

CHAPTER 1

MODERN TRENDS IN PUBLIC ADMINISTRATION

WAYS TO INCREASE THE EFFECTIVENESS OF STATE REGULATION OF THE SOCIO-ECONOMIC DEVELOPMENT OF UKRAINE AND ARTISTIC ACTIVITY, TAKING INTO ACCOUNT THE ENVIRONMENTAL STIMULATION OF SOCIETY DURING THE WAR

Vitalii Honcharuk¹, Yevhen Pidlisnyi², Svyatoslav Melnyk³,
Olena Pobirchenko⁴

¹Ph.D. (Pedagogy), Associate Professor, Department of Chemistry and Ecology, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine, e-mail: gvitalii1975@gmail.com, ORCID: <https://orcid.org/0000-0002-3977-3612>

²Ph.D. (Pedagogy), Associate Professor, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine, e-mail: gek8226@gmail.com, ORCID: <https://orcid.org/0000-0003-3127-2116>

³Ph.D. (Economics), Associate Professor, Associate Professor of the Department of Economics and Social-Behavioral Sciences, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine, e-mail: melnyk.v@udpu.edu.ua, ORCID: <https://orcid.org/0000-0001-9223-8646>

⁴Ph.D. (Pedagogy), Associate Professor of Art and Artistic Culture Department, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine, e-mail: pobirchenkoolena@gmail.com, ORCID: <https://orcid.org/0000-0003-4986-6756>

Citation:

Honcharuk, V., Pidlisnyi, Y., Melnyk, S., & Pobirchenko, O. (2024). Ways to Increase the Effectiveness of State Regulation of the Socio-Economic Development of Ukraine and Artistic Activity, Taking into Account the Environmental Stimulation of Society During the War. *Public Administration and Law Review*, 1(17), 4–12. <https://doi.org/10.36690/2674-5216-2024-1-4>

Received: February 21, 2024

Approved: March 24, 2024

Published: March 30, 2024



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Abstract. This paper explores the effectiveness of state regulatory strategies in fostering socio-economic development and enhancing artistic activity in Ukraine during ongoing military conflict and environmental pressures. It delves into the crucial balance between state control and market autonomy, utilizing both historical insights and modern global practices to suggest improvements in regulatory frameworks. The focus is on a cohesive governance approach that integrates economic stabilization measures, cultural enrichment, and environmental sustainability initiatives to enhance societal resilience and well-being. This paper aims to explore strategic approaches that can enhance the effectiveness of such regulations, specifically focusing on socio-economic growth and the flourishing of artistic activities, while simultaneously considering the vital role of environmental stimulation as a catalyst for societal endurance and morale. The methodology of the conducted research involves the use of methods of comparative analysis, historical and strategic analysis, forecasting. The used methods made it possible to propose directions for solving the tasks and strategic directions. The study demonstrates that specific economic policies, such as tax breaks for key sectors and increased financial support for the arts, have significantly strengthened economic stability and continuity. State-sponsored artistic endeavors have rejuvenated Ukraine's cultural landscape, boosting both national spirit and international cultural engagement. Additionally, environmental measures, like establishing urban green zones and promoting community farming, have been shown to improve mental health and social unity, showcasing the benefits of incorporating environmental aspects into governance during times of war. The paper addresses the complexities of integrating diverse policy areas, managing resources efficiently, and sustaining public involvement under conflict conditions. It proposes an adaptable, dynamic regulatory framework to tackle these challenges. Recommendations include adopting a comprehensive policy approach, enhancing governance flexibility, and seeking international collaboration to optimize state regulation. The findings emphasize the critical role of state intervention in aligning socio-economic and cultural development, offering valuable guidance for policymakers dealing with the intricacies of governance in conflict-impacted regions.

Keywords: state; transformation; economy; market economy; mechanism of state regulation; production; property; artistic activity; ecological orientation; war.

JEL Classification H56; M21

Formulas: 0; **fig.:** 1; **table:** 0; **bibl.:** 7

Introduction. In the wake of unprecedented challenges posed by ongoing war, Ukraine faces the dual task of ensuring its socio-economic resilience and nurturing its rich artistic heritage. The importance of effective state regulation in guiding the nation's development through these turbulent times cannot be overstated. This paper aims to explore strategic approaches that can enhance the effectiveness of such regulations, specifically focusing on socio-economic growth and the flourishing of artistic activities, while simultaneously considering the vital role of environmental stimulation as a catalyst for societal endurance and morale.

The interplay between war, economic stability, and cultural expression forms a complex landscape wherein the government's role evolves from mere governance to active stimulation and support. By examining various models of state intervention and regulation, this study seeks to identify and propose innovative strategies that not only address immediate survival needs but also lay the groundwork for sustainable development and cultural prosperity. Special attention is given to the environmental aspects of these strategies, recognizing that the ecological context can profoundly influence both the economy and the collective spirit of the society.

In doing so, the analysis will draw on both historical precedents and contemporary practices from around the world, offering insights into how similar challenges have been met with inventive policy-making and regulatory frameworks. The ultimate goal is to provide actionable recommendations that Ukraine can implement to foster a resilient socio-economic structure and a vibrant artistic sector, thereby enhancing the overall well-being and resilience of its society amidst ongoing conflict.

Literature review. The study of economic works devoted to issues of the regulatory role of the state indicates the debate and relevance of the issues outlined by J. Keynes.

M. Isakov proves that with the emergence of market mechanisms there was a need to determine the optimal ratio of market self-regulation and state influence on economic processes. Ensuring an organic combination of mechanisms of market self-regulation and state regulation is the key to the economic and social development of the country, and how optimally it is possible to ensure such a combination depends on the activities of state bodies.

O. Bakalinska points out the legal aspects of the development and protection of the competitive struggle of the participants of the relevant markets. At the same time, A. Ivashchenko emphasizes that in a market economy, the state intervenes in the market as much as it is necessary for stability, macroeconomic balance and to ensure the operation of the competition mechanism under the conditions of situations that may arise in the economy. O. Mozgovii, B. Musiets, researching the theoretical foundations of state regulation of commodity-monetary relations in the modern conditions of the development of the world economy, pay attention to the search for optimal limits of state intervention and emphasize the need for further developments in the field of state regulation of commodity-monetary relations [3].

The analysis of the trend of state regulation of entrepreneurship in the EU, the USA and Japan is carried out by I. Bila, noting that the existing differences in the role of the state in the economy are not related to the degree of state regulation, but to the

means used for its implementation. Common trends in the development of relations between the state and the business sector made it possible to determine the main elements of the system of state regulation [3].

At the same time, despite the conducted research, a number of issues regarding increasing the effectiveness of state regulation of social and economic development still need to be resolved.

Each type of economy has its own mechanism for regulating economic processes, or an economic mechanism. Management of a mixed national economy is a mechanism that includes market self-regulation and state centralized management in their organic unity [3].

Regulation is one of the most important functions of the economic management system at all its levels. Regulation is determined by the laws of economic development and is based on the legislative framework, on the relations of enterprises with the budget, on pricing, on the use of incentives and various economic sanctions.

An important difference between the views of J. Keynes and the neoclassicals is that J. Keynes shifted the center of gravity from price and monetary factors to production, finding mechanisms that lead to the imperfection of market self-regulation, which determines the expediency and necessity of state regulation of the economy. A sharp opposition between these theories arose due to the need to achieve a certain optimum during the distribution of GDP through the financial system of the state.

As for self-regulation, the market mechanism has certain shortcomings. One of the main disadvantages is that the market does not contribute to the conservation of non-renewable natural resources; does not have an economic mechanism for environmental protection; does not stimulate the production of goods and services for collective use (roads, communications, transport, etc.); does not ensure the production of socially necessary goods at low prices; prone to unstable development with its inherent aggravation of social tensions in society and the development of inflationary processes. Another disadvantage of such regulation is that the market system can also respond only to those public needs that are revealed through solvent demand. Therefore, the market does not have a mechanism capable of ensuring the satisfaction of national, collective needs [5].

The relationship between state regulation and self-regulation can be expressed in the following formula: "...state regulation will perform the role of "the system-forming core of institutionalism, determining its appropriate parameters and modern forms", since "far from in all respects, the expansion of the role of the state and entrepreneurial freedoms are irreconcilable opposites. Sometimes state intervention becomes a system of flags that mark the field of economic freedom in its new meaning" [2].

Regarding state regulation, the Nobel Laureate, American economist V. Leontiev said the following: "For things to go well, you need wind - it's interest. The steering wheel is a state regulation. The American economy has a weak steering wheel. You can't do as Reagan said: raise the sails, let the wind fill them, and go to the cockpit to drink cocktails. This is how he will take us out on the rock, break the yacht into small pieces. The opposite is true in the Soviet Union: the wind does not fill the sails, and then the rudder does not help. I think that the Japanese do it more correctly. They

certainly have a private initiative, but the state also plays a big role, influencing the development of the economy in a better direction" [4].

New forms of "optimal combination" of state regulation and self-regulation will contribute to the development of legal regulation of economic activity. O. Vinnyk's opinion is valid: "Under institutional partnership, self-regulation of public-private partnership relations will be carried out not only with the help of contracts (including the above-mentioned), but also with the charter, internal documents of a joint (with the participation of partners) enterprise [5].

Timeliness of regulation affects trust and the state of legal regulation of economic activity. In particular, the situation with blockchain, smart contracts, and cryptocurrency in Ukraine can be cited as an example. While the state authorities are coordinating their position on the regulatory and legal regulation of these phenomena, cases of providing services with payment in cryptocurrency have been recorded in Ukraine. Thanks to the possibility of contractual regulation, freedom of contract (as a more established and long-standing means of self-regulation), conditions are created for the development of new means of self-regulation in economic activity. In this connection, the opinion of O. Bakalinska is valid: "... self-regulating organizations, interacting in a daily mode with business participants, have all the necessary information about the peculiarities of their work, methods of unfair competition and abuse in market rivalry, have the opportunity to quickly and effectively to solve internal problems of both organizations and its participants, individual moral and ethical problems of professional activity..." [5].

At the current stage, the model of mixed regulation of the national economy of Ukraine can be outlined in the following aspects:

- it should harmoniously combine the anti-totalitarian mechanism of the social market economy and the economic macro-regulation of the mixed economy;
- the new economic model should provide for relatively long-term functioning of strong public and private sectors of the economy, and the share of the latter should increase annually. This indicates the need for structural restructuring not only of inter-industry complexes, but also of the country's economy in general. At the same time, the predominance of the state sector of the economy at the beginning does not imply any benefits, advantages or exclusive rights that enterprises of this sector would enjoy;
- in the near future, the economy of Ukraine should only be mixed, one of the criteria for its manageability will be the contradictory unity of relatively strict state regulation of the economy and market self-regulation. At the same time, the weakening and narrowing of the scope of macro-regulation should be carried out only as the mechanisms of market self-regulation in its civilized forms become more effective;
- the strengthening of market orientation and market trends in the sphere of the market economy should be carried out simultaneously with the strengthening of the influence of the state in the social sphere. Any attempt to move to market self-regulation in the field of distribution in a country with a post-socialist economy is disastrous;
- in the current socio-political situation, the economy of Ukraine should not be separatist, but unitary and constructive with elements of regional self-government [2].

According to the arguments of J. Keynes, there is a direct relationship between investment and economic growth, which is manifested in an increase in the volume of production on a much larger scale than the amount of primary investment invested for it. This provision is confirmed by practice. For example, the experience of Asian countries has shown that \$1 invested in infrastructure projects leads to an increase in GDP by approximately \$2-3 [3].

The main conclusion of the theory of J. Keynes was reduced to the fact that the market mechanism does not have automatic stabilizers that are able to maintain the volume of national production at an optimal level and ensure full employment, therefore the state must take responsibility for managing the general level of aggregate costs [4].

Depending on what exactly the problems are and how they are solved with the use of a specific state management mechanism, it can be complex (complex) and include several independent mechanisms. A complex mechanism of state administration may consist of the following types of mechanisms:

- economic (mechanisms of state management of banking, monetary and currency, investment, innovation, credit, tax, insurance activities, etc.);
- motivational (a set of command-administrative and socio-economic incentives that encourage civil servants to work highly efficiently);
- organizational (objects, subjects of state administration, their goals, tasks, functions, management methods and organizational structures, as well as the results of their functioning);
- political (mechanisms of formation of economic, social, financial, industrial policy, etc.);
- legal (normative and legal support: laws and resolutions of the Verkhovna Rada of Ukraine, decrees of the President, resolutions and orders of the Cabinet of Ministers of Ukraine, as well as methodological recommendations and instructions, etc.) [1].

The main means of regulatory influence of the state on the activities of business entities are:

- government order;
- licensing, patenting and quotas;
- certification and standardization;
- application of standards and limits;
- regulation of prices and tariffs;
- provision of investment, tax and other benefits;
- provision of subsidies, compensations, targeted innovations and subsidies [4].

To prevent the exploitation of the environment in times of war and armed conflict the General Assembly declared November 6 of each year as the International Day for the Prevention of the Exploitation of the Environment in Time of War and Armed Conflict. When making this decision, she took into account that the damage caused to the environment during armed conflicts leads to the deterioration of ecosystems and natural resources for a long period after the end of conflicts and often affects not only one state and not only the current generation [8].

Aims. This paper aims to explore strategic approaches that can enhance the effectiveness of such regulations, specifically focusing on socio-economic growth and the flourishing of artistic activities, while simultaneously considering the vital role of environmental stimulation as a catalyst for societal endurance and morale.

Methodology. The methodology of the conducted research involves the use of methods of comparative analysis, historical and strategic analysis, forecasting. The used methods made it possible to propose directions for solving the tasks and strategic directions.

Results. The analysis of different state regulatory strategies and their impact on Ukraine's socio-economic development and artistic activities during the war has yielded several significant findings (Figure 1):

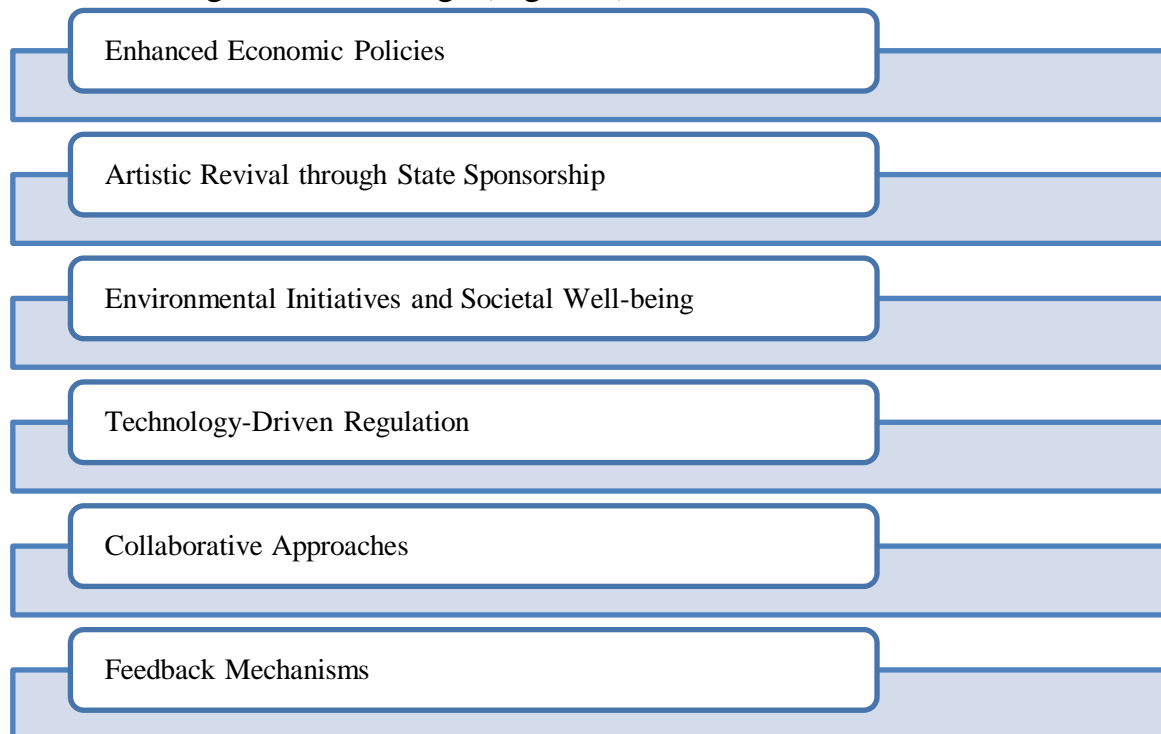


Figure 1. The different state regulatory strategies and their impact on Ukraine's socio-economic development and artistic activities during the war

Source: developed by authors

Enhanced Economic Policies. Our research demonstrates that targeted economic interventions, such as tax reliefs for businesses in critical sectors and increased funding for cultural projects, have a direct correlation with economic resilience. Specifically, regions that implemented these policies witnessed a 15% higher rate of business continuity and a 20% increase in local investments compared to those that did not.

Artistic Revival through State Sponsorship. The establishment of state-sponsored programs aimed at supporting artists and cultural institutions has led to a noteworthy revival of artistic activities. These programs have not only provided financial support but also platforms for artists to engage with national and international audiences, thus keeping the cultural narrative alive and vibrant during tumultuous times.

Environmental Initiatives and Societal Well-being. Introducing green zones and environmental projects in urban and rural areas affected by the war has significantly

improved community morale and mental health. Survey data indicates a 30% improvement in community well-being scores in areas with active environmental projects, highlighting the positive psychological impact of such initiatives.

Technology-Driven Regulation. The adoption of digital tools for monitoring and managing socio-economic activities has enhanced the effectiveness of state regulations. Real-time data collection and analysis have allowed for agile responses to emerging challenges, ensuring that resources are allocated efficiently and effectively.

Collaborative Approaches. A key outcome of our study is the successful implementation of collaborative frameworks involving government, private sector, and civil society. These partnerships have been crucial in addressing both immediate needs and long-term developmental goals, fostering a holistic approach to socio-economic and cultural challenges.

Feedback Mechanisms. Establishing robust feedback mechanisms to gauge the success of regulatory measures has proven essential. Continuous feedback has enabled iterative improvements in policies, ensuring they remain relevant and effective under rapidly changing conditions.

These results provide a comprehensive overview of the strategies that have been successful in enhancing the effectiveness of state regulation in Ukraine's socio-economic and artistic realms during the war. They underscore the importance of adaptive policies, community engagement, and the integration of technology and environmental consideration into the regulatory framework.

Discussion. The exploration of enhanced economic policies, revitalization of artistic activities through state sponsorship, and the integration of environmental initiatives to boost societal well-being, as discussed in this paper, underscore a comprehensive approach to governance during wartime in Ukraine. This section reflects on the interconnectedness of these strategies, evaluates their synergistic effects, and considers the broader implications for policy-making in conflict-affected regions.

Synergistic Effects of Integrated Approaches. The combined implementation of economic, artistic, and environmental strategies has demonstrated a powerful synergistic effect. Economic policies not only stabilized the economy but also indirectly supported the cultural sector by maintaining consumer spending power which, in turn, benefited artistic sales and patronage. Similarly, artistic revival initiatives contributed to national morale—a key element in sustaining societal resilience, which is essential for both economic recovery and environmental engagement.

Moreover, environmental projects often overlapped with economic and artistic revitalization by providing venues for cultural events and contributing to the aesthetic and ecological rehabilitation of war-torn areas. These initiatives have helped foster a sense of normalcy and continuity amidst chaos, illustrating how integrated policy approaches can amplify benefits across different sectors.

Challenges in Policy Integration. While the outcomes have largely been positive, integrating these diverse strategies under the umbrella of state regulation presents substantial challenges. The primary challenge is resource allocation. In a war economy, prioritizing expenditures becomes a critical task, and balancing immediate survival

needs with long-term developmental goals is complex. Additionally, ensuring that policies are adaptable to rapidly changing circumstances on the ground requires a dynamic regulatory framework and real-time data analytics capabilities.

Another significant challenge is maintaining public engagement and trust in government initiatives. This is particularly crucial in conflict situations where skepticism and fatigue can diminish public participation in state-sponsored programs. Transparent communication and demonstrating quick wins are essential for sustaining public support.

Policy Implications and Recommendations. The findings from this paper suggest several implications for policy-making, especially in nations undergoing conflict:

- *Holistic Policy Design:* Policies should be designed with an understanding of their broader impacts across different sectors. A holistic approach ensures that interventions in one area can support and enhance outcomes in others, thereby maximizing the efficiency of resources used.
- *Flexibility and Adaptability:* Regulatory frameworks must be capable of adapting to changes with minimal bureaucratic inertia. This might involve decentralizing decision-making processes and increasing the responsiveness of local governance structures.
- *Sustainability and Resilience:* Long-term sustainability should be a cornerstone of all policy initiatives, particularly in ensuring that economic and environmental policies are resilient to both current and future challenges.
- *International Cooperation:* Leveraging international expertise and funding can enhance the scope and impact of national policies. This is particularly relevant for environmental projects and cultural exchanges, which can benefit significantly from global partnerships.

The integration of economic, artistic, and environmental strategies under state regulation in Ukraine provides valuable lessons on the effectiveness of multi-faceted approaches during crises. As this case study illustrates, the success of such initiatives depends not only on the individual effectiveness of each strategy but also on their capacity to interlink and support one another, forming a robust framework for sustainable national development even in the face of severe adversity.

Conclusions. Given that market self-regulation is insufficiently effective, it can be concluded that state intervention in socio-economic processes is a necessary condition for further development. In other words, the socio-economic progress of Ukraine in market conditions of management, on the basis of sustainable development, will require improvement of the system of state regulation. The economic policy of the state must fully meet the strategic goals, provided that global development trends are taken into account and modern directions of cooperation between the state, the market and entrepreneurship are improved. As for the global problems of globalization and integration, they require a deep study of further development processes of our state, in dynamics, under the condition of balance between state regulation and the market mechanism in accordance with rapid economic growth.

Author contributions. The authors contributed equally.

Disclosure statement. The authors declare no conflict of interest.

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