

The Management of the Potential of the Economic System

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Abstract – The study is contextually related to the economic growth and competitiveness of economic systems. The dependence of the productive force of aggregate potential on the conditions of the external (global, national) socio-economic environment is revealed. The emphasis is on the need for more valid factors and the role of social environment influence on the potential of a separate economic system, which is disclosed as a complex economic phenomenon and is illustrated by examples of potential losses by individual countries, known corporations.

Keywords – economic system, potential, management, global socio-economic, financial potential.

Introduction

In the current global socio-economic environment, future (expected) productively-technological, financial and economic opportunities (potential) are the determining category, which is associated with the investment attractiveness and competitiveness of any national economy, the basic possibilities for the effective functioning of this economy in a socially – production systems of different levels. Scientists generally agree that “the economic potential of the country is obviously the most important indicator of the direct development of the country and the standard of living” [1, p.46], and, at the same time, is identified with the notions of “competitiveness of the country, national economy”. It gives reasons for “the process of reproduction of innovation and investment potential is a complex and important determinant of economic development” [2, p. 12].

Analytical reviews of the state of national economies in different countries, the practice of international transnational companies, domestic economic subjects, primarily public companies, confirm the importance of creating long-term (potential) competitive advantages: “Institutionalization is the only precondition for the transformation of economic resources into capital. Insufficiently institutionalized economy is characterized by a low level of mobility of resources, which makes it impossible to integrate them in the form of social capital” [3, p. 100]. The importance or even the determination of the potential, its objective structuring and effective (rational) implementation to ensure the declared socio-economic development of Ukraine and the innovative type of development of the national economy are expressed in the writings of leading Ukrainian scientists.

Page Setup

In today's economy, the criterion of the efficiency of the economic system is not only its profitability, but a number of other indicators (market value of equity, capitalization of assets, etc.). Such a change in morality in recent studies is considered the basis of potentiality and is carried out through potentiation or making it possible. The concept of "modality" is used when considering the potential of economic systems – the effect of the modal cycle of the economic system. Universalization and alternatives set two main axes of the functioning of the economic system: the state of objects (potential components) and the relation of subjects (Fig.1.).

The management mechanism of the potential economic system should be considered as an

integrated system of methods, tools and information and analytical tools that help to optimize the structural elements of the potential and aim at maximizing the efficiency of its implementation. Successful functioning and development of the modern economic system is determined by the effectiveness of the interaction of all elements of its potential. From that point of view it is believed that the methodological basis for the study of modern economic formations is a systematic approach.

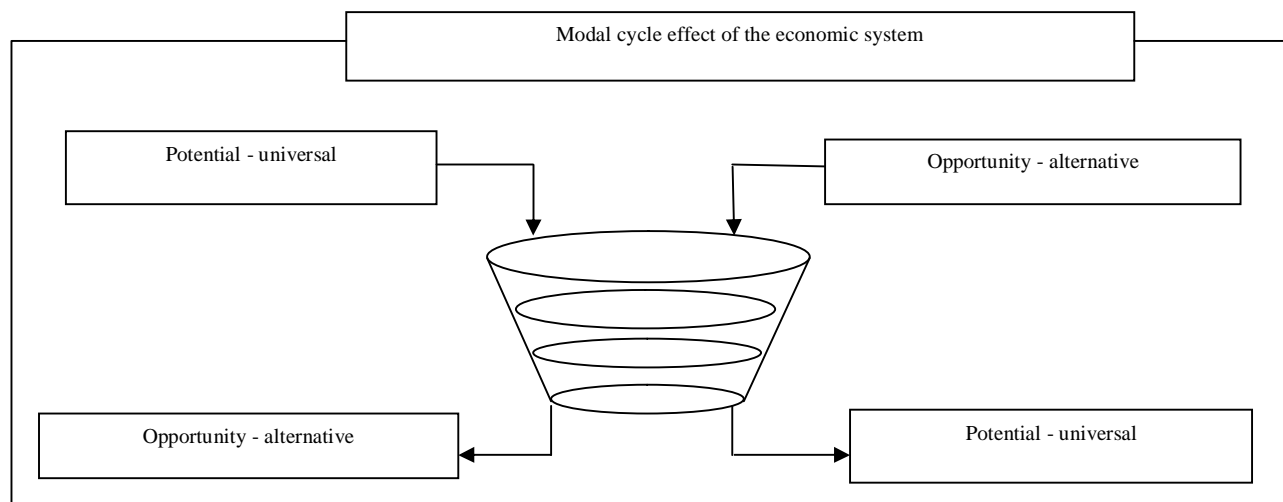


Fig.1. The modal cycle effect of the economic system

General, adaptive to the conditions of the domestic economy scheme of the mechanism for managing the potential of socio-economic systems is the following.

On the basis of the systematic approach, the conceptual foundations for the construction of the organizational and economic mechanism for managing the potential of socio-economic systems are formulated, which suggest that such a tool acts as a self-regulating system of elements and components of potential as management objects. Within this mechanism there is a purposeful transformation of the elements of the potential in order to achieve maximization of its productive energy; the initial response of the mechanism's efficiency is estimated by the results of the functioning of the controlled system. The study revealed that the fundamental principles of the organizational and economic mechanism for managing the potential of economic systems, borrowed from developed economies, do not sufficiently take into account features or inadequate domestic transformational economies.

The study revealed that the fundamental principles of the organizational and economic mechanism for managing the potential of economic systems, borrowed from developed economies, do not sufficiently take into account features or inadequate domestic transformational economies. The complex analysis of world economic practice of realization of the potential, system of methods, means and informational-analytical tools is carried out with the help of which structural elements of the potential are optimized and directed to maximize the efficiency of its implementation. The comparative analysis of the possibilities of their direct application in the national practice is given, certain aspects of their ineffectiveness and ways of implementation in the management of the potential of the social and production systems of the national economy are disclosed.

The predominance of situational fundamentals in the implementation of managerial approaches in managing the potential of domestic social and production systems against the background of financial and investment expansion of foreign capital, the pressure of global

economic actors and emerging market institutions has been noted.

The supplements to the existing conceptual bases of potential management are proposed and the general structural and logical scheme of the adaptive mechanism of management of the potential of domestic social and production systems is formulated.

The proposed format of the management model embodies a set of organizational and economic fundamentals of reproduction of the potential socio-economic systems. At the same time, the organizational component ensures the efficiency of the economy based on the disclosure of functions related to the process of increasing its productive energy provided by the financial potential.

Conclusion

The generalization of the conceptual foundations of the theory of potential allows us to formulate a modern definition of the potential, which, taking into account the results of recent domestic and foreign developments in the subject field, will form an in-depth conceptual-categorical apparatus of the potential of modern economic systems.

The study of world experience in evaluating and managing potential and the possibilities of its implementation to the peculiarities of the national economy will determine the main directions of its adaptation, in particular, by expanding the tools of management of the intangible component of the potential of competitive advantages, increasing the importance of the integral indicator of natural potential, indexes of social significance of the use of potential by economic entities.

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