian regime of government, gives its economic results in the long-term perspective. At the same time, the authoritarian regime does not allow to develop an economy with a social component, because the authoritarianism is based on repression and terror that excludes any partnership and voluntary basis. But in the current conditions of globalization of the world markets, partnership is a tool that can significantly influence the development of economic relations between economic entities, which actually form the gross domestic product in the country.

W. Bonefeld emphasized in his research «Human economy and social policy: On ordoliberalism and political authority» that «there are things more important than GDP in as much as free economy depends on the formation of the moral and the social preconditions of market freedom. The social facilitation and moral embedding of free economy are fundamental to the ordoliberal conception of a human economy, which entails a social policy of *Vitalpolitik* — a politics of life. Particularly at a time of manifest economic crisis and austerity, the social and moral veracity of economic liberty depends thus on the exercise of strong state authority» [5, p. 106]. Thus, expressing the idea of honesty of economic freedom in combination with social and moral influence, the author bases such market freedom on the existence of a strong government, and this is where the cornerstone of domestic socio-economic development lies. Even if we assume that domestic economic agents take socially responsible behaviour in the management process, the government should control such behaviour. Social liability agreement must be controlled over the activities of economic entities for compliance with such social agreement. In turn, control and surveillance activities in this area should be carried out by both state and non-state entities, in particular the mechanism of protection should be concisely combined with the methods of detection of violations, and the methods in turn should be implemented in existing forms of control over the activity of employers (management entities) with regard to compliance with current legislation [6, p. 334]. Thus, the «rules of the game» defined by law and social agreements must be controlled by the government, in particular and in order to form social and cultural preconditions for economic development.

The implementation of «*Vitalpolitik*» in Ukraine requires consolidation of the society as a whole, what is impossible without culture and trust between economic entities. And as correctly emphasizes Y.V. Kindzerskii «ensuring and building of a high level of confidence is a key task of the state. As the interaction between the entities, their joint activity and the reconciliation of their interests always occurs on the basis of a certain public formal or informal agreement, the task of the state is to protect this agreement and to achieve observance of its conditions from the entities... Under such conditions the aggregate transaction costs of the economic system will be minimized and the benefits of joint activity of the entities maximized, which will ultimately guarantee success in the country's modernization... Modernization must be carried out simultaneously under three

directions — social, political (institutional) and technological, the entities of which are, respectively, society, state and production» [7, p. 28, 511]. Formation of such modernization of the economy with the integrated vector of development with participation of economic entities should take place within the limits of legislative and collective and contractual regulation of the process of organization of production and labour. Such legal tools allow not only to consolidate and integrate the various area of the social life of the entities in the one direction, but also to form stable relations between the entities, which are formed like a business rules, which are the part of the culture of doing business.

The social responsibility of business, combined with the goals of economic activity that meet the interests of production owners, workers and the government, they create the necessary prerequisites for socio-economic development. Such development, in addition to focusing on the creation of goods, works and services, should be aimed at improving of market of social goods and services that are in demand in Ukraine and accessible to the domestic consumer. In the context of it, we support the statement of O.V. Glushchenko that «the behaviour of a person, his or her activity in the economic sphere is influenced by motives of interest in their own work and desire to work, and these, in their turn, depend on the form of ownership, the interest of people in worthy remuneration of their labor» [8, p. 37].

For the research, it should be noted that the low wages directly affect the state of the economy as a whole. Even in the short-term growth of the economy without raising wages, this development, in the long-term perspective, leads to the accumulation of debt by consumers of goods, works and services. The negative effects on the economy of rising consumer debt proved by the historical experience of developed countries. In particular, J. Montgomerie emphasizes that «The logic of neo-liberalism was to move the economy toward an investment based growth paradigm and maintain small sustained macroeconomic growth levels. This was meant to create a global economy based on continued prosperity with few business cycle fluctuations and less crises. This premise has evolved into a highly integrated and powerful set of state objective known as non-inflationary growth policies. Non-inflationary growth advocate the introduction of fiscal discipline, lower marginal tax, interest rate liberalization, competitive exchange rates, trade liberalization, and freeing of investment flows, privatization of government services and corporations, deregulation of labour markets, and long-term price stability. This neo-liberal orthodoxy has come to pervade policy circles at all levels of business and government. Non-inflationary growth policies were internationally promoted through the G7 'nexus' (Gill, 1999) of ministerial meetings and associated policy channels, domestically implemented by participating member governments, and subsequently exported to developing countries under the auspice of the 'Washington Consensus'... These countries were simultaneously trying to promote investment through the deregulation of investment flows and interest rate liberalization, while trying to stem inflation by withdrawing subsidies for unemployment, deregulating labour markets, and capping spending in the public sector. It is these governments' exclusive focus on stemming inflation that has led to slowed wage growth since 1991, it has affected wages directly through government labour contracts and labour market policy and indirectly through a consensus with business to keep wage inflation low. With household wages slowly eroding the response by households was debt-led consumption» [9, p. 158]. And as we know today, rising household debt has a negative impact on the financial stability of the country's economy and the banking system of government.

The above information gives a basis to approve that shifting the economy towards investment, deregulation of the economy, reducing the level of social payments to the population combined with the increase in debt consumption leads to devastating consequences both in the economy and in the social area. Under these conditions, domestic economic entities should lead an agreement-based development which policy meets the interests of all parties concerned and takes into account the national interests. But till nowadays, in Ukraine it is not traced such policy where in the fundamental acts of social partnership the interests of workers, employers and the state are conformed.

Thus, in the General Agreement on the Regulation of the Basic Principles and Norms of Implementation of Socio-Economic Policy and Labour Relations in Ukraine for 2019—2021 (hereinafter — the General Agreement) it is stated that «in the future period the economic policy of the state should be oriented to ensuring the sustainable growth of gross domestic product on the basis of modernization of production, development of innovations, internal market, increase of export potential, introduction of products with a high share of added value to foreign markets; improving the efficiency of production on the basis of sustainable development and development of high-tech competitive industries, as well as the employment rate of the population». Also, this agreement stipulates that the improvement of the system of vocational training, retraining and advanced training, professional training of employees and professional orientation of the population is carried out through the establishment of National Qualifications Agency, networks of industry councils and qualification centres; professional (vocational-technical) education on the basis of public-private partnership and corporate governance, etc. [10].

In other words, the statement of legal possibilities and further reform of the system of state authorities, the maintenance of which is carried out from the state budget. In our view, the content of this agreement confirms that the partnership in Ukraine has not yet been developed, and the basic conditions of the partnership are largely devoid of specific correspondent rights and obligations of the social partners. It also follows from the content of the cited provisions of General Agreement that there is no clear ways to improve the production efficiency and, moreover, that there is no understanding that production efficiency depends on the motivation of workers. And it is the motivation of employees for high-productivity work that is the key to improving production efficiency. The availability of any modern technology and upgraded equipment is unable to increase production without employee involvement. If the employee is not interested in the end result of work, technology and equipment without a person - the worker cannot produce goods, works and services. In fact, the result of social dialogue was an agreement, which is unable to consolidate the economically active population of Ukraine.

At the same time, in the paragraph 2.2. of the General Agreement is stipulated that «in order to overcome the poverty of workers during collective bargaining on determining the minimum wage, to be guided by the provisions of the legislation of Ukraine, in particular the budgetary, international obligations of Ukraine, the actual amount of the subsistence minimum for able-bodied persons determined in accordance with the legislation» [10]. That is, a national-level normative agreement indicates the actual subsistence minimum defined by the legislation, which by its purchasing power continues to "keep" a person at work on the brink of survival. In such circumstances, the motivational component of the labour process loses its meaning, because the vast majority of economically active population of Ukraine provides their livelihoods at the expense of wages, while also keeping disabled family members (minors, the elderly, etc.) with these funds. The above points out that the national economic policy of the state does not consider the social component as a prerequisite for the modernization of the economy, but for this social preconditions for economic development must take into account the social component of social life, where the social well-being of households depends on the income of family members, and the efficiency of production is in direct relation related to the motivation of the staff to high-performance work.

Regarding such direction of modernization of Ukrainian economy as technological modernization of production processes, we should note the following: (a) technological modernization requires the improvement of skills of workers, in particular through training, which should be carried out by the efforts of the state and employers; (b) State involvement in the technological renewal of domestic production must create an incentive for the owner of means of production, and such incentive should be supported financially by reducing tax rates and fees. In its turn, the financial support from the state should not be built on the tax credit system, where recently the corruption abuses have taken place. At the same time, the state should be financially involved in the technological renewal of industries that affect the environment or are energy-saving technologies. It is the state that in accordance with Art. 49 of the Constitution of Ukraine provides the health and epidemic well-being of the population [11]; (c) the lack of state mechanisms to

stimulate production modernization creates conditions when, at any cost, owners try to continue to profit from obsolete equipment without wishing to spend money on business capitalization in the conditions of political, legal and economic instability in Ukraine.

The owners of means production, in fact understanding the importance of technological upgrading of equipment, delay such modernization in order to avoid business risks such as: 1) simple due to the lack of qualified personnel capable of working on new technologies; 2) long payback of production equipment and technologies; 3) increase in cost price of manufactured products, etc. Under such conditions, the modernization of production processes is complicated, and therefore, the minimization of these risks is possible only through the partnership of economic entities, which should be involved in counteracting the occurrence of these risks.

Thus, in partnership with employees within the framework of collective agreement on labour regulation and employee participation in the organization of labour and production, the issue of training and retraining should be resolved with the involvement of state institutions and organizations. For example, educational institutions should be involved in this process. The state, in its turn, should be interested in doing business in capitalizing on profits, for example, reducing taxation when importing new equipment to Ukraine from abroad. The integrated result of technological modernization of production will first and foremost have a social effect — employment of the population, introduction of modern production technologies as support and improve working conditions of employees. Energy-saving technologies in production, except a positive impact on the environment, make it possible to strengthen the state's energy security. That is, «economic growth, embodied in the accumulation of material goods and new technologies, ceases to be the main indicator of progress. Priority is given to such characteristics as the sustainability of human development, quality of life, the environment. Accordingly, social development goes far beyond the market laws of the organization of the economy, and the share of public goods, production, distribution and consumption of which cannot be regulated purely by market principles, is steadily increasing» [12, p. 4].

Consequently, public goods as a value orientation of productive labor allows to consolidate the society towards the achievement of integrated goals. At the same time, the economy as a basis for managing production and efficient use of resources will grow at the same time with the increasing of living standards in the country. The standard of living of the population, in its turn, will encourage the able-bodied population to socially useful work, and business to investment in the economy. The investments «provide the transfer of know-how, new technologies and management methods, contribute to improving the skills of workforce» [13, p. 15]. E.M. Libanova rightly emphasizes that «the current Ukrainian priorities are: transition to a socially oriented market economy, which will allow to use the resources for the benefit of the whole society, and not individual high-income groups (up to 10% of the population), who have benefited from the previous transformations; overcoming the split in society, elite and political community and forming the shared visions on the modern development strategy; determination of the trajectory of the historical development of the state; focus on liberal-democratic principles of development that combine the personal freedom, innovative entrepreneurship based on the principle «more and better work — more earn» with the interests of the entire community; overcoming distrust and mass apathy of the population, emotional and psychological mobilization of citizens; uniting society around a common goal — its own modernization to gain a worthy place in the world community» [12, p. 13—14].

The above-mentioned shows that in the base of socio and economic development of Ukraine it should be the idea of ensuring a decent life of the population, where the actual consumption of goods, works and services is carried out at the expense of the proceeds from the realization of abilities to work, and not at the expense of borrowed funds. The decent life of a country's population generally depends on the aggregate household income where the able-bodied get such decent salary that enables them to support themselves and their incapable family members. That is, the social component is a key prerequisite for the development and formation of market relations based on trust and respect for counterparties. The liberal ideas of modern society are focused on the freedom of the individual, but this freedom can exist if the employee is free to choose the work

position and the opportunity to work in decent conditions. Human behaviour in terms of point stimulation with money does not give the necessary result — the productive work. Conscientious, creative and highly productive work is possible only in the conditions of freedom and voluntary agreement of employment, and not consent to work in any conditions, as an alternative to poverty and impoverishment. The dependence of the wages and economic development of the state requires not only the consciousness that only partnership relations between economic entities are capable of ensuring the recovery of the domestic economy, but also that the partnership is the result of a high level of culture and social consolidation of the economically active population.

As a historical experience shows that the resources available at the beginning of the independence of Ukraine, including labour and technology ones, were the starting capital for socio-economic development, but because of the absence of a business culture on a partnership basis, the economic development did not achieve the desired results. Today, we have only labour potential, but progressive technologies and highly qualified personnel we get every year less. Accordingly, Ukraine's resources are limited, the business is accustomed to work avoiding capitalization of profits and is reluctant to invest in the country's economy. In such circumstances, neoliberal politics with the deregulation of the economy make it impossible to develop the social area, because deregulation in Ukraine forms a shadow market. This should be counteracted by the state, whose power is manifested not in the presence of financial resources but in the ability to provide legal regulation of economic relations in accordance with the stated objectives; thus legal support has to include an oversight and monitoring system, but not like a method to fulfil the state funds with penalties but like a system available to maintain the law and order in the economic sector.

V. Novikov emphasizes that «the statements of new government on the GDP growth for 40% over five years have not yet been substantiated — neither by calculations nor by historical examples. We cannot escape poverty in this way. This requires an economic policy of protectionism, aggressive government intervention, restructuring of the economy and exports in the directions of high technology and innovation. This policy is incomparably more complicated than neoliberal, because instead of reducing the role of the state, it requires a significant improvement in the quality of government control... No extensive start variant (at the expense of natural or labour resources) is possible for us. We only have the option of intensive innovation growth, but we must admit that neither politicians nor society are ready for such a difficult task» [14]. Agreeing with the above we will add that state intervention in the economy is not a narrowing of personal freedom of citizens, and accordingly does not encroach on the democratic foundations of the system, especially that the national interests must be in the base of the economic policy of the state. Freedom in this context should be seen as freedom of labour, which gives the opportunity to freely choose the legal forms of exercising capacity for work. Entrepreneurial activity, in its turn, should be under control of the state, and the rules of doing business should be regulated. Increasing government regulation in the economy should create a new system of rules for implementation of economic activity, including with the regulatory requirement for capitalization of profits, and here the freedom of entrepreneurship should initially be granted the right to either work under certain conditions or to abandon entrepreneurship.

Conclusions. The above mentioned gives a reason to state the following:

- First, in the absence of a proper resource base for the socio-economic development of Ukraine, the economic policy of the state should strengthen the centralized (state) regulation of economic relations. The economy of the country should be aimed at raising the well-being of the population and forming a culture of doing business, rather than enriching the owners of production means at any cost. The forming of modern economic policy should have the social features. Socialization of the economy should occur not by increasing social payments, but by raising wages through the distribution of corporate profits. A decent salary will help increase family budget revenues, which keep ineligible family members. Increasing opportunities for people to access social goods is the key to create a new quality of intellectual capital in the country. In order to develop the country's economy, it is first and foremost necessary to form social and cultural preconditions;

- Second, the liberal ideas of free movement of capital, in particular towards the outflow from Ukraine, can be implemented only after stabilization of the country's economy and its progressive growth. At the same time, it is important that state regulation in the economy is not only control over the financial flows, but also control over the labour force and prevention and cessation of loss of intellectual potential of Ukraine. The state as an economic entity should be impersonal, and any actions of officials should be the actions of the state, not of a specific ruler or political forces. Building the economy of a country with rigid government regulation, economic entities must acquire the skills to fulfil contractual terms, and government entities are no exception. Only after we learn how to negotiate and fulfil contractual obligations it will be possible to discuss the mitigation of government intervention in the economy. The lack of historical experience in contractual regulation of economic relations in Ukraine indicates that the economically stronger party is forcing the economically weaker party to sign agreements on indentured (disadvantageous) terms, and it is a manifestation of partnership;

- Third, state regulation of the economy in Ukraine today is the only one way to stop chaotic development. The state should identify the strategic sectors of economy where it is required the state support of a national producer. And the most important, Ukraine has not yet lost its intellectual potential, so the creation of conditions for innovative economic development should be based on an awareness of the value of a person and his intellectual capital. The working conditions of the employees should form the basis for the initiative, creative work on the basis of consolidated ideas in the society.

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