

Macroeconomics

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**THE CONCEPTUAL FRAMEWORKS
OF MANAGEMENT OF UKRAINE'S
LONG-TERM DEVELOPMENT:
GLOBAL CHALLENGES
AND NATIONAL MODEL****Abstract**

The scientific imperatives of doctrine elaboration of the long-term development of national economy are certain. The strategic vectors of management of the long-term development of national economy with account of the global environment are justified. The necessity of strengthening the institutional capability in the elaboration and usage of macromodels in order to provide the sustainable development of national economy in prospect is proved.

Key words:

Development of national economy, national model, innovational-active neospherical development.

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The status and long-term development of national economy as organized entire system, its cooperation with the environment depends on the mechanisms, which stipulate its social-economic development and are based on the domestic and external economic interests of the country. At that, the state interference into the perspective lines of national economy's development is introduced on the new quality level. The mentioned interference is based on the complementary theories and conceptions, one of which is dominant. Their effectiveness is confirmed or contradicted by the results of the macroeconomic activity.

In this context, the applied interest to the instrument of the state management increases by virtue of the long-term development of national economy, the usage of which settles the point of the deficit of natural resources and ecological problems, taking into consideration the globalization and rationalization processes in the world economy, the overcoming of crisis phenomena, connected with the transformation processes, providing the national security in consideration of formation processes of the new global economic order and solution of the cyclical changes problem.

We should mention the experience of France, Germany, Japan, China, where the strategic management and market self-regulation coexists, the high synchronization of the instrument of mega-, macro-, and micro- regulation of the long-term development of economy also takes place.

Indeed, the General Commissariat of Planning in France, which was established in 1946, worked out the national strategy of French social-economic development for the period of 2010–2020. The attention is paid to the positioning of France in the world economy along with the peculiarities of the social stability of the French society and modernization of the state policy's instrument in the social and economic sphere.

Economic Planning Agency under the jurisdiction of Japanese Economic Council in virtue of General work plan (long-term programme) estimates five strategic vectors of the structural transformation of national economy: the improvement of living standards, the country's discharge of commitments in the world community, the implementation of administrative and financial reforms, the supporting of the programs of scientific and technical development, which are referred to the building of society with the «zero waste».

State Planning Committee of China performs the macroeconomic strategic and political planning subject to such strategic vectors of economic reforms as: the development of transitional model of economic growth, the supporting of economy's urbanization, the solution of the social questions, and the increase of economic openness. Management of economy in China is marked by the high quality of long-term strategies, where not only the competition of technologies but also the competition of cultural values is well combined. Due to this, the consolidation of society in reaching the fixed strategic aims is facilitated. The Rus-

sian economy is also in process of establishing of a new macroeconomic model with such dominant characteristics as the centralization of management, the usage of perspective nano-developments on the back of the strategic analysis of trends and processes, the strengthening of research and technology bases of economic progress.

Nowadays, we may say for sure about the creation of so called supranational managerial system of long-term development of national economy. The leading role in this system belongs to:

- The United Nation Organization within the frameworks of the UN global plan of development cooperates with the 166 countries of the world, particularly with Ukraine¹ in order to join the national and global efforts while solving the problems of improvement of living standards and provision of democratic governance and development safety. Within the frameworks of the Global sustainable development strategy for 2003–2015, adopted in Johannesburg in 2002, the UN promotes the equalization of social and economic levels in the development on the global regional and sub regional levels. That is why the vector of the sustainable development was depicted in the Sustainable development strategy and structural adjustment of Ukraine for the years 2004–2015, which is not legislated up today. By virtue of the accepted system of national accounting, the sustainable monitoring of social and economic phenomena was conducted, the macroeconomic models broken down by planning and forecasting of economic development were worked out in the UN member countries and their specialized institutions;
- The North Atlantic Treaty Organization (NATO), which uses the external mechanisms of crisis management, stipulated by the Charter on a Distinctive Partnership between Ukraine and NATO, Plan of Action Ukraine-NATO, Partnership for Peace;
- OSCE Parliamentary Assembly, court and arbitration, which use the real mechanisms of early warning crisis, operative expert support, stipulated by the OSCE Strategy of security, threat and stability counteraction in XXI century, through the European Security Charter, OSCE Strategy in the sphere of economic and ecological dimension;
- The European Bank for Reconstruction and Development, which is one of the biggest investors in Ukraine, realizes the medium-term strategy of production base diversification, general improvement of state competitiveness, local capital market development, reforming of power-generating sector and improvement of corporate governance.

¹The standard basic cooperation agreement was signed in June 18, 1993. In 2005, the Assistance Framework for Ukraine in the sphere of the introduction of institutional reforms was signed.

Under the conditions of national economy, the leading scholars namely O. O. Bakaev, V. M. Heyts, M. V. Myhalevych, B. Ye. Paton, B. Ya. Panasyuk, O. H. Ivahnenko, B. D. Havrylyshyn, I. V. Serhiyenko, L. F. Hulyanytsky, I. V. Kryuchkova, V. F. Besedin, V. P. Naumenko, Ya. A. Zhalilo, M. I. Skrypnychenko and others studied the particular aspects of management of the long-term development of national economy on macro- and meso- levels. In justice to the works of mentioned scholars, we should take a note that the entire scientific conception of management of the long-term development of national economy is not formed up to now. The mutual approaches of effective management of the long-term development of national economy are absent. Besides, it is necessary to develop suspended scientific approaches in order to overcome the negative factors of public sector development: corruption, administrative shock, low quality of administrative services, which promote the development of national economy and don't give the possibility to be positioned in the world economy. The research imperative is strengthened by means of the need to forecast the crisis phenomena and provide the capitalization of competitive advantages on the world market, indeed Ukraine takes a firm line in the nanoeconomic development (research infrastructure, technological ideas, education, etc).

In fact, the determination of objective preconditions and tasks, concerning managerial state influence on the economic development of national economy in conditions of modern transformation development is of scientific and practical interest. Therefore, it is expected, within the frameworks of the given scientific article, to prove the conceptual frameworks of management of the long-term development of national economy which could be depicted in the corresponding doctrine of the long-term development of national economy.

The subject of the long-term management is the economic development of the national economy, which is considered as a process of functioning and evolution of the economic system in the long-term period. From an evolutionary perspective, the etymological research of the economic system development distinguishes the social theory, the theory of economic circular movement, the theory of structural changes, the theory of open economy, humanistic theory.

The definition of the long-term development should be discussed as an evolutionary process of accumulation and realization of economic strength for the purpose of changes in structural, organizational and technical, organizational and economic, social, resource and economic mechanisms of functioning of national economy for the long-term period. At that, the evolutionary process takes a form of growth, natural selection, accelerated development, unsustainable development (bifurcation), main evolution and competitive development. It is mentioned that a number of scholars believe that the world economy is developed around so called «bifurcation core» [1], and the main propulsive forces of the long-term development are man's intellectual and material values, which are formed and developed under the influence of needs and contradictions of economic system.

The necessity of elaboration of the long-term economic development doctrine was raised by V. M. Heyts and B. Ye. Kvasnyuk in the «Economy of

Ukraine: the strategy and policy of the long-term development». The mentioned scholars believe that the tendency to the post-industrial socialized society with the high quality level of living standards, the formation of new technological structure and social-oriented market economy by means of the leading role of the state in its transformation and regulation through the strategic development, providing the fulfillment of the long-term priorities, the formation and extension of the social base and economic development greening on the basis of society humanization and democratization as well as faster growth while maximum use of own resources and increasing of the competition of national economy is underlined in this doctrine [2: 94–95].

Analyzing the macrohistorical trends of the world economy development of postmodernism, V. P. Semynozhenko pays a special attention to the necessity of development of society's knowledge, in order to support the available social optimism by means of the living standards and social well-being improvement [3: 50].

Describing the ideological postulates of the state management of economy, B. Ya. Panasyuk emphasizes on the working out of the ideal forecast development model with the priorities of further social problems solving and providing the structural transformations. The mentioned development model could be depicted in the forecasting planning and programming elements [4].

The given approaches draw attention to the milestones of the management of long-term development of national economy and lose the opportunity of optimal combination of the regulative instrument while getting the desired results.

The modern paradigm of management of the long-term development is effectively highlighted in the works of Ya. A. Zhalilo, A. I. Semchenko. They think that the strategic management is a mean for prevention, neutralization, liquidation, or minimization of deconstructive and disturbing factors of the national economy development. For this purpose, the system of strategic management has to use all the complex of political, economic, diplomatic, information, institutional mechanisms of state management, which primarily should provide the economic security of the country in the modern globalized world [5, 6]. Actually, under the modern conditions, all governments should not only take care of the internal state of the national economy but also to elaborate the strategy of the long-term economic security, which will take into account the changes in the world economy.

We think that each of the above mentioned approaches distinguishes only single instruments of management of the long-term development, which should guarantee the security and stabilization of the national economy, but they don't have the system-based scientific approaches to the disclosure of the essence of management of the long-term development likewise the organizational and economic mechanism of its realization.

In this context, it is appropriate to have a look on the author's definition concerning the management of the long-term development of national economy

which says that it is the complex of methods, means, instruments of providing the effective realization of the long-term development goals of the national economy in order to guarantee the adaptation in the world economic architectonic along with the national security and growth in the living standards. At that, the process of management of the long-term development of national economy should be considered as:

1) management on the base of changes and future trends stipulation along with the dangers and emergencies, which can influence on the state development and elaboration of the corresponding strategies (strategic planning). The content of the strategic planning is opened by means of its: forecasting (forecasts), programming (programs), and planning (plans). In such a case :

- the strategy of any country defines the transformation of priorities and mechanisms of state interference into the economy in order to realize the strategic goals through the system of the strategic planning and characterize the action tendency of the country and the principles of their realization for the long-term period. The strategic planning stipulates the uninterrupted process of organization and correction of goals, functions and forms of state bodies managerial activity, concerning intended new problem solutions, subject to management state, processes, which are developed in the social life of Ukraine and needed to be comprehended, taking into account the national specific character and objective preconditions, which are formed on the basis of mutually civilizational process;
- programme – defines the main areas of activity in the particular sphere and the mutually connected actions, aimed at solution of the particular problems;
- forecast – promotes to show and prove the results of fair presentation concerning prospects, probable state of the economy in future and the alternative development;
- plan – stipulates the range of specific measures within the frameworks of clearly defined document of planning, aimed at performing the specific targets.

2) management on the basis of trend extrapolation and scientific prediction. In that case, we may say about the prediction, based on the previous trends, which, as a rule, are extrapolated optimistically. Nowadays, the theory of scientific prediction is successfully supplemented by the elements of planology (the scientific prediction of the alternative development), ecotopia (the global designing of future aimed at human survival), technotopiya (prediction of future by means of practical application of knowledge, skills and experience); practopiya (the formation of the social reforms system, focused on the construction of the better world), eschatology (learning of the threats of modern civilization, and the probable ways of solution of available technological social and political problems), alternativistics (research of the different trends and problems of so called alternative civilization:

seeking of thrifty power economy, permanent development, saving of environment, possibilities for universal comprehensive disarmament, education and culture humanization, family retaining upgrading of the healthcare);

3) management on the basis of the flexible technologies, which stipulate the strategic managerial decision making in response to unpredictable changes in macro- and mega- environment. In that case, the question is about the usage of innovative instruments of strategic management (for example strategic controlling);

4) management on the basis of control of performance targets and strategic controlling, which will be an effective mechanism in order to define the macroeconomic risks in the development of forecasting documents and implement the procedure of macroeconomic forecast correction.

Generally, the system of management of the long-term development of the national economy can be introduced as a complex of priorities (vectors), targets, tasks, principles, models, subjects, objects, mechanisms, which provide the adjustment of interests, forms, methods, and instruments of managerial influence. At that, the management of the long-term development should include:

1) feasible definition of the long-range objectives of national economy, which will consolidate the society and political forces around the idea of development;

2) the definition of the streamline, that is the general requirements to the perspective society, rules and restrictions for the alternative methods of the gradual solution of the pressing problems;

3) the algorithm (technology) elaboration to realize the chosen method of the long-term development in order to have a possibility for evaluation and control on the stage of realization;

4) the possibility of improvement of the effectiveness in all economic entities by virtue of introduction of the state warranted rules of conduct, the displacement of political debates, concerning objectives and development trends from mottos and declarations into the cavity of comparison of the alternative methods of realization of the intended objectives.

The conceptualization result of the management of the long-term development is a doctrine which is based on the principles of state integration at the strategic authority level – in reference to other countries, polities, which from the one hand essentially influence on the political and economic processes in the world economy and from the other hand, promote in dealing a problem, concerning national identity for the long-term period as well as global leadership of the country. Those principles are:

- The principle of scientific feasibility, according to which the management of the long-term development will be effective only if it has an outgoing system of scientific prediction of social and economic processes at its core;

- The principle of consistency, which stipulates the availability of complicated ramified system of management of the long-term development, likewise the elaboration and implementation of the long-term strategies, forecasts, programs, plans;
- The principle of target-oriented compatibility, whereby the management of the long-term development should be conformed and supplemented at the different levels of development of national economy: macroeconomic, mesoeconomic, microeconomic, megaeconomic, macrostructural;
- The principle of flexibility and sequence, which enables the authority to respond on the any changes in the management of the long-term development and provide the national security;
- The principle of approximation and measurability, which resolve into the necessity of maintaining the equilibrium, providing the general effectiveness of its functioning, using the innovative instruments in the management of the long-term development under the conditions of transformation development in order to adapt, implement reforms in appliance with the challenges of internal and external environment.;
- The principle of adequacy, according to which the instrument of the management of the long-term development should stipulate a kind of state interference to promote the economic activity;
- The principle of conformity to plan, which enables to use the potential of different forecasting, programming and planning approaches and to elaborate the development scenario under the conditions of uncertainty in the management of the long-term development;
- The principle of commensurability and dynamism which stipulates the necessity of providing the program-planned documents equation as a conditions of proportional development of the economy, planning of the most important economic proportions, promoting the structural transformations, economic growth and competition.

The combination of the given principles together with the chosen strategic vectors of long-term development identifies the certain macroeconomic model, which can be taken as a basis of the instrument of the management of the long-term development. According to the chosen strategic vectors, such macroeconomic models can be taken as a basis of the management of the long-term development:

1) limited producing ability of different production factors in order to maximize the limited producing ability of different production factors and the rates of economic growth;

2) the optimization of economic structural ratios (structural approach) for the purpose of economic structural adjustment, the determination of priority pro-

duction, the extension of the investment activity, the determination of scientifically broad exportable and highly technological branches, state assistance, concerning institutional changes, strengthening of the enterprises financial standing, maximization of the consumer's expenses, state budget revenue increase and stabilization of trade balance. The efficiency criterion of such model is the increased competition of domestic production;

3) sustainable economic development where the area of economic development is limited by the institutional conditions, where the balance between the development and sustaining power is observed and conditioned by the straight state interference into the economy;

4) economic growth, based on the ideology of neoclassical analysis, neo-Keynesian models.

Due to the given situation, you may ask about the model, which is needed to be the leading (benchmark) while the development and realization of managerial doctrine in the long-term period of national economy. We suppose that it should consider:

- the modern trends of the development of economic science, furthermore, it is effectually to use those economic theories which would correspond to the objective possibilities of Ukraine and provide its economic recovery in the short run. Here belongs: institutional and sociological trend, theory of economic changes, development of synergic economy, mesosimulation, theory of supranational development;
- the challenges of the globalized development of the world economy: corporatocracy development as one of the forms of institutional mega traps; the formation of the new environment of macrosocial and macroeconomic relations that gives rise to the new models of the national modernization; the problems of economical ecological and cultural security; the emergence of political economical and social shocks, neocolonialism and neoimperialism phenomena; the development of multinational corporations, which together with the global aristocracy, international organizations and countries-globalisers subordinate the nation states; solution of the problem, concerning adaptation of the development strategies, being assumed on the supranational level, to the local public purposes; the improvement of the world telecommunication system, that leads to the creation of the artificial integration megasystem – global society;
- the experience of the developed countries and new industrial countries. Foremost, we should say about the sustainable development strategies with the help of which the countries try to solve their problems. Developing countries want to achieve the economic growth, to overpass the poverty, to invite foreign investments. Ecological problems and problems concerning economic security emerge before the developed countries. The necessity of realization of the sustainable development strategy in Ukraine is caused by the number of objectives: international (Ukraine's

official accession to the UN Framework Document «Agenda for the XXI century»), ecological (excessive natural and development pressure), resource (natural resources pressure), social-demographic and public (low living standards, increasing of the infectious diseases, massive labour migration overseas), economical (low productiveness of the production factors, low level of the nanotechnologies implementation).

- socially oriented (human) vector should be on the basis and improve the level of social and economic development of economic system on the basis of increasing of the living standards, material welfare and diversification of its citizens.
- to consider the influence of regionalization processes at least in two areas – geopolitical and economic from a perspective of formation of potential advantages and threats. Thus from the geopolitical point of view, the additional competitive advantages for the national economy are: the possibility of setting itself up as a regional leader and equal partner of one of the geopolitical blocks, which are able to control the global processes; the possibility of national economy globalization through the reintegration processes and cross-border cooperation; adaptation and synchronization of national legislation with the developed countries legislation. The negative effects are the formation of the quasipublic structures.

The models of modernized competitive development have a special place in the long-term management of the dynamic system of XXI century. The scientific backgrounds for such models can be found in Adam Smith's rational market conception; F. Edgeworth, A. Cournot, J. Robinson, E. Chamberlin's structural conceptions; A. Brandenburger (Harvard university) and B. J. Neyblaff (Yale university) conceptions of mutual competition; M. Porter's conception of state competitive advantage (Harvard Business School); innovative conceptions of thought leadership (G. Hamel, (London Business School) and K. K. Prahalad (Michigan university); humanitarian conceptions (M. Granovetter, M. Castel, R. Svedberg, A. Sen, A. Tren, R. Hollingsvort, F. Shmitter and others).

Therefore, the doctrine of state management as a socially oriented, neo-spherical innovative economic system must:

- consider the supranational vector while the elaboration of national legislation of management of the long-term development of national economy;
- use the economy of knowledge potential, which provide the long-term effect in the national economy's management and form the competitive advantages in perspective;
- be based on the long-term strategy of the sustainable development and at the same time use the instrument of structural corrections in support of chosen priority areas, innovative sectors development, temporary support of the branch-locomotive (in conditions of crisis in Ukraine, ma-

chinery-producing industry and metallurgy industry are outcompeted, likewise the real possibilities of economic growth recovery are in the sphere of transport, building and agro-industrial complex);

- envisage the improvement of qualitative characteristics of state management sector as a main entity of management of the long-term development of national economy and strengthen its potential in the long-term economic growth.

The consideration of the given propositions will certainly harmonize the managerial system of the long-term development of national economy, strengthen its positions in the world architectonics and provide the positive dynamics in perspective.

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