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**PRINCIPLES OF THE IMPLEMENTATION OF UKRAINE'S ECONOMIC  
POLICY IN MODERN CONDITIONS: WAYS OF INCREASE  
COMPETITIVENESS**

*In the conditions of globalization and acceleration of technological progress, the role of the state in regulating the economy is becoming more and more important. This article is devoted to the study of the principles of economic policy implementation aimed at increasing the competitiveness of the Ukrainian economy. The work examines the main approaches to the formation of economic policy, methods and tools for its implementation. Special attention is paid to the influence of external and internal factors on the choice of economic strategy and its adaptation to the rapidly changing conditions of the global economy. The results of the study can be useful for developers of economic policy, scientists and practitioners who deal with issues of economic development of Ukraine.*

**Keywords:** *competitiveness, economic policy, Ukraine, state regulation, economic reforms, external and internal factors, sustainable economic growth.*

Formulation of the problem. In the conditions of globalization and acceleration of technological progress, the role of the state in the economy is becoming more and more important. The economic policy of the state acts as the most important tool for regulating the national economy, aimed at ensuring sustainable economic growth, stabilizing macroeconomic indicators and improving the welfare of the population. In modern conditions characterized by a high degree of uncertainty caused by geopolitical changes,

pandemics and global economic crises, the implementation of an effective economic policy becomes a critically important task for every state.

In the context of structural reforms aimed at integrating Ukraine into the world economy and strengthening its position on the international arena, it is important to understand which economic principles and policies can contribute to increasing the country's competitiveness. This work will consider the main approaches to the formation of the economic policy of Ukraine, the methods and tools of its implementation, as well as analyze examples of the successful application of economic measures in different countries. Special attention will be paid to the analysis of the influence of external and internal factors on the choice of economic strategy and its adaptation to the rapidly changing conditions of the global economy.

Analysis of recent research and publications. The issue of Ukraine's competitiveness was studied by various domestic and foreign scientists, such as: Ya. Bazylyuk, L. Balabanova, O. Bilorus, V. Vergun, V. Geets, I. Dolzhanskyi, P. Druker, O. Eliseyeva, Ya. Zhalilo, D Lukyanenko, J. M. Keynes, P. Krugman, Y. Makogon, Y. Matseyko, K. Marks, E. Maslennikov, A. Marshal, V. Novytskyi, Yu. Pakhomov, A. Pylypenko, O. Poberezhets, Y. Poluneev, M. Porter, J. Sachs, M. Tugan-Baranovskyi, I. Faminskyi, A. Filipenko, J. Schumpeter, and others.

Purpose of this study is to identify key principles that contribute to the effective implementation of economic policy, as well as to develop recommendations for their application in the context of building a modern competitive economy of Ukraine.

Presenting main material. The current global economic crisis shows the increasing role of the state as a decision-making entity in new, extreme conditions. The quality of the solved tasks becomes more difficult, and therefore, there is a need for new methods of regulation, which differ in quantitative characteristics, general direction and degree of rigidity and impact.

The state implements economic functions in the form of economic policy. State policy is a concentrated expression of the economy, and in order to increase its efficiency, it must not only correspond to modern realities, but also work ahead of it. Economic policy is a general line of economic actions carried out by the state, the government of

the country, providing the desired direction to economic processes, embodied in a set of measures taken by the state, with the help of which the intended goals and objectives are achieved, socio-economic problems are solved [1].

The choice of economic policy also depends on the prevailing economic and social ideas in society at one or another stage. This connection is mediated by political factors. In an economic system based on market relations, the forms of economic policy that are adequate to the market conditions of economic subjects inevitably prevail. The tools in such a policy system are mainly focused on the indirect influence on the economic interests of the subjects of the economy, which does not deny the simultaneous use of direct methods on the economy.

In essence, economic policy should address the issue of effective management of the national reproductive system. Thus, the fundamental conditions for the existence and development of the person himself, the main subject of this system, are:

- the natural resource base of the economy;
- territorial and climatic basis of human habitation;
- organization of public forms of management.

A sufficient condition for the development of the economy is a method that ensures the combination of the three basic conditions in such a way as to achieve greater results with the least consumption of factors within the framework of the current and possible next mode of production. Moreover, the real effective development of the management system should ensure the emergence of a new way of production. A necessary condition means the availability of factors, and a sufficient one means their appropriate use. Thus, in the global sense, there is a triune problem of efficiency: the use of resources, their management and distribution on a global scale; exploitation of the environment and the territory useful for living - obtaining the maximum benefits of what nature gives to a person without violating his assimilation capabilities; the creation of effective organizational forms within which the economic process is carried out and the first two types of efficiency are achieved, i.e., must ensure the integrity of the socio-economic management system. If the economic policy is implemented without focusing on the first two types of efficiency, in principle, a situation is possible when the possibility of the

social system to recover the loss of productivity in the first and second blocks will be exhausted or seriously limited.

The relevance of this principle is especially increased under the conditions of systemic dysfunctions of national reproduction. And here there is a progressive isolation of the system, which leads to a decrease in its integrity and, therefore, its competitiveness. The state is a real and unique institution capable of solving the problems of restoring the integrity of the national economic system with the help of a properly developed policy.

In modern conditions, the diversification of government programs should take into account the variety of emerging institutions and organizations. At the same time, state policy should be based on the principles of strategic planning and necessarily take into account the previous experience of reforms. In the conditions of instability of world economic processes, it is very difficult to plan and predict even for such a huge institution as the state, but it is still extremely necessary to restore the functions of introspection, criticism, and finding errors in previous government measures. This is a guarantee of the effectiveness of the state's economic policy, which will ultimately lead to an increase in the country's competitiveness and the stability of the socio-economic system of the national economy.

We consider the dissolution of power structures and the limitation of their functions to be an irrational step in the implementation of the state's economic policy, which can lead to a decrease in its competitiveness. This trajectory of the state's behavior will have a violent nature, based on conflicts, confrontation, and will not contribute to increasing its effectiveness, which is its main task. The state must be able to select the necessary functions and assign them to powerful groups.

Political and economic measures must take into account the moral and social aspects of society. The focus on achieving certain stereotypical goals, the effectiveness of which is not always obvious for the national economy, should not avoid the regulation of certain socially significant economic processes, that is, it is about strengthening state regulation. When making decisions, the government cannot base itself on theories of the economic order of rational behavior of the main business entities. The organization of the competitive order, which is talked about a lot in the West, in the dominant countries,

competitive in the world markets, is not enough to achieve effective development in the economy. Competition is a zero-sum game development scheme, one player's win is another player's loss.

Thus, in order to increase the stability of the national economic system and reduce the macro-dysfunctions of this system, it is necessary to focus the efforts of national states on the following areas:

- 1) switch to a combined macroeconomic policy;
- 2) to change the relations of countries with various international organizations, to review the rules of international relations;
- 3) form incentives for the development of economic reproductive structures, taking into account the environmental safety of future generations;
- 4) to regulate the emergence of new institutions, organizations, because otherwise their uncontrolled growth will lead to a situation where the system will be lower than the limits of monetary support, and will also lead to the activation of corruption trends in the country. Thus, as a result of the policy aimed at the formation of numerous organizations, funds, and institutes, it will lead to the emergence of low-quality institutional structures that will reduce the country's competitiveness.

Thus, it is necessary to regulate the speed and scale of the ongoing transformations, the introduction of new structures and institutions. It is about the adaptive capacity of national systems to accept these changes, to provide the necessary resources for their implementation. The efficiency assessment reflects the ratio of the speed of introduction of new measures, structures with transaction costs. And this assessment is not always expressed in a cost form and has a classic form, in the sense of the ratio of the result to the costs. Perhaps the speed of the implemented reforms will not be high enough, but the results are more stable and long-term. There are countries, for example, China, which followed the path of conservative reformation in terms of the scope of implementation, when the value of institutional stability will be maximum, and variability will be minimal. The scale of transformations in terms of size may occupy a small part of the reformed object, but there is a depth of changes and a pinpoint aim of institutional implementations.

In order to implement effective transformative measures, it is necessary to revise the classical methods of economic policy development, approaches to its planning. Although along with such goals of economic policy as increasing the competitiveness of national industry, the standard of living, the investment component of the economy, an equally important goal is the formation of an effective mechanism of state regulation.

The above provisions allow making some statements about the most important principles of effective implementation of the economic policy of increasing the competitiveness of the national economy [2]:

1) analysis and determination of the current state of the national economic system, assessment of the main problems, their causes, identification of the range of government measures and their resource availability;

2) determination of development priorities: economic, social, legal. Finding the optimal combination of tools and methods of state influence on certain industries that require changes to transform them into positive processes within the framework of the specified priorities;

3) observance of the principle of continuity of economic policy, clear setting of goals, areas of application taking into account the relationship with other problems, determination of the costs of implementation of planned government measures;

4) implementation of the principle of large-scale, in all areas of action within the specified development strategy. Preventiveness of the target function of the strategic development of the economy and thus the subordination of this target trajectory to all existing methods and instruments of state regulation. At the same time, the current determination of the effectiveness of the measures being carried out, including the processes of liberalization, centralization, privatization, etc. It is very important to adhere to the principle of the least harm, the need to solve the problems of dysfunctionality of the life support systems of economic structures, thereby contributing to the resistance of these systems to external influences.

5) the need for the continuity of transformations carried out within space-time intervals, the use of the experience of other states in the field of reform, assessment and adapted use with the maximum positive effect, assessment of real opportunities, political

constraints for the real implementation of a particular state strategy. Determination of stages, terms of implementation of the transformative strategy, current correction of dysfunctions arising in the economy management system.

6) in the event that the need to implement reforms is proven, then the following principles must be observed:

- along with the implementation of certain transformations in the economy, parallel support at a positive level of social parameters;

- completeness of the carried out transformations, do not allow reform acts to drag on in time, otherwise their marginal usefulness will begin to fall over time. It is necessary to allow the started transformation to unfold, after a series of influences is carried out, the changed system should begin to function independently without doping. If this is not done by the reforms, it is necessary to stop and review the goals and means of achieving these goals, it is advisable to adjust the actions of the government in accordance with the current features of its functioning.

7) in conditions of global openness of national economies, it is necessary to assess the influence of international organizations, political structures, which are agents of international competition, on the internal development of the country. It is expedient to selectively approach recommendations from the outside with a focus on the priority areas of development of national systems. The entire economic policy of the country should be aimed at achieving internal stability, at self-sufficient development in the vector of strengthening competitive positions. Self-sufficient development guides the country's concentrated use of resources in priority directions. The institutional base of lending should be mainly national in color, focused on ensuring the country's economic security, increasing competitiveness, and these guidelines will lead the country to a path of real growth.

Implementation of state policy is ensured in the form of various forms. To increase the competitiveness of the national economy, it is necessary to use those types of economic policies that will have the greatest effect at this moment. Accordingly, it is necessary to use the classification of forms of state economic policy taking into account

the specifics of the development of the national economy in modern conditions. In our opinion, it should consist of the following areas:

- economic policy (structural with a priority of diversification, regional, price, investment, industrial and innovative);
- financial (monetary and credit, banking, budgetary, tax);
- foreign economic (customs and tariff, trade, integration);
- social (policy of employment, social support, income regulation, policy of raising the level of human development (HDI));
- the policy of increasing competitiveness (creating favorable conditions for the development of entrepreneurship, increasing labor productivity, improving the quality of human capital, logistics policy);
- anti-crisis (implementation of measures in certain areas, in particular - employment, banking system, support of small and medium-sized businesses with an emphasis on the development of the agricultural industry, diversification).

Thus, the goal of state policy is ensuring a complete system of interdependent elements, the result of which is the achievement of progressive systematization and homeostasis, and therefore its stability. The formation of a macro system of this type will ensure the creation of a competitive economy.

However, in practice this integrity is difficult to ensure. Most often, many government programs are not fully implemented. This model demonstrates the relevance of the logical completeness of each element and its close relationship with all other elements. Otherwise, we are dealing with inefficient implementation of state policy and violation of the integrity of the system. The criterion for this inefficiency is the development of new programs that often duplicate old, not yet completed strategies.

An effective institutional system, in our opinion, is part of the national wealth, which has the property attract this wealth. A very important property of wealth as categories are a property of its reasonable use as an economic resource that is needed for the organization and maintenance of the established and improving human order life.

If the economy operates institutions that provide uneven or unequal definition of the accrual and current wealth, it is unlikely that all strata of such a society equally

perceive the usefulness of economic growth as a way to increase national wealth. Moreover, this onethe method is expedient and really leads to an increase wealth, and not to its waste, only when effective public organizations, institutions, the selection mechanism effective result and competition. The obvious one is that the fact that the distribution of the result of economic development and distribution of national wealth, instruments of ownership them and use - should be the most relevant in economic policy of the state in modern conditions.

In particular, a serious problem in the formation of effective state policy with the aim of increasing its competitiveness is the lack of demand for human resources. inability to use its capabilities to the proper extent, reduction of human potential. In the conditions of the economic crisis, this problem is of primary importance. Deterioration the general background of the development of the Kazakh economy today increases not only due to a decrease in the professional level of human capital, but also due to the progressive aging of the human fund, the loss of the most important social functions, intellectual achievements of people.

Positive results of the implementation of these directions depend on a set of measures contributing to the increase returns from the use of this natural resource in the country potential, taking into account the limitations of each named problem of using this potential.

In this, it is appropriate to note that in the economic two important factors have a system-wide impact on development factor A. First, these are institutions and structures, their quality change. Secondly, the management and decisions that are made the state, economic agents, which in turn take into account the presence of models when making decisions, which adjusts both the models themselves and the forecasts on which they are based their policy decisions. In connection with this, the implementation of the process of regulation of the national economy must take into account the controllability of changes in the basic macroeconomic proportions.

Economic growth by itself does not solve these problems, yes as itself the result of a functioning institutional structure. There are even cases when it is still supported for a long time due to the deterioration of quality characteristics socio-economic system

Quantitative growth is possible to achieve due to the increase in critical situations in the economy - reducing the reliability of functioning of various subsystems, increasing inequality of social conditions.

Until now, the main criterion for the effectiveness of state regulation of the economy is the national growth rate product with an estimate of unemployment. Whereas since the time of criticism by J.K. Galbraith "Gross Domestic Product Cult" as such criteria should be non-economic results that constitute the standard of living of the country's population [3]. In this aspect, it is interesting to note that expressed by Amartya Sen [4]. Yes, poor countries at the expense more even, fair distribution of income demonstrate a higher level of social well-being. Great inequality in the distribution of income can to be achieved at the expense of the appropriate development of the social security and insurance system. As a result, in more a poor country has a higher life expectancy, the level of literacy of the population with a low average per capita income. Important the condition that reproduces these regularities is the institutional structure of the economy conducted in the country state policy, oriented competitive development.

An important aspect in solving the problems of increasing the efficiency of the economic policy carried out at the state level. At the level there is a definition, assessment of risks and costs of regulation. Yes, in the foreign practice of the institutional system evaluation methods are widely used regulatory action (Regulatory Impact Analysis - RIA). The practical use of this method will lead to an increase in the effectiveness of regulation through impact analysis legislative acts on the regulatory environment

The use of this technique implies a reduction of regulatory costs and risks. Assessment of regulatory impact is based on the collection, detailed processing of large material on the object of regulation that gives the government an opportunity to emphasize an effective form of regulation and determine the evaluation corridor of the possible impact of actions state According to the characteristics given by the Japanese representative office in Kazakhstan, the advantage of this technique is increasing the transparency of decisions made at the legislative level; responsibility for the final result; reducing the risks of dominant decisions.

At the heart of the assessment methodology is regulation step-by-step matrix of data processing and decision-making in branches of economic policy. The first step of system analysis includes defining the problem and setting the task. To start it is necessary to evaluate the initial conditions to set the desired tone for policy decisions in this area.

The next stage is to conduct a detailed industry analysis with mandatory expert opinion for reducing the risks of inadequate decisions, mistakes in making regulatory decisions. Any regulatory decision must be based on a wide-ranging analysis process, expert opinions of specialists in this field, accounting profile, specific features of the regulated sphere. IN in this direction, it is necessary to choose specific methods, spheres, areas for research, determine the scope and focus of the necessary information on benefits and costs proposed alternative solutions.

Thus, any decision at the state level on the regulation of one or another sphere should be developed very carefully, in detail and be drawn up in a document with an evaluation examination, analysis of alternative sentences. In this perspective, it is important to identify problems at the initial level in decision-making process in the field of regulation, given the technique allows identifying weaknesses in this process, and also suggest other more effective measures to achieve the set goal.

With the help of the assessment of regulation of impacts it is possible to determine the degree of benefit, harm of each possible regulatory measure and establish various combinations and synergistic forms regulatory means and strategies. In national practice decision-making at the state level, the process of using such methods should be adaptive and balanced nature. In its pure form, the methods of assessment of regulation risks may not work in our environment, there may not be enough data, statistical base, legislative and procedural norms conditions for its implementation. But still in the process implementation of economic policy, both companies and states, the experience of developed countries regarding the regulation of actions large business entities should take into account and use in adaptive mode.

Summarizing the above, we can conclude that today it is necessary to conduct a state countercyclical policy of regulation, rather than a procyclical one. It means the fact that for the effective implementation of economic policy it is advisable at the state level

to form a conceptual program of analysis and risk assessment regulation and on this basis make an alternative choice in benefit of this or that decision in the field of government management. This approach radically changes approaches in development of methods and techniques of economic formation state policies in all branches and spheres of the marco systemnational economy. Especially, this point is relevant in modern conditions of development of the national economy, when the country is in search of new ways and sources of economic growth. The state's efforts are aimed at activation it is an innovative component of the national macrosystem direction of economic policy of the country's state is the most difficult and time-consuming to implement. IN in this spectrum, it is necessary to talk about the presence of a number of features of the existing system of national reproduction economy, which in turn determines the complexity and ambiguity of innovation policy. Therefore, at the current stage, it is more important than ever for Ukraine to comply the aforementioned principles of economic policy implementation.

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