

The quality of the service sector in urban areas

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Deterioration in quality of life and economic decline are results of the destructive action of the general crisis in Ukraine. They demonstrate ineffectiveness of the existing processes of strategic planning and forecasting at the level of urban areas. In our opinion, it is necessary to determine the centres of influence on the development of socio-economic system of the city, simulate external influence, identify problem areas and develop measures to reduce the impact of crises on the viability of components of the system. In the absence of scientific evidence-based strategic approach to the development of urban agglomerations and certain responsibility of local governments before their communities, recovery from the crisis seems difficult and prospects for further development look fuzzy. The main practical problems in the management of urban areas are the weakness of effective tools for making strategic decisions and ineffective mechanisms allowing to assess their impact. In addition, a weak monitoring system assessing the effectiveness of development of the city reduce the quality of changes and does not allow not make a diagnosis of the consequences of incompetent decision-making.

Attention to the problems of formation and development of the service sector market was paid in the papers of such researchers as L. Bezzubko, V. Geits, T. Klebanova, O. Cherniak, O. Karyi, V.S. Ponomarenko, N. Kizim and others [1, 2, 8, 9]. A part of these studies have been carried out in the times, when sufficient experience in performance of the services sector under conditions of socially oriented economy have not not accumulated, from whence these problems have been partially covered. The problems of formation of a new architecture of post-industrial economy (on the national and regional levels) on the base of capacity building of the services sector in the national economy, introduction of a market mechanism of regulation of its development and formation and operation of civilized regional markets of the

services sector, which determine the importance of the topic as well as theoretical, methodological and practical significance of this study, still remain outside the focus of systems studies.

The important problem of goal-setting in social programmes is a quantification of the goal. In the majority of social programmes goals are qualitative in nature, without a clear quantitative determination. Such goal sets do not allow to monitor strictly the implementation of social programmes, promote voluntarism and subjectivism in assessing the outcomes of the programme. On the other hand, in most social programmes it is observed a pattern, when the general goal of the programme is formulated at a qualitative level while a very broad set of indicators of different levels and values is set as sub-goals. Similar poorly structured and not ranked sets of indicators make it impossible to create an objective picture of the degree of solution covered the social programme. The most appropriate is to determine several key quantitative indicators reflecting the essence of decision of the problematic situation along with the qualitative characteristics of the goal. The number of such indicators should be relatively small but it is necessary that they would be sufficiently capacious and informative ones.

The degree of realness of fulfilment of social programmes depends on the resource provision. Under conditions of market relations a resource substantiation for social programmes has new traits and characteristics as compared with the prescriptive stage of economic management. At the same time the resource substantiation of social programmes significantly differs from the substantiation of economic, scientific, technical, environmental and other, more “technocratic programmes.” Let us consider some of these features and differences.

Activities of the objects of social programming (social strata and groups) are largely hard-to-predict and irrational. As a result, different type optimality criteria, which introduced to the programme, making provision for achieving a certain goal do not work. This approach employed, for example, in economic programmes, allows to build various kinds of mathematical economic models optimizing the consumption of certain types of resources. According to L.V. Bezzubko and B.I. Bezzubko, for social

programmes, this approach is complicated because the developers face the problem of irrational spending of certain types of resources due to complex social and psychological motivations of persons covered by social programmes [1, p. 59]. In this regard the most striking example is the American anti-poverty programmes. Their effectiveness is significantly reduced because of improper use of programme resources by public (selling distributed food coupons, embezzlement of monetary aid etc.). Therefore, it is extremely difficult to substantiate accurately the amount of resources and utilisation of them to achieve the desired goal.

At present implementation of social programmes is executed in the framework of mixed economy. Although the bulk of programme tasks cover institutions of the state sector, certain tasks are solved by the efforts of non-governmental organizations and institutions (both the commercial and non-profit sectors) on the base of different kinds of regional and municipal requests. Involvement of NGOs in implementation of social programmes significantly increases the level of uncertainty in price determination. To overcome this, in the framework of the programme services and equipment and material procurement are provided, particularly from private sources.

In addition, the involvement to the programme implementation numerous performers requires the development of a rigid system of services standardization. But the problem of services standardization, especially social services, is one of the most difficult problems to solve. Currently it is solved mainly through certification and visaing activities of organizations and social institutions, each of them carries out a particular activity. At that the criteria for granting of certificates and licenses are a priori qualifications and experience of the staff, availability and state of physical resources of the organisation, its financial capabilities, which is reflected in the ability to pay registration or license fees), the links that they have developed in the area logistics. In the process of organization or institution operation, such criteria as compliance with tax and financial rules and regulations, the absence of complaints from customers concerning quality of work and some others are added to the above listed ones.

In the opinion of the legislature, the development of quality standards of social services will allow to objectively assess the potential of organizations and institutions of various ownership applying for inclusion as performers in the social programmes [5, 7]. Raising the level of competition between potential performers (tenders, competitions) will be certainly beneficial for time schedules, prices and likelihood of achieving the programme objectives as well as the efficiency of resources allocated for the programmes. The resource provision of social programmes requires a clear regulatory framework. It should be noted that in the preceding decades it has developed a detailed system of rules and regulations covering virtually all aspects of economic and social life. These rules and regulations not only justify spending the different resources to achieve planned goals but they were set in the basis of the target unit of plans. At that a group of rules and regulations covered the social sphere of society regulating both conditions of social activities and activity itself [1, 8].

In the market economy the problem of determining which of the rules and regulations should be applied when developing social programmes raises. It should be noted that this is a very controversial task. On the one hand, the post-totalitarian society divests itself the functions of regulation of many aspects of social life of people. Thus, there is no need for normalization of these activities, the concept of rationalizing consumer behavior disappears both in the context of food and goods and social services. On the other hand, even abandoning the unnecessary paternalism the society is enforced to take upon itself the support of a particular social stability through the prevention of mass poverty. Therefore, it is enforced to set minimum standards of consumption of essential food and non-food products and on this basis to develop the minimum statutory pensions, allowances and wages. It is this kind of standards, which are used in the development of social programmes designed to solve the most acute social problems of the country and its regions [9: p. 267].

Thus, in the framework of the social programming is stored, albeit in a specific form, social norms that regulate the activity of most people. Regulations governing the conditions of people's activities find even more wide use in the social programmes. The fact that abandoning the total etatism in social sector the society

has to keep a sufficiently high degree of state support for almost all social sectors. Substantiation of the magnitude of resources needed for such support is executed by using standards of people's activity conditions. Primarily, these standards are resource regulations setting unit expenditures of certain types of resources. Under an extremely broad economic independence of state and municipal organizations and establishments the resource regulations mainly determine the size of appropriation of financial resources from the budgets of different levels. On the base on these financial standards organizations and establishments determine their own internal rules and regulations of spending all kinds of material resources as well as organizational and economic norms and standards of their activities. It is necessary to emphasize the close relationship between financial regulations of organizations and establishments of the social sector and the social norms governing the life conditions of people.

Exploring the institutionary foundations of the post-industrial economy, T. Kachala stresses that developing programme standards of medical care, educational, cultural and similar social services the society thereby undertakes appropriate financial responsibility [8: p.163]. But this is a place, where certain methodological problems associated with the lack of clear criteria for calculating financial needs of individual social sectors emerge.

As it is well known, there are two main methods of standard development: statistical reporting and accounting-analytical ones. The former consists in defining the values of the standard on the base of processing report statistic data, identifying trends, which are in the nature of statistical regularities. The latter involves establishing cause-and-effect relationships among factors that affect the value of standard and quantitative assessment of the factors, and on that basis to determine the standard values of the studied parameters.

In the framework of social programming both methods are employed though they have several disadvantages. Thus, the nature and content of the process marked by the controlled parameter extraordinarily prevent the use of the statistical reporting method despite the extreme unfounded and inaccurate estimates obtained. On the

other hand an obstacle to the use of settlement-analytical method of valuation is the failure of a number of its claims:

- first, insufficient information base on the determining factors of the studied parameters;
- second, impossibility to isolate and to formalize the determining factors.

As a result, the regulatory framework of social programming is unsatisfactory in its character. The position is getting worse by the need for accounting in financial regulation of inflationary development by using indexation. Determination of the resource quantity needed to implement the programmes is largely attributed to the process of prognosis both the trends of social development and interrelated with them organizational, economic, scientific and technical processes. Therefore, if in the community there is uncertainty of social and economic development, which is caused, for example, by political instability, it is difficult to predict the required amount of programme resources.

World experience of the recent decades shows that the best conditions for the development of post-industrial economy, or the service economy, are observed in countries with more liberal model of socio-economic structure. The high degree of economic independence of business, implementation of competition and other market mechanisms in the public and nonprofit sectors within certain limits under a reasonable degree of state regulation contribute to the economy providing it with more flexibility and mobility, facilitate its timely adaptation to rapidly changing technologies and the market environment, contribute to a more rational allocation of resources and their more productive utilisation at all levels of the economic system. The role of the services sector is reflected not only in its dominant positions in the structure of the economy since in the developed countries this indicator varies slightly but in technological and structural complexity, high knowledge intensity, ability to quickly adapt to changes and in their growing positive impact on macroeconomic processes.

The decline of manufacturing in the metropolitan areas of the developed countries does not indicate a decline in most cities that were now, for the most part,

control centers. It, to a greater extent than direct material production, is the main motor of development in urban areas. Strengthening the role of the tertiary-type occupations that serve not only the final demand but also the production processes of agriculture and industry, is in keeping with the general pattern of increase in economic importance of service relations. Considering the differences between countries, the researchers noted a fairly close relationship between the level of urbanization of the country and sophistication in its services sector.

For its growth it is extremely important two leading economic processes of modern economy:

1. Strengthening division of labour, which deepens the specialization of companies, activities and etc.

2. The externalization of an increasing number of activities.

The rapid development of the services sector has led to an differentiation in this sector. The increasingly important role in the modern economy plays stock and commodity exchanges, banks, insurance companies (oriented to service both enterprises and individuals), and other companies providing business services, all these services have a special place in the spectrum of tertiary functions sector. The total volume of these services is growing faster pace and now makes up quite a significant share in this sector. In the developed countries, these sectors make up the fastest growing group of industries. This makes many researchers in the formation of industries typology to classify them as a special quaternary sector (secteur quaternaire, четвертинный сектор) of the economy. Currently there are no established definition of this concept. Primarily, this sector include financial services, other services related to the involvement of high-level specialists (accountants, lawyers, advertising agents, marketing consultants etc.) as well as services for the transfer and processing of technical information.

The objective process of forming the post-industrial society in the country and related deep structural and dynamic transformations in the economy and social sphere as a whole focused on the development of productive forces and welfare. The successful resolution of this complex and multifaceted problem in the context of

reforms targeting their vector to construct an economy of socially-orientated type requires activation of the services sector and its functioning on market principles. The revolutionary changes occurred in the global economy have resulted in changes in consumption patterns, which in turn stipulate transformations of the structure of production, the emergence of new activities and relationships in the economy.

In this study the existing concepts and categories were specified and several new ones were developed, the features of formation of the service sector under transition conditions along with specificity of state regulation and some other theoretical, methodological and applied problems were sufficiently examined.

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Качество сферы услуг урбанизированных территорий

В статье рассмотрены особенности стратегического подхода к развитию городских агломераций Украины с позиций устойчивого развития урбанизированными территориями. Практической проблемой является слабость действующих инструментов принятия стратегических решений и неэффективность механизмов оценки их последствий. Авторы рассматривают новые модели функционирования сферы услуг для обеспечения качества жизни на урбанизированных территориях и показывают, как принятие определенного управленческого решения будет отражаться на смысловом содержании генетического и нормативного подходов в социальном программировании.

The quality of the service sector in urban areas

In the article the peculiarities of a strategic approach to the development of urban agglomerations of Ukraine from the standpoint of sustainable development of urbanized areas. Authors make practical problem is the weakness of the existing tools of strategic decision-making and inefficient mechanisms for assessing its impact. The authors examine new models of functioning of the sphere of services to ensure the quality of life in urban areas and show how the adoption of certain management decisions will affect the semantic content of the genetic and regulatory approaches in social programming.