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IMPLEMENTATION OF REGULATORY POLICY IN ECONOMIC ACTIVITY: DEVELOPMENT OF THE INSTITUTE REGULATORY IMPACT ASSESSMENT

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Introduction. Market transformations in certain sectors of the national economy require improvement of the practice of applying the legislation and substantiating the changes in the regulatory environment and assessing the effectiveness of its influence to reduce unreasonable costs for all market participants. Therefore, there is a problem of improving state regulation of the economy, as well as the state of application of the regulatory policy mechanism by state authorities.

Aim and tasks. The aim of the article is to study trends improving implementation of regulatory policy in the sphere of economic activity on the basis of the institute regulatory impact assessment.

Research results. The results of the analysis. The article discloses the need to improve the quality of regulation of economic activity within the institutional obligations of the state in order to facilitate the obtaining of the maximum possible benefits of business entities. This involves minimizing public participation, and most importantly, the evaluation of regulatory instruments that affect the business sector or restrict its competition.

The substantiation of the tool for ensuring the quality of regulation of economic activity in a market economy is based on the analysis (evaluation) of regulatory influence. The barriers of economic activity and sources of subjective nature, which are connected with excessive regulatory pressure, are revealed. The correlation of the principles of state regulatory policy and the analysis of regulatory influence in the field of economic activity are carried out. The directions of development of the Institute for the assessment of regulatory influence in the field of competition are proposed in order to ensure sustainable business development: application of a complex of interrelated criteria with the assessment of procedures and implementation of regulatory quality standards; the phased introduction of elements of the analysis of regulatory influence on competition; improvement of the institutional basis for the analysis (assessment) of regulatory influence.

The difference between the analysis of regulatory influence on competition as an element of regulatory influence analysis, which serves as a tool of state regulation, is proved and it allows to improve the state policy in the field of development of competition on the basis of substantiating restrictive competition of regulatory norms.

Conclusion. The analysis of regulatory influence as part of a systematic approach to the development of the institutional environment serves as an instrument for improving state policy in the field of competition development. The importance of introducing the practice of proving the necessity of interfering with economic processes or institutional constraints provided that market competition is reduced as a component of the regulatory influence analysis is proved.

Keywords: economic activity, government regulation, competition, regulatory policy, regulatory impact assessment.

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РЕАЛІЗАЦІЯ РЕГУЛЯТОРНОЇ ПОЛІТИКИ У СФЕРІ ГОСПОДАРСЬКОЇ ДІЯЛЬНОСТІ: РОЗВИТОК ІНСТИТУТУ ОЦІНКИ РЕГУЛЯТОРНОГО ВПЛИВУ

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Проблема. Ринкові трансформації в окремих галузях національного господарства потребують вдосконалення практики застосування законодавства та обґрунтування зміни регуляторного середовища й оцінки ефективності його впливу для зменшення необґрунтованих витрат для всіх учасників ринку. Тому постає проблема удосконалення державного регулювання економікою, а також стан застосування механізму регуляторної політики органами державної влади.

Мета та завдання. Метою статті є обґрунтування напрямів удосконалення реалізації регуляторної політики у сфері господарської діяльності на основі розвитку інституту оцінки регуляторного впливу.

Результати. В статті розкрито необхідність підвищення якості регулювання господарської діяльності в межах інституціональних зобов'язань держави для сприяння отримання максимально можливих переваг суб'єктів підприємництва. Проведено обґрунтування інструменту забезпечення якості регулювання господарської діяльності у ринковій економіці на основі аналізу (оцінки) регулятивного впливу. Виявлено бар'єри економічної діяльності та джерела суб'єктивного характеру, що пов'язано із надлишковим регуляторним тиском. Здійснено співвіднесення принципів державної регуляторної політики та аналізу регулятивного впливу у сфері господарської діяльності.

Запропоновано етапи імплементації та напрями розвитку інституту оцінки регуляторного впливу в сфері конкуренції з метою забезпечення стійкого підприємницького розвитку: застосування комплексу взаємопов'язаних критеріїв із оцінкою процедур й впровадженням стандартів якості регулювання; поетапне впровадження елементів аналізу регуляторного впливу на конкуренцію; удосконалення інституціональних основ аналізу (оцінки) регуляторного впливу. Доведено відмінність аналізу регуляторного впливу на конкуренцію, як елементу аналізу регуляторного впливу, що виступає інструментарієм державного регулювання та дозволяє удосконалити державну політику у сфері розвитку конкуренції на основі обґрунтування обмежуючих конкуренцію регулюючих норм.

Висновки. Аналіз регуляторного впливу як частина системного підходу розвитку інституціонального середовища виступає інструментом вдосконалення державної політики в сфері розвитку конкуренції. Доведено важливість впровадження практики доказу необхідності втручання в економічні процеси чи інституціонального обмеження за умови зниження ринкової конкуренції як складової аналізу регуляторного впливу.

Ключові слова: державне регулювання, регуляторна політика, оцінка регуляторного впливу, господарська діяльність.

Introduction. The current state of the national economy requires substantial transformation mechanisms of regulation of business entities, given the different dynamics of reform processes respective spheres of activity and formation of competition in them. Therefore there is a need in the implementation and development of instruments of government and way of formation of legal norms that have improved the development of market relations. Market transformation in some sectors of the national economy, needs to improve the practice of law in accordance with the interests of “social” triangle (the state, business and society), because in the absence of approaches to study the need to change the regulatory environment and assess the effectiveness of its influence significantly increase unjustified costs for all its participants.

Analysis of recent research. Institutional framework governing the development of entrepreneurship investigated in the works of J. Blatter [1], C. Jacobs [2], B. Burkinskyi [3], M. Porter [4] and other scientists.

Theoretical and methodological developments related to regulatory policy in the sphere of economic activity related to the system of cooperation between authorities and businesses in the context of institutional reforms contained in the writings of V. Geyets [5], A. Barovska [6], T. Vasiltsiv [7], V. Reshetilo [8], R. Deighton-Smith [9], D. Nort [10] and more.

However, the results of this analysis lead to the conclusion that requires further research on improving the institutional environment in the context of regulatory policy, which is the main tool of regulatory impact analysis.

Aim and tasks. The aim of the article is to study trends improving implementation of regulatory policy in the sphere of economic activity on the basis of the institute regulatory impact assessment.

Main results. The low level of use of the mechanism of regulatory policy by national public authorities, which on average in 2007 was 31% and in 2013 - 59%, while the level of central executive bodies corresponding figure is 22% [4] affects the socio-economic relations entities. Confirmation of the imperfection of the regulatory environment certified in the Address of the President of Ukraine “On the

internal and external situation of Ukraine in 2012” and the national report “On the state and prospects of business development in Ukraine in 2011”, which is defined by excessive government regulation of business entities [1, 2].

Institutional obligations under state regulation of economic activity is to contribute and to maximize the benefits of business entities in order to ensure the free development of the internal market and protection, and the level and form of the regulatory regime should be balanced [3]. Therefore, improving the quality of regulation of economic activity is derived from the minimization of public participation, and most importantly is the assessment of regulatory instruments that affect the business sector or limit its competition. Therefore, study of alternative approaches to minimizing conflicts arising social development by implementing procedures for the analysis of directions of state regulation of economic activity is determined by the relevance of the study. However, the introduction of regulatory impact assessment procedure because of its specificity associated with a number of barriers to objective and subjective nature of the solution of which depends the success of the implementation and further use. Equally important is the effect on competition of appropriate control measures by the public authorities, who should consider ways to limit costs for each group and society as a whole compared to the potential benefits of implementing regulations.

Fundamental research and development components of the mechanism of regulatory policy in the current economic conditions conducted in different directions [3, 5]. Analysis (evaluation) regulatory impact, according to some experts, serves as tool for regulation and support entities in a market economy [6, 7]. However, the fragmentation of theoretical study and practical research issues, expressed not a comprehensive review, and the selective regulatory mechanisms that negatively affect the validity and quality of decision-regulatory solutions, and its potential impact as a specific field of activity and the economy and society in general. So it turns out the need for the formation of an integrated approach to the system of state regulation, which are based on

the formation and use of assessment tools and the expected results of the activities of state policy, and the impact of regulations on competition.

At the present stage of market system economy is characterized by objective obstacles to economic activity and subjective sources, due to the excessive regulatory burden mainly through duplication methods of state regulation of business, and most importantly no validity, by the authorities, established by government intervention (for example, compared to the self-regulation) [8].

In terms of institutional concept can be considered the best value market and state regulation in the case of a positive balance of total costs and potential results of all subjects. The optimal ratio between the various mechanisms of coordination of economic stakeholders is seen as a prerequisite for efficiency and ensure this balance that, at the present stage of development would best suit the ability of the state to establish predictable, stable rules of behavior in all spheres of economic activity. On the other hand, the need for regulatory impact on market development considered necessary in case of failure (failure to realize the competitive environment Pareto efficiency) and the State (limited institutional market relations). State participation in the socio-economic processes was based on the theory of the failures (defects) market and public choice theory. The inefficiency of the public sector is determined by the actions of the state, which does not contribute to Pareto optimum [2; 4].

The result further targeted reforms in the system of state business regulation in favor predictable changes in the legal framework, which positively influences the activity of business entities, improve business climate and increase the investment attractiveness of the country, providing savings of budget resources, which together stand as one the most important factors of socio-economic development. Most of regulations related to the interests of “social” triangle: the state, business and society, so in the course of their development must take into account the possible outcome of regulatory impact for a particular group. There is a need in the process of law-making in effective mechanisms to

determine the appropriate level of impact of the adopted act and improve the quality of regulation [6, 7], based on an assessment of the regulatory impact or analysis of regulatory impact (RIA - Regulatory Impact Assessment), a system process grounds directions and regulatory purposes and alternatives to achieve them using evidence-based approach to the analysis of costs and positive results [9].

Analysis of the impact of regulatory reform is an important part of public authorities and as a tool to harmonize legislation law reduces excessive regulation reduces the cost of budgetary resources, and most importantly will identify and assess likely impacts and externalities management initiatives in the form of legislation. Regulatory impact analysis or regulatory impact assessment as a systematic approach to critical evaluation of the positive and negative effects of proposed and existing rules and unregulated alternatives are forms of RIA, which is currently adopted by almost all OECD countries.

World practice of regulatory impact assessment of draft legal acts showed that its implementation will identify administrative and regulatory barriers to business environment and the use of regulatory impact assessment helps to reduce the cost of management and budget expenditures for excess claims and control their application. Analysis of the impact of regulations as a tool of systematic evaluation of the potential consequences of public participation, serving as an instrument of coordination that balances the interests of and provides for appropriate selection methods for assessing the impact of legislation: an analysis of costs and benefits; analysis of the impact of regulations; analysis of “input-output”; cost analysis of regulatory compliance laws; multifactorial risk analysis and more.

During the implementation of administrative reforms initiated policies and simplify regulatory procedures in the domestic institutional environment implementation methodology for assessing the impact of regulatory promotes reasonable and the analysis of the most balanced alternative to the rule of law in the field of business regulation [10].

One of the important elements relate the goals and objectives of regulatory impact

assessment system in favor of risk that needs consideration economic interests of the parties of economic relations and is aimed at comparing possible risk of proceedings regulatory impact of limiting criteria. Therefore, the organization and regulation of risk management in selecting a particular method of regulatory actions as identifying pretty significant market failures to restrict competition, etc., requires analysis of the effects and costs for the stakeholders.

The need for the allocation of resources for risk assessment should be carried out in

accordance with the regulatory body the ability to manage and control risks which should include a detailed analysis of the ratio of cost-benefit introduction of certain methods of state regulation. The scope of the Regulatory impact analysis aimed to improve public policy, increasing the transparency of government and acts conducted training base at legislative projects. Basic principles of implementation and analyzing regulatory impact as part of regulatory policy are given in Table 1.

Table 1. Value of state regulatory policy and regulatory impact analysis

<i>Principles of Regulatory Policy</i>	<i>The principles of regulatory impact analysis</i>
Expediency	Continuity - analysis and assessment of the regulatory impact are carried out continuous operation authorized body on RIA
Adequacy	The principle of objectivity - every fact taken into account if there is documentary evidence of its existence (realization)
Efficiency	The principle of valuation - take into account the facts that can help you evaluate the economic component of the decision and its impact on social processes and competition
Balanced	Balance - harmonization of interests of all subjects during the procedure RIA
Transparency and consideration of public opinion	Transparency and publicity - the availability of information on RIA procedures at all stages of its implementation and ensure stakeholder participation in the development of decisions

Source: developed based on [11; 12].

The experience of OECD countries reveals the modern ideology of regulatory impact analysis, which is based on the provisions of the validity of the adoption of regulatory decisions while minimizing the restrictive measures by the state [13]. Fundamental basis of examination procedures for Regulatory impact analysis necessary acts of government regulation on a number of criteria, no matter the status of different objects estimates, as the draft legal act (PPA) and the existing legal rules based on common principles and general methodological basis [11]. However, with appropriate attributes associated with the introduction of regulatory measures (projects PPA) with basic tracking their performance (up to the date of enactment) and re-analysis (a year) and periodic (every three years) tracking performance according to

the Law of Ukraine on principles of regulatory policy in economic activities [11].

Practical results of use of instruments of the state regulatory influence in the sphere of economic activity of economically developed countries allow to distinguish the following directions of increase in his quality:

- application of a complex of interconnected criteria with assessment of procedures and introduction of the quality standards of regulation;
- stage-by-stage introduction of elements of the analysis of regulatory influence which is carried out in the context of uniform state regulatory policy in the sphere of economic activity;
- improvement of institutional bases of the analysis (assessment) of regulatory influence.

The main stages of reduction of excess regulation of economic processes on the basis of application of RIA:

I. Short-term - quick to change in regulation.

II. Medium-term provides extension of the list of regulations which are subject to assessment with monitoring of their influence on results.

III. Long-term it is directed to formation of the mechanism of the analysis of expediency and quality of regulation.

Regulatory impact analysis can balance the interests of subjects of state policy. Need of regulatory impact in the market it is necessary in case of existence of the specific goal directed to preservation and development of the competitive relations in business which allows implementation of assessment of influence on a constant basis and the principles of systematic (fig. 1).

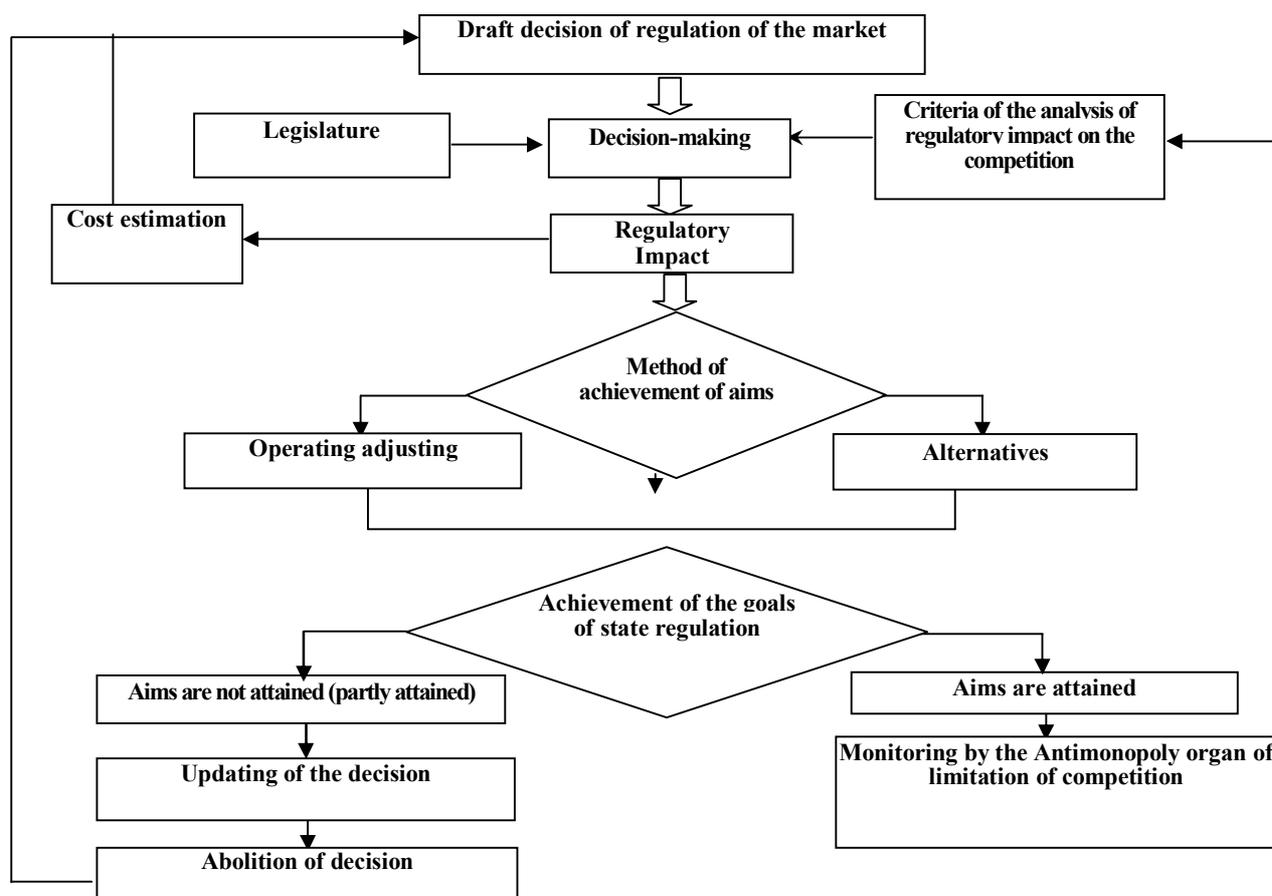


Fig. 1. Scheme of analysis of regulatory impact on competition

Source: compiled by the author.

Assessment of legislative impact on the competition as to an element of the Regulatory Impact Analysis, serves as tools of state regulation that allows to improve state policy in the sphere of development of the competition on the basis of justification of the regulating norms limiting the competition [2].

Regulatory impact analysis on the competition allows to minimize restriction of market activity when holding actions of regulatory activity as at the level of the

government, and local government and also will allow to define influence on all interested parties to which competition policy will be applied.

Integration of Regulatory impact analysis on the competition into process of the analysis of regulatory influence allows to increase quality of the made standard decisions regarding leveling of unreasonable restriction of the competition.

The mechanism of Regulatory impact analysis on the competition in business of

regulatory norms has to include stages, the received results of practical applicability at which define need or absence for body of a legislative (rule-making) initiative in coordination of the project with antimonopoly authority: the first stage provides the choice of indicators of Regulatory impact analysis on the competition in the respective sphere of economic activity, the second - anti-competitive examination of drafts of normative legal acts.

Change of the competition under the influence of the regulatory act has to be negatively estimated if creates additional barriers to an entrance on the market.

The process of Regulatory impact analysis as part of a systematic approach to the development of the institutional environment, must as a tool for improving the state policy in the sphere of competition, which should consider additional requirements when assessing the effects of regulation for certain groups, such as small or medium business community (population) and others.

Acceptance into account distributed the effects of regulatory measures, is a partial analysis of legislative impact on certain groups needed at appropriate stages of reforming specific areas or sectors, but with the obligatory account of possible threats in order policies and unjustified increase in the cost of resources required to assess the regulatory influence [14]. In the light of the proposed aspects should be noted that Regulatory impact analysis should be expanded to include not only an assessment (macro) economic performance - cost-benefit for all groups of society, and social and environmental consequences.

The value of the institute Regulatory impact analysis of regulations recommended by OECD (Organisation for Economic Co-operation and Development) as a mandatory procedure and is used to predict subsequent behavior of economic operators with consistent evaluation of benefits, costs and risks, and to

date there is in most countries, including and Ukraine [15]. Implementation at all levels of Regulatory impact analysis as one of the instruments to reduce administrative constraints and costs and improve the quality of regulation (decisions taken with parallel reduction of imperfections (failures) market mechanism) provides for the introduction of the practice of evidence to intervene in economic processes and its institutional constraints provided reduce the competitiveness of the market (stakeholders) [7].

Conclusions and further research. The low level of using of the mechanism of national regulatory policies by the government produces structural and institutional inefficiencies business environment, which is determined by market imperfections and the state requires purposeful reforms in the system of state regulation of business in order to neutralize the actions of administrative barriers and limitations of informal rules-based implementation Regulatory impact analysis mechanism.

Since the argument of the necessity of state intervention in economic processes acting evaluation or analysis of possible expenses (risks) and benefits from the appropriate regulatory impact on all stakeholders as a mechanism of state regulation of economic activity, the development of analysis (evaluation) regulatory impact in the coming years, in our view, called to be a prerequisite for the formation of Ukraine effective state regulation and principles which form the economy and the social sphere should be correlated with the objectives of state intervention and the achievement of economic and social benefits. A detailed assessment and rational choices of regulatory measures are the modern trend of regulatory policy in economic activity and its base is the regulatory impact assessment, including analysis of the impact on competition.

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