The problem of providing a proportional development of all the spheres of social being through public administration impact is growing in intensity in Ukraine, beginning from the mid-1990s i.e. in the period of the market environment emergence and incultation, institutionalization of market relations and creation of market infrastructure. At that time, the idea of public administration mechanisms comes into being and acquires the relevant content. Gradually comes the awareness of the fact that the state is able to affect in a variety of ways the socio-economic processes in a transformational society.

The present research makes an attempt at summarizing some ideas that relate to application of mechanisms of state impact in a dynamically changing society. Essential differences between the mechanisms of public administration and state mechanisms of governance have been identified for further discussion by scientific community.

**Keywords:** philosophy as thinking “efforts”, request for philosophizing, state regulation, mechanisms of public administration, state mechanisms of governance.

**Introduction:** What does the term ‘philosophy’ mean in the context of this paper? and Why do the ‘mechanisms of state impact’ become actual today? It would be too bold to believe that we will find answers to the questions: What is philosophy all about? or What is it for? However, we may agree or disagree with the ideas of famous thinkers when they give their replies to the above questions. For instance, the word ‘philosophy’ according to a Frenchman Rene Descartes (1596–1650) means being occupied with wisdom. And in his understanding, wisdom is not only practical sagacity, but rather sophistication of knowledge about everything that the men can cognize. To his mind, knowledge of that kind is capable of guiding people’s lives in a desired direction, serve the purpose of discovery in all sciences. The main principle of his philosophy is ‘I think, therefore I am’ (Lat. Cogito ergo sum). Thus, in general Descartes relates ‘philosophy’ to sagacity in practical affairs, attainment of sophisticated knowledge, ability to direct human lives, and serving discovery purposes. He attached crucial importance to thinking in people’s vital activity. None of the well-known

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philosophers denies the fact that philosophy “comes” to the world of human existence with the endeavor to think over this existence; yet, more often than not it comes too late to accomplish that goal. When philosophy “starts painting” with its grey paint (an intricate, often incomprehensible language of philosophy) against a grey canvas (the twilight of the barely perceivable, fading “old problem-loaded world”), as an outstanding German philosopher Georg Wilhelm Friedrich Hegel (1770–1831) points out, it indicates that some form of life has got obsolete, and philosophy with its “painting in grey on a grey background” cannot make it different or new. Indeed, philosophy can only understand and provide insight into a form of life that eventually emerged. Minerva’s owl, according to Hegel, starts its flight only as dusk falls (Hegel G. W. F., vol. 7, p. 17–18).

In the common language, Hegel’s saying may mean that a true philosophy is associated with “strenuous efforts” of people to think over (perform an act of thinking) their own living, the reason for their existence in this world. However, “strenuous efforts” have never evoked enthusiasm in a common man, an ordinary individual. It is much easier for the human Ego to “swim with the tide”, to be guided in daily living by one’s own feelings or even the so-called “general” moral principles. It is quite obvious that the real human life is both historical and specific to every Ego; it is getting complicated with time and may demand of anyone a serious thinking over the essence of their being which, as a rule, does not equal or is not identical to human existence in society (Korzhenko V. Phenomenon of Philosophy, 2016).

Thus, philosophizing becomes possible and requisite, at least under the following three conditions: firstly, when the “gap” between what is required by cognitive reasoning and the common “lazy” figuring out things yawns quite markedly, openly, and self-explanatorily. Secondly, when burning issues that have become the subject of reasoning are capable of and ready to cover the entire philosophical problem range which always includes human being itself that calls for contemplation. A basis for the “thinking efforts” can be laid by philosophical culture as a whole with account of the mental specificity of a certain human community, which requires changes in a modern multicultural society. Thirdly, when that, which is being reasoned, comes to the ultimate end i.e. the goal of change.

Certainly, philosophy cannot “save the world” by itself; but the world will never be saved, unless its dominant threats and hopes are conceptualized philosophically and thought over critically. Philosophy never thinks over what has already been reasoned; neither does it think “in store”. Philosophy always has the form of thinking which is made heard here and now. It elates human mind, elevates people over the dullness of their lives, never simplifying anything in its reflection on human life or adapting philosophic knowledge to the fancy of the public. Therefore, philosophy can be regarded as efforts of thinking about the un-thought-of-before human existence, aimed to avoid the worst possible threats to the vital activity of people. In other words, philosophy is a ‘vigilant mind’ against the background of the permanently contradictory human being (Korzhenko V. Phenomenon of Philosophy, 2016). As to the philosophy of an active social community in a ‘society of intelligence’, it is referred to a ‘territory’ and a ‘territorial community’ as a basic element (of a system) of governance in the 21st century (Calame P., 2003).

**The state and its mechanisms of influence in the market environment.** Ukraine’s gaining independence in the early 1990s quite naturally brought about a series of issues that related to a transition from the so-called ‘developed socialism’ to a market-based society. One of these issues, to our mind, is finding out what are the real opportunities for the state to affect certain spheres of human life activity
under the conditions of originating and developing market relations. At that time, the
Ukrainian scientists were actively working on the concepts of ‘public administration’,
‘state regulation’, ‘mechanisms of public administration’ etc. The content analysis
of those terms can be found in the published works by V. Korzhenko (2008),
(2010), V. Minenko (2009), H. Odintsova (2002) and many other scholars.

Thus, we will make an attempt to review the elaborations of the prominent
experts. Firstly, the term of ‘mechanism’ is applied by them to characterize certain
socio-economic entities or systems (economy as an effective mechanism; the state
as an integral hierarchical system comprising all government organizations that
perform its tasks and fulfill its functions; the economy of an administrative district
etc.). This allows researchers to introduce for the scientific use the concepts of ‘state
mechanism’, ‘mechanism for governing a state’, ‘state mechanisms of governance’,
‘mechanisms of public administration’ (K. Volynka, 2003, p. 74; O. Korotych, 2006,
p. 20–21, 28–30; T. Lozynska, p. 80, 85–100; O. Melnychenko, p. 192; V. Minenko,
p. 77–92).

Secondly, by ‘mechanisms of governance’, the majority of researchers in
the field of economics and public administration theory mean practical actions,
capabilities, ways, levers, tools, and methods of operation of public authorities or
local government bodies, through which they affect the society (or separate factors
of social change) in order to attain certain goals (Encyclopaedic dictionary, 2010;
58–64, etc.). In this case, the ‘mechanisms of governance’ can be regarded as
public-administrative or social technologies (N. Meltiukhova, 2010, p. 128–154),
which, in our opinion, is quite reasonable, justifying a wide use of the term in that
context.

Thirdly, a philosophic approach to considering the ‘mechanisms of governance’
worthy of attention is the one grounded by G. Atamanchuk (2004), H. Odintsova
(2002) and other scholars (N. Meltiukhova, 2010), when researching the
mechanisms from the perspective of the principles of interrelation, development,
integrity of essence and existence.

With regard to the ideas of the above-mentioned scientists, the following
definition of a ‘mechanism of public administration’ can be offered: a totality and
logical interconnection of social technologies due to which politico-administrative
institutions satisfy the pressing needs, interests and significant objectives of
certain social entities (the state, region, territorial community, citizen etc.) in
governance impacts, that is consolidate them in administrative decisions which
are put into life by their actions, settling ever-emerging social contradictions on
the principles of law, democracy, justice and responsibility.

The above definition, in our view, refers to both state mechanisms of
governance and mechanisms of public administration (Fig. 1).

Fig. 1. Mechanisms of state influence in the market environment
State mechanisms of governance and public administration mechanisms.

So, what are the differences between them to which experts sometimes fail to pay attention? Their essential difference, we presume, lies in the fact that state mechanisms of governance in a modern society complement and mitigate the action of market self-organization mechanisms. There is no need to prove the imperfection of the market self-organization mechanisms, since most of the Ukrainian experts have voiced their opinion about it, referring to the historical analysis of the socio-economic practices evolution. In particular, the protracted crisis of the 1930s in the USA clearly shows that “the mechanism of market self-regulation does not cope with the tasks imposed on it, failing to provide an automatic recovery, which necessitated a transition to an active regulation of the economy” (I. Mykhasiuk, A. Melnyk, M. Krupka, Z. Zaloha, 2002, p. 7).

The market mechanism as a certain “way for economic entities to maintain relations which are based on the principles of economic freedom, balance of demand and supply, free pricing, healthy competition” has its traditional incapabilities, namely: inability to distribute social benefits effectively; insensitivity to people’s social problems and their social security; inaction when it comes to coping with information asymmetry or ‘opportunistic behavior’ of market subjects, etc. (M. Latynin, 2006, p. 24–25; T. Lozynska, 2007, p. 77; O. Melnychenko, 2008; V. Minenko, 2009, p. 85).

Therefore, as D. Keynes believes, market alone cannot guarantee economic and social stability, and consequently, the state must play an active role in stabilizing the economy and alleviating the effects of economic recessions. In other words, the key objective of state regulation of the economy is providing economic and social stability and strengthening the economic security of the state. On the one hand, the state should take on direct functions which ‘market self-organization’ is unable to perform, in particular:

– regulation of structural socio-economic development on an indicative planning basis;
– organization of its own production or creating incentives for private manufacturers to produce goods and services which are of little interest to them, but are needed for the society (I. Mykhasiuk, A. Melnyk, M. Krupka, Z. Zaloha, 2002, p. 7, 22, 34);
– elaboration of a scientifically substantiated strategy for socio-economic development of territories, and technologies for efficient introduction of government contracts to stabilize prices etc.

On the other hand, the state has to switch on adequate mechanisms for market relations “humanization”, forming civilized human relations in a market-based society, overcoming inequalities and asymmetry which appear from time to time under market self-organization dominance.

An inevitable growth of chaotic processes, as practice proves, is typical of the stage of the market economy formation and establishment in a transitional society. In this connection, a number of specific public administrative tasks appear:

– legal regulation of ownership relations, illegal takeover counteraction;
– establishment of a civilized competitive environment, stable development of an effective internal market;
– introduction of a system for effective support for small- and middle-size business and agricultural farms;
– creation of a capable monetary and credit system;
For instance, in advanced social practices, the state becomes an effective subject in the real estate market, for that market sector cannot free itself from the following dependencies:

– a tendency to information asymmetry which offers advantage to the seller and makes the buyer pay more;

– a need for a forced diffusion of several sectors (raw material market; commodity market, and market for some community services; labor market; information market; markets of social services – healthcare, education etc.); thus, public administration is to be performed based on market segregation (separation and distribution of impact);

– a necessity for minimizing transaction costs (according to a famous institutionalist D. North, in complex societies, profit from opportunistic behavior, fraud, and subtraction grows, making compulsion from the third party (here ‘the state’ – Author) vital (cited by T. Lozynska, 2007, p. 77), and so on.

While the state mechanisms of governance stand against market imperfection, providing symmetry of social relations and socio-economic stability, public administration mechanisms as means for elimination of contradictions in the object of administration with organizational, legal and regulatory, financial and economic, and other tools, from our point of view, foster the development of any social system; that is to say they can be called development mechanisms.

Thuswise, experts in modern public administration discern the following kinds of mechanisms: financial and economic (a totality of administration methods and tools due to which the state ensures fulfillment of its socio-economic functions); motivational (technologies that provide incentives for workers to carry out activities aimed at attainment of objectives of their organization and their personal goals); organizational (a subsystem of management meant to convert an organizing impact of a public authority (the subject) into a desired (goal-oriented) behavior of an administration object); legal (sets of interrelated judicial norms that make up a relatively noncontradictory integrity, necessary and sufficient for achievement of public-administrative goals) (Encyclopaedic dictionary, 2010).

At the same time, the modern theory of institutionalism requires the use of a cultural and communicative (related to introduction of the main principles of the European administrative space, Good Governance concept, European regionalization policy, etc.) and a socio-psychological mechanism for state regulation of the market (pertaining to the social orientation of the market, trust in the market subjects relations, strategic governance with clearly defined change areas etc.) (V. Bashtannya, 2008; Gary S. Becker, 1976; M. Butko, 2009; James McGill Buchanan, translated into Russian 1997; David L. Weimer, Aidan R. Vining, 1992; T. Haidai, 2003; V. Heyets; Public Administration, 2002; M. Popovych, 2010; F. Fukuyama, 1996; V. Korzhenko, L. Khashyieva, 2011; Geoffrey M. Hodgson, 1988) (Fig. 2).

![Mechanisms of public administration](image-url)
Finally, as to the state impact on the economic processes under the market conditions. Some scientists avoid the use of the term of ‘public administration’, replacing it with the ‘state regulation’ notion. What rationale is behind it? On the one hand, it is considered that ‘regulation’ is a less “stringent” (almost half-liberal, “recommendatory”) impact of the state on economic processes than ‘administration’ (M. Latynin, 2006; O. Melnychenko, 2008, p. 9–10; N. Meltiukhova, 2010, p. 108); on the other hand, ‘regulation’ supposedly includes fewer state functions that ‘administration’ (M. Latynin, 2006, p. 29). Discord in the terms interpretation is also caused by assignment of ‘regulation’ to public administration functions. We deem it important that both ‘administration’ and ‘regulation’ should refer to *impact* as a purposeful effect of the subject on the object (of administration, regulation). ‘To administer’ means ‘to direct activity’, someone’s work; be in charge of something, lead; direct a process, influence development or condition of something. ‘To regulate’ means ‘to normalize’ something, regularize it according to some relevant rules, a certain system; strive for normal operation and achieve the necessary state by securing a well-coordinated interaction of components (The Big Explanatory Dictionary, 2002, p. 160, 425, 1020–1021, 1400).

Thus, it is hard to miss the difference in interpreting the terms of ‘administer – direct’ and ‘regulate – normalize’. As to institutionalizing the real estate market in a transformational society by means of state impact, we think that one can speak about both normalization (regulation) and direction (administration).

To what extent it is possible to find a balance between the state mechanisms of market regulation and market self-organization mechanisms, or the efficiency of the use of public administration mechanisms which provide the development (direction) of market relations (by organizational, legal and regulatory, and other means), without upsetting the balance or “symmetry” (Fig. 3), are topical subjects of another scientific research.

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**Fig. 3. Mechanisms of state regulation in the market environment**

<table>
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<tr>
<th>State mechanisms of governance / regulation is an occasional (used in particular circumstances, situations) forced supplement to market self-organization mechanisms</th>
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<tbody>
<tr>
<td>– setting-up of and support for public and public-private enterprises;</td>
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<tr>
<td>– introduction of a modern technology of public-private partnership;</td>
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<tr>
<td>– application of antimonopoly and anticorruption laws;</td>
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<tr>
<td>– use of incentive technologies, granting preferences to entrepreneurs producing vital goods and services;</td>
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<tr>
<td>– targeted financing of specific programs and projects providing IT-services for citizens;</td>
</tr>
<tr>
<td>– use of public contracts mechanism etc.</td>
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<table>
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<tr>
<th>Mechanisms of public administration / regulation are a scientifically grounded response to market challenges (overcoming contradictions of socio-economic nature)</th>
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<tr>
<td>– legal and regulatory mechanism;</td>
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<td>– organizational mechanism;</td>
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<tr>
<td>– financial and economic mechanism.</td>
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**Mechanisms of public administration:**

- legal and regulatory mechanism;
- organizational mechanism;
- financial and economic mechanism.

**Mechanisms of state regulation:**

- cultural and communicative mechanism;
- social and psychological mechanism;
- politico-administrative mechanism;
- information and analytical mechanism etc.
Basic models of state impacts. Among modern models of state regulation of socio-economic life, experts discern the following generalized examples:

– the Americam model: state regulation is reduced to application of legal and indirect methods, in the first place, tax and budget ones, aimed to create favorable conditions for promoting competition and entrepreneurship;

– the German model: a system of steering the national economy with an active use of market regulators and creation of an effective social security system at the state level;

– the Swedish model: an active state interference into the process of distribution and redistribution of income with the aim of establishing a strong social security system;

– the Japanese model: a system of interaction between government authorities and corporations aimed at attainment of strategic goals in the economy.

Each of the above models in its own fashion takes a maximum account of the interests of the state, business, and citizens. While the American model provides social guarantees to people through the legal, tax and budget mechanisms of state regulation of the economy, emphasizing the development of competition and entrepreneurship, and the Japanese model is based on a scientifically considered system of interaction between government bodies and corporations, the Swedish and German models presuppose a combination of public administration of the national economy with income distribution and redistribution for creation an effective social security system.

Generally, it is characteristic of Western Europe to combine a large part of public welfare expenditures in the GDP with a sizable public sector of the economy (Encyclodaedic dictionary, 2010).

Conclusion. The most commonly used mechanism of state impact on the market environment is the legal and regulatory mechanism. An essential property of this mechanism is its connection with a specific goal or a set of goals i.e. it is a system-forming legal technology for realization of the rightful interests of subjects of law. Another feature of the said mechanism is its systemic nature which stipulates that the legal instruments are not an arbitrary combination of different legal norms, but an orderly and interrelated whole, forming a perfect instrumental structure (Encyclopaedic dictionary, 2010).

The organization and administrative mechanism, unrelated, in our opinion, to substantial material incentives and financial expenditures, is also widespread. It relies on the “might” of the state power and includes restrictive, permissive, and compulsive measures. A vivid example of compulsive actions is public authorities of all the advanced countries imposing obligations on businesses to pay taxes, arrange vocational training for young workers, create adequate workplace conveniences, safety and health protection, install pollution control facilities, etc.

The economic mechanisms of state regulation refer to the monetary and credit (interest rate regulation; public institutions’ transactions in the financial market (emission, trade in and redemption of securities etc.) (I. Mykhasiuk, A. Melnyk, M. Krupka, Z. Zaloha, 2002) and budget policy (financing of state budget spending on development and support for many production branches and service industry).

It is well to bear in mind, too, that a modern consumer market has to activate its innovation-oriented thinking, since the age of mass consumption and sale is over, being replaced by the age of market saturation, as experts state. Under these conditions, for one part, it is hard for a new actor to find its place in the international specialization of labor; for the other part, the nature of the consumer is also being changed. There even exists an opinion that the reason for global
economic turmoil is the individual consumption crisis (M. Petrovich, 2009, p. 135). The consumer of the 21st century, according to some supporters of the modern economic theory of institutionalism, acquires new social, psychological, and economic characteristics, getting more aware and sensitive to prices for goods and services (V. Bazylevych, V. Iliin, 2007).

References
ФІЛОСОФІЯ МЕХАНІЗМІВ ДЕРЖАВНОГО ВПЛИВУ В РИНКОВОМУ СЕРЕДОВИЩІ: ДОСВІД УКРАЇНИ

Проблема забезпечення пропорційного розвитку усіх сфер суспільного буття завдяки впливам державного управління гостро актуалізується в Україні, починаючи з середини 1990-х рр., тобто в період виникнення й укорінення ринкового середовища, інституціоналізації ринкових відносин та створення інфраструктури ринку. В цей час з’являється й наповнюється відповідним смисли ідея механізмів державного управління. Поступово приходить розуміння того, що держава по-різному може впливати на соціально-економічні процеси в трансформаційному суспільстві.

У статті робиться спроба узагальнення деяких положень, що стосуються застосування механізмів державного впливу в суспільстві динамічних змін. Сформульовано суттєві відмінності між механізмами державного управління та державними механізмами управління з метою їх подальшого обговорення науковою спільнотою.

Ключові слова: філософія як "зусилля" мислення; запит на філософствування; державне регулювання/управління; механізми державного управління; державні механізми управління.

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