

INTERNATIONAL ECONOMICS AND INTERNATIONAL RELATIONS

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THE ROLE OF REGULATORY POLICY IN THE MODERN ECONOMIC DEVELOPMENT OF UKRAINE

The current state of the economy of Ukraine is accompanied by an acute economic crisis.

The development of the Ukrainian economy in recent years shows unstable dynamics, which confirms the different adaptation of its industries to the challenges of today, and has the consequence of reducing the level of investment-innovation activity and competitiveness [1, p. 49]. Ukraine is not the best place in the development of the economy of the countries of the world. In addition, Ukraine is consistently ranked «honorary» among the most corrupt countries.

Weak implementation of high technologies, lack of innovative infrastructure, low innovation activity make it impossible to characterize Ukraine as a powerful state [2, p. 54]. There are difficulties in the subjective – objective nature of the «chronic» failure to implement effective macroeconomic regulation.

Regulation of an open economic system cannot be effective in the absence of program - oriented industrial and technological policy, sound investment programs and creation of preconditions for effective attraction of financial results in the form of capital assets operating in the production sphere.

In today's context, the optimal form of regulatory policy that would comprehensively and deeply help to optimize not only national participation in international cooperation, but also the whole array of economic relations in society, is indicative macroeconomic development planning. It should become a functional basis for reforming the structures of «open economic» regulation, redistribution of regulatory and organizational powers.

In view of the current Ukrainian conditions, the relevant policy should be aimed at achieving the common goals and in accordance with the following principles:

1. Freedom of Entrepreneurship in the Foreign Economic Area in the Active Regulatory Role of the State.

2. Unconditional observance of laws by all subjects of foreign economic activity and their equality before the law, as well as non-discrimination.

3. Protecting the interests of the national producer both on the territory of Ukraine and abroad.

4. The equivalence of international trade, the inadmissibility of unfair competition and dumping in the export and import of goods and services.

5. Increasing the level of competitiveness of domestic goods in the world market.

Consideration should also be given to the West's willingness to provide financial assistance solely on the basis of appropriate transformations, subject to the recommendations of the International Monetary Fund (IMF), which were based on the principles of the so-called Washington Consensus. These principles were formed in the early 1980s and had a clear Latin American orientation at first, and were subsequently extrapolated to countries with economies in transition, including post-Soviet states.

The main content of these principles has been reduced to a number of positions that are considered to be basic:

1. Removal of state regulation of the economy.
2. Accelerated privatization.
3. Transition to an open economy.
4. Liberal pricing.

5. Priority of macroeconomic stabilization and forced compression of the money supply as a basis for curbing inflation.

6. Relying on external loans as a major driver of economic growth.

It should be noted that the approximation of the Ukrainian economy to the world and European economic processes determines the need for further deepening of market reforms, implementation of large-scale structural transformations, acceleration of institutional changes, significant reduction of the shadow sector. The main indicators of rationality should be efficiency of use of resources, factors of production, welfare of the population, index of human experience and others.

Among the general transformation processes that affect the course of transformation in the Ukrainian economy are the following:

1. Extension of market model of economy to all regions of the world.
2. Globalization and increasing interdependence in the world.
3. Deepening of integration processes.

In today's socio-economic conditions, it is impossible to achieve an adequate level of production efficiency, to obtain maximum profit, to be a leader in fierce competition. Becoming a stable state of the economy requires the development of effective mechanisms and approaches that could improve production efficiency, create favorable investment conditions, and ensure the competitiveness of products in the consumer market. The very role of regulatory policy in the modern economic development of Ukraine is the need for Ukraine to function as an independent state. In the global dimension, depending on the level of economic development, it can mean a change from one formation to another, or a change of society from agrarian to industrial.

References:

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2. Denisenko, M.P., Shaposhnikova, O.N. & Budiakova, O.Yu. (2020). Ekonomichni zakhody derzhavnoho upravlinnia shchodo zaluchennia investytsii [Economic measures of public administration to attract investments]. Naukovyi visnyk: derzhavne upravlinnia – Scientific Bulletin: State management, 1(3), 53-65 [in Ukrainian].