



TECHNOLOGIES OF POLITICAL MANAGEMENT IN THE CONDITIONS OF SYSTEMIC ECONOMIC CRISES

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ABSTRACT

In the context of deep globalization processes taking place in the national economy, the effectiveness of the mechanism of political governance in the context of systemic economic crises becomes essential.

From the standpoint of the diversity of the consequences of the economic crisis, in the process of forming the components of the mechanism of political governance must take into account the non-simultaneity of crises at different levels of the economy. A feature of the development of a system of political governance in the process of overcoming the crisis should be the use of various levers of influence as a single mutually agreed system. It is vital in crisis situations to maintain a constant readiness to counter the causes of the economic crisis, which can occur at any time. In fact, each form of political governance system must, to some extent be anti-crisis, and the socio-economic system must be adapted to long-term existence with the ability to adapt to changing conditions.

Key words: Economic Crises, Globalization, Political Governance, Political Management

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1. INTRODUCTION

The economic crisis, the symptoms of which have periodically appeared in the economy of Ukraine in recent years, is becoming more widespread, spreading to the monetary, fiscal, social and political spheres.

In today's economic space, crises are usually presented as unexpected shocks that harm the political and economic situation for a limited period. In fact, this is not the case: a crisis is an inherent property of any systemic organization, in other words, a deterioration in economic dynamics, and sometimes a change in the vector of its development after a period of stable operation is inevitable (Prasada 2014; Trusova et al. 2017; Panasyuk et al. 2020). However, states are usually unprepared for crises, which have severe consequences in all areas of social interaction.

This state of affairs is explained by several factors: a purely economic perception of financial and economic crises (Timmer 2003; Gup 2010), the exception of the political component of the analytical understanding of a crisis (Yakunina 2019). This is the wrong approach because political management technologies are the basis for building a competent strategy for counteracting crisis processes, moreover, taking into account possible economic risks in determining the managerial configuration in the political sphere is a useful tool to prevent large-scale negative trends in the national political and commercial space.

The lack of crisis planning in the development of political development strategy is the second reason for the suddenness of crises and the seriousness of their consequences. In the vast majority of countries where there is an electoral system, governments prefer operational measures to address economic problems, with little use of long-term planning, due to the desire of political elites to provide an acceptable level of electoral support during the election cycle.

Significantly underestimated is also the systemic and global characteristics of modern crisis processes. A crisis that began in a remote part of the globe could take on the scale of a worldwide shock (such as today's COVID-19 global pandemic), and it may manifest itself as a sequence of seemingly unrelated regional and local crises in different areas of social interaction depending on the current political and economic situation.

Thus, there is a need for a comprehensive study of the technology of political governance in the context of systemic economic crises and the impact of systemic crises on the technology of political governance.

2. THEORETICAL ASPECTS OF POLITICAL MANAGEMENT TECHNOLOGIES IN THE CONTEXT OF SYSTEMIC ECONOMIC CRISES

2.1. Theoretical Aspects of the Study of Economic Crises

The danger of a crisis always exists, even when it itself does not exist, so it is imperative to identify signs of a crisis (Fig. 1).

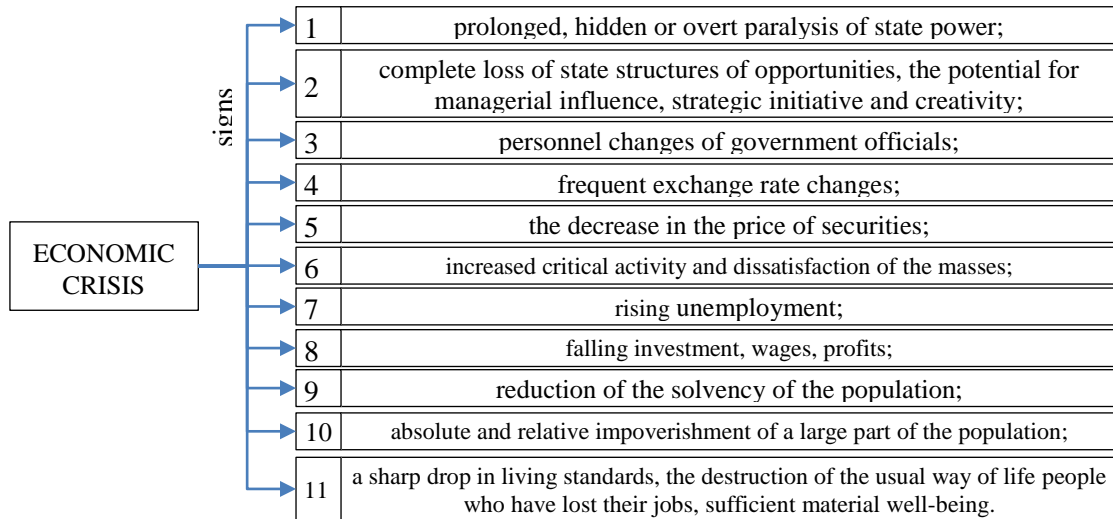


Figure 1 The main signs of the economic crisis

As we can see from Fig. 1, 1-3 and 6 signs can be attributed to political factors. Thus, 36.4% of the signs of an economic crisis can be regulated with the help of political technologies.

A precise classification of economic crises is essential. There is no single position on this issue in the economic literature. Generalized ranking of crises is shown in Fig. 2.

The consequences of economic crises for the development of the economic system can be systematized as follows:

- domestic economic – decline in production; accelerating inflation; destabilization of the financial system; market changes; insolvency and bankruptcy of business entities; monopolization of economic systems;
- general political – instability of the political situation in the country; unfavourable foreign economic policy of the state; change of conditions of export-import activity; the imperfection of economic and antitrust legislation; inefficiency of the public administration system;
- social – high unemployment; reduction of salaries in the budget sphere; increasing the level of income differentiation; the crisis of the social and medical security system; growth of social conflicts;
- demographic – population decline and deterioration of its structural components; a decrease in the level of welfare and, as a consequence, a decline in the size and structure of sufficient demand of the population.

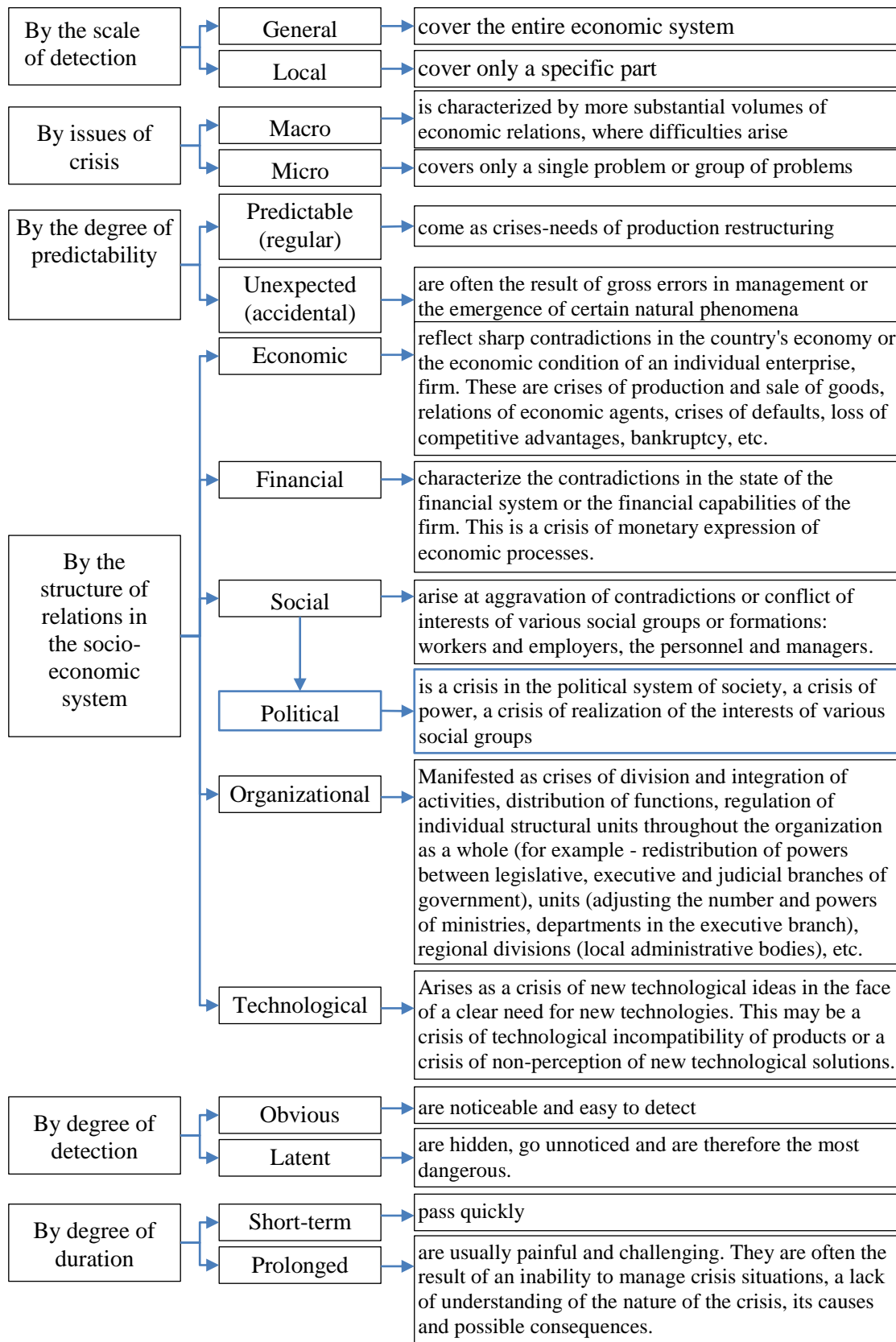


Figure 2 Crisis' generalized classification

Professor of Oxford University, historian Philip Kay believes that the first crisis in world history broke out in the Roman Empire in 88 BC (The Guardian, 2008). Other scholars believe that the first economic crisis was the crisis of 1825 in England, which also partially affected the economies of the United States and France because it was the first crisis that affected several industries at once (Grinin, 2009). Over the past 30 years, there have been several global economic crises, with a frequency of every 7-8 years (Fig. 3).

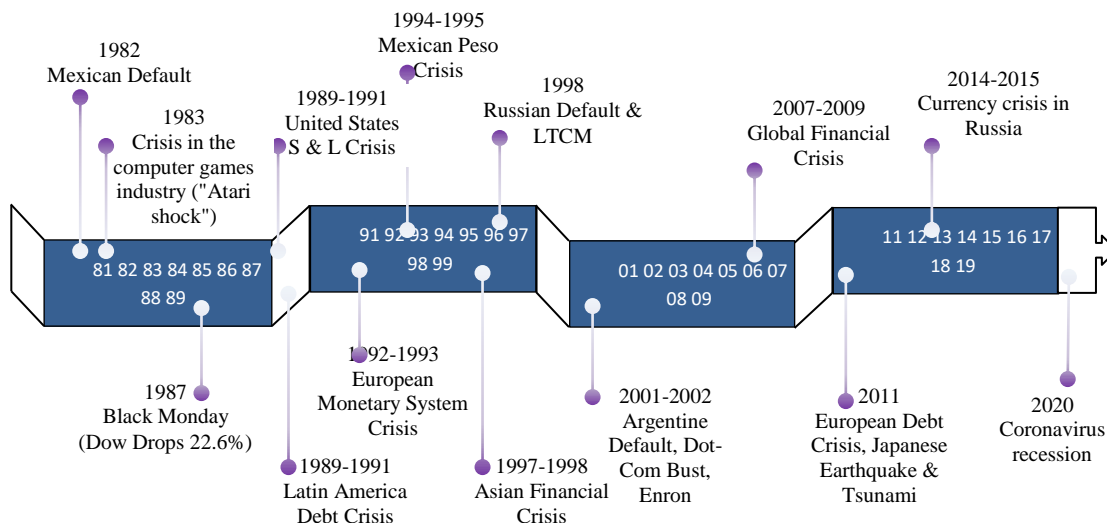


Figure 3 World economic crises over the past 30 years

Statistics show that crises, local crises occur quite often, some of them turn into global crises, which occur on average every 7-8 years. With global diffusion and acceleration of many processes, crises will happen more and more often, which indicates the need to take them into account at any planning time.

In the context of deep globalization processes taking place in the national economy, the effectiveness of the mechanism of political governance in the context of systemic economic crises becomes important (Balan et al. 2020; Suray et al. 2020).

From the standpoint of the diversity of the consequences of the economic crisis, in the process of forming the components of the mechanism of political governance must take into account the non-simultaneity of crises at different levels of the economy. A feature of the development of a system of political governance in the process of overcoming the crisis should be the use of various levers of influence as a single mutually agreed system. It is vital in crisis situations to maintain a constant readiness to counter the causes of the economic crisis, which can occur at any time. In fact, each form of political governance system must, to some extent be anti-crisis, and the socio-economic system must be adapted to long-term existence with the ability to adapt to changing conditions.

The effectiveness of anti-crisis political management depends on professionalism, professional training, the formation of anti-crisis team, the methodology of decision development, the validity of prognostic and analytical research, availability of software for diagnostic research, quality of the developed anti-crisis program, proper efficiency and flexibility of anti-crisis management, and crisis management persons.

2.2. Technologies of Political Management

Political governance is a unique mechanism that arises from the nature of the social process, mainly determining the quality of modern political, socio-economic life. In Ukraine, where

radical transformations are needed in the most important spheres of society, political governance is gaining in importance (Agnew 2013).

Regarding the understanding of the role and place of management, it is impossible to absolute the effect of objective laws in public life, as it weakens the conscious activity of people, including management. But attempts to view society as an object of comprehensive, "total" management and planning are also scientifically unsuccessful.

As practice shows, political governance is effective not when it tries to cover everything down to the smallest detail, but when it exerts its influence on people through the regulation of fundamental social processes. The difficulties of renewing society can be explained mainly by Le Chatelier's principle, according to which a complex system that becomes the object of external influence tries to restructure to minimize this influence (Le Chatelier & Boudouard 1898).

Modern political scientists rightly identify several specific features of political governance, defining it as:

- the type of social management due to political-power relations (Galimzyanova 2019);
- the process of self-organization of a political subject, which is aimed at transforming heterogeneous political forces into a purposefully organized unity concerning a specific political program, a particular policy (Tan 2019);
- relations of political power and political feedback that arise within the framework of public administration, and relationships of subordination in other organizational structures of society included in the political process (Rahman 2019).

The main tasks of political management:

- realization of interests of certain political forces and social groups;
- regulation of social relations and conflicting interests of different classes and social groups;
- protection of state interests in the international arena;
- development of optimal forms of organization and stimulation of human activity;
- ensuring political stability and law and order;
- regulation of economic activity;
- stimulation of scientific and technological progress, etc. The effectiveness of management largely depends on its socio-engineering.

Sociotechnics – is a set of forms, methods and tools used by management to achieve their goals; management style, which is a subjective personal form of implementation of certain practices.

Forecasting is one of the most effective management political technologies in conditions of systemic economic crises (Balakhonsky 2019; Kalashnikov & Nakashidze 2019; Welsh 2020; Zabuzov 2020).

Political forecasting is the process of developing a scientifically grounded judgment about the probabilistic development of political events, the ways of its implementation.

There are two aspects of forecasting: predictive, implying a description of possible or desirable prospects, states, decisions, and pre-indicative, providing for the actual solution of these problems, the use of information about the future in the targeted activity. Based on this, there are also two sides to the forecasting problem: theoretical and cognitive and managerial, associated with the possibility of making decisions based on predictive knowledge.

The generally accepted classification of political forecasting is shown in Fig. 4.

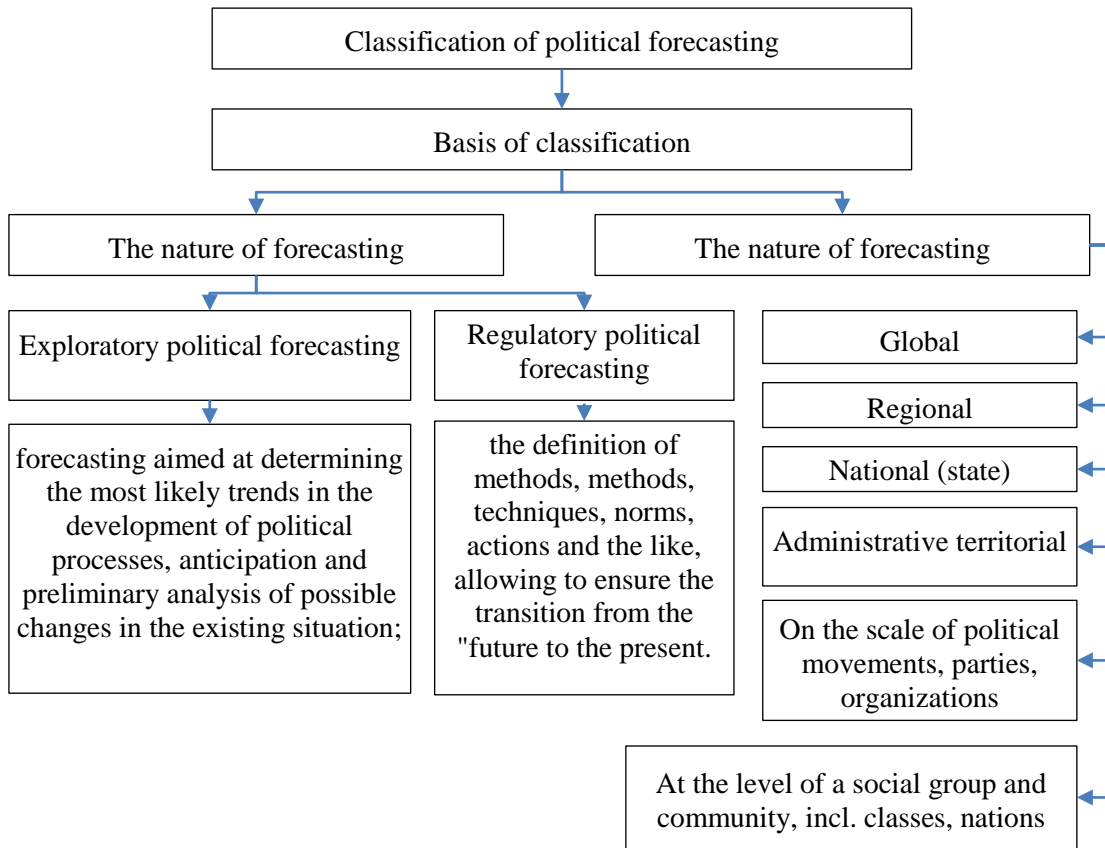


Figure 4 Classification of political forecasting

Thus, political forecasts are developed with the aim of increasing the efficiency and effectiveness of the decisions made, avoiding the undesirable direction of the development of events in various areas of political life and the areas of policy influence on the economic, social and spiritual spheres.

3. RESULTS AND DISCUSSION

The analysis showed that in conditions of systemic economic crises, the technologies of political management should be aimed at preventive measures, i.e. for forecasting. The main stages of political forecasting are shown in Fig. 5.

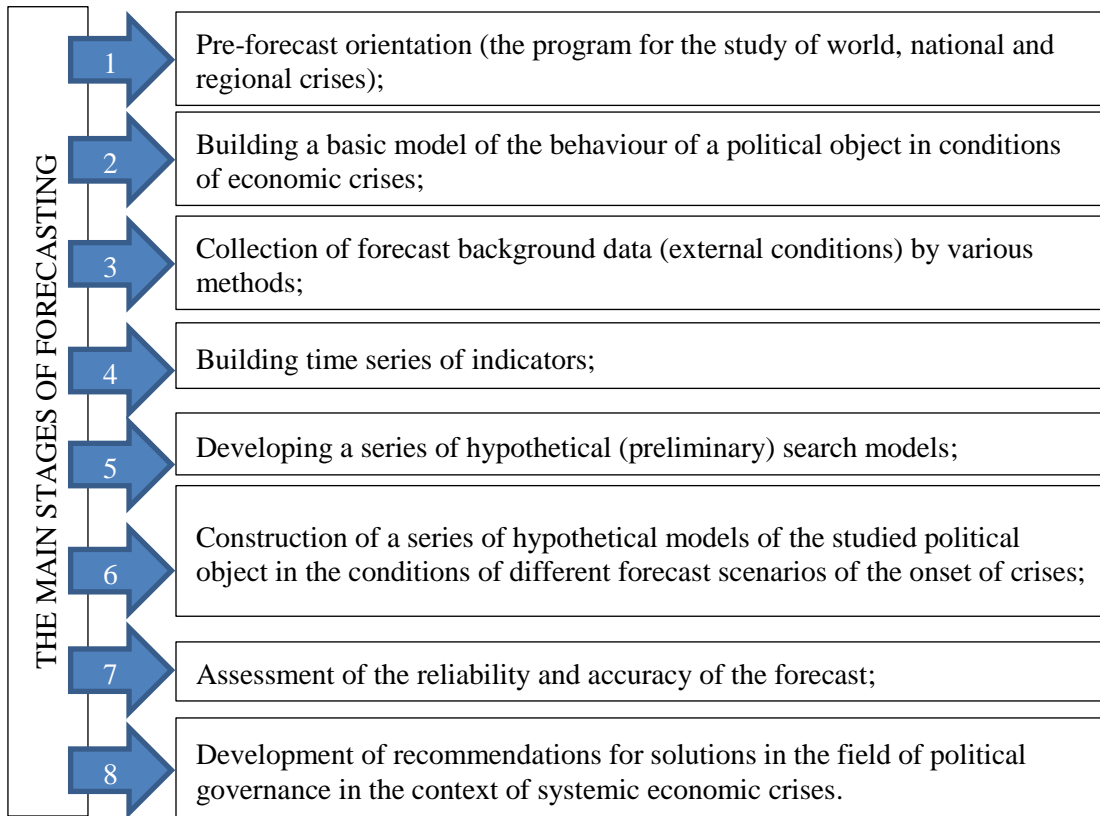


Figure 5 Algorithm of political forecasting in the sphere of political governance in conditions of systemic economic crises

Modern sociotechnics of management covers a set of proven in different countries tools, methods and ways to improve the efficiency of management. We offer an adapted mechanism for improving the efficiency of political governance (Fig. 6).

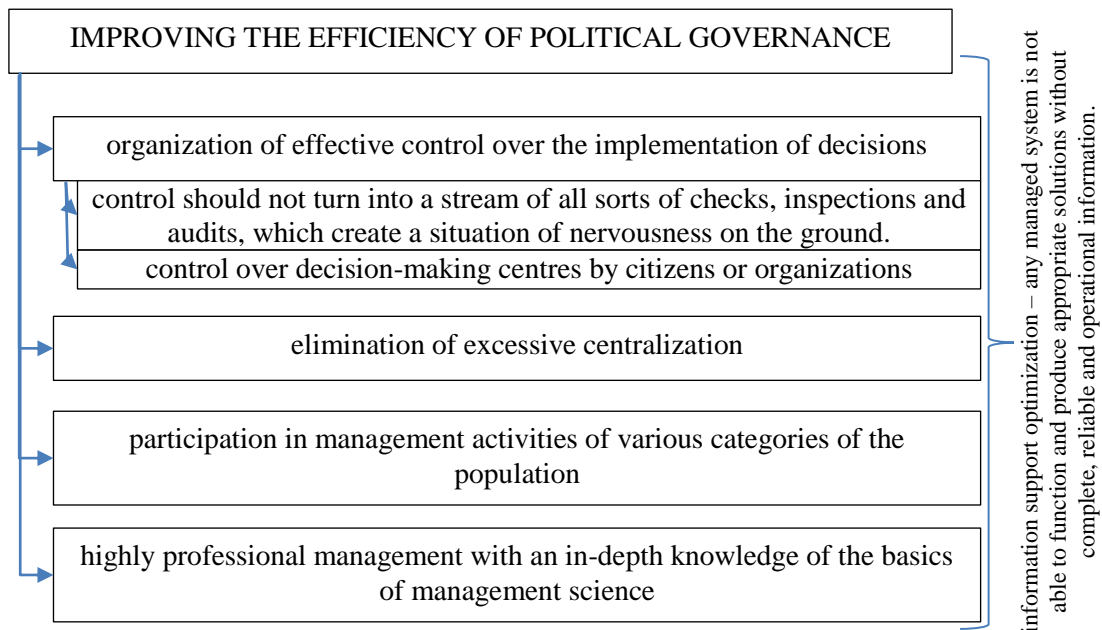


Figure 6 Improving the efficiency of political governance

It is especially important to optimize its information support, as any managed system is not able to function and produce appropriate solutions without complete, reliable and operational information. The lack of such details deprives management entities of the opportunity to make adequate decisions. The unreliable nature of information attempts to embellish it, give rise to various social problems. It is also erroneous for some management entities to want to have as much information as possible from places, which complicates the decision-making process because only signals (data, messages) that provide knowledge to reduce entropy (uncertainty of the situation) are informative. In Ukraine, for example, hundreds of billions of different documentary materials are circulating (up to 4,000 per person per year). Almost 90 per cent of such "information" received by central authorities was deemed unnecessary by experts.

A necessary condition for effective management is the organization of effective control over the implementation of decisions. The lack of such control leads to the fact that even well-thought-out and well-founded decisions often remain only on paper ("in the field of pure thinking") and do not remove the severity of existing problems. However, control should not turn into a stream of all sorts of inspections, inspections and audits, which distract people from practical work, create a situation of nervousness on the ground. Control activities should be organized so that in case of violations and deviations, representatives of management entities help to find ways to eliminate them. Also, the norm of a democratic society and the rule of law is to exercise control over decision-making centres by citizens or organizations.

It is impossible to increase the efficiency of management without eliminating its excessive centralization. Of course, the strategic functions of the centre are necessary for any political system. However, experience shows that it is impossible to timely and adequately resolve all issues from one centre. Under the command-administrative system, under the guise of the principle of "democratic centralism", the management of all less important matters was carried out at the level of higher centres of power, which turned the objects of government into obedient instruments of execution.

The effectiveness of political governance is significantly affected by participation in the governance of various categories of the population. All this requires the development of a democratic mechanism for involving the people in the management processes, the disclosure of its initiative. At the same time, a radical restructuring of organizational management structures, elimination of redundant links, reduction of the administrative apparatus and increase of its efficiency are necessary. This process requires subordination of the apparatus to representative bodies, optimization of management through the rational distribution of functions, nomination or selection of skilled and talented organizers professionals, their variability due to age or democratic procedure, recall of persons who do not perform their duties.

Management of society is impossible without a particular category of managers. Life has not confirmed Marxist predictions that human control will be replaced by restriction of things. However, the management staff should be based on high professionalism and deep knowledge of the basics of management science. Employees of such an apparatus must have modern information technology, continuously improve their skills, learn management experience in other countries.

The creation of a coherent, effective and flexible system of governance is essential for the functioning of a democratic political system, the formation of civil society and the rule of law. The transition from command-administrative to democratic methods of governance will help increase the efficiency of political activity and the realization of the creative potential of society.

4. CONCLUSION

The effectiveness of anti-crisis political management depends on professionalism, professional training, the formation of anti-crisis team, the methodology of decision development, the validity of prognostic and analytical research, availability of software for diagnostic analysis, quality of the developed anti-crisis program, proper efficiency and flexibility of anti-crisis management, and crisis management persons.

Having considered the theoretical aspects of the problems that the study is devoted to, it can be argued that modelling an ideal universal configuration of political governance in conditions of systemic economic crises is impossible; it is only possible to formulate some principles following which it can be built to more or less successfully counter negative trends in economic development. Their brief description is as follows:

- the state should have crisis planning that takes into account the risks of systemic economic crises;
- the structure of the distribution of powers between management levels should have properties that allow transforming the existing practice by redistributing functions (in the fiscal, social spheres, etc.);
- relations between central, regional and local governments should be based on the principle of moderate centralization;
- use forecasting technology to develop preventive measures;
- involvement of various categories of the population in political management activities.

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