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# STATE REGULATION OF CULTURE DEVELOPMENT IN UKRAINE

Monograph

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The authors highlight the problems related to the state regulation of the sphere of culture. The peculiarities of the nature of the culture sphere are revealed in order to set realistic purposes of its state regulation, the conceptual and technological aspects for the optimization of the regulation of the culture sphere, the functioning mechanisms of socially organized systems are studied. Issues of combining strategic analysis and operational management to solve extraordinary problems arising in the field of culture are considered. The organizational and economic aspects of the state regulation of the sphere of culture are revealed, special attention is paid to determining its effectiveness. Practical recommendations for improving state regulation of the culture sphere at the regional level are substantiated and presented

For students of higher education, doctoral students, teachers of higher education institutions, scientists, and all those who are interested in the problems of state administration in the field of culture.

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## **INTRODUCTION**

The complicated socio-cultural situation in modern Ukraine, its problems and contradictions require a serious theoretical analysis and the adoption of urgent managerial decisions based on it.

Currently, there is a requirement to fundamentally improve the organization of cultural activities, leisure and recreation of the population, to create conditions that ensure reasonable use of free time. This particularly concerns branch forms of cultural activities organization, which in recent years have lagged behind the dynamically developing society and less and less fulfil the role of cultural development regulators.

It is impossible to achieve a new quality of culture without restructuring the state management system in the field of culture, which should stimulate development of the diversity of content, structures, forms of activity of cultural and leisure institutions and organizations, create maximum opportunities for the establishment of new cultural institutions, formation of various complexes, associations, cultural and leisure centres.

The study of this issue in the field of public administration science will permit to reveal the peculiarities of the nature of the sphere of culture in order to set realistic goals for its state regulation, to explore conceptual and technological aspects of optimizing the regulation of the culture sphere, the mechanisms of socially organized systems functioning, the issue of combining strategic analysis and operational management to solve emerging extraordinary problems, which determines the relevance of the topic of this study.

In modern economic conditions, state regulation of the sphere of culture should be carried out through the constant search for mechanisms and means of their implementation that will ensure high efficiency of the state system of public administration.

In studying the sphere of culture, the works of such scientists as H. Birzhenyuk, V. Horovy, A. Krutyk, N. Luman, N. Melnychenko, A. Markov, E.

Morozova, O. Onishchenko, I. Petrova, V. Popyk, M. Reshetova, L. Rudych, V. Stepanov, H. Tulchynskyi and others, stand out. The research and development of the theory and practice of public administration, the formation and implementation of public policy, the mechanisms of public administration in various spheres of economic and social development were given a prominent place in the works of famous Ukrainian and foreign scientists, in particular P. Brown, R. Griffin, A. Zinoviev, B. Litvak, M. Meskon, L. Pal, G. Wright. A significant contribution to the development of the science of public administration is the work of modern Ukrainian scientists and practitioners V. Bakumenko, O. Datsii, O. Degtyar, V. Dzyundzyuk, S. Dombrovska, M. Koretskyi, O. Kryukova, O. Krutiy, S. Maistr, V. Moroz, V. Ogarenko, V. Streltsov, A. Khaletska and others.

However, considering the complexity and multifaceted nature of the problem, a great number of tasks in the field of improving the mechanisms for state regulation in the sphere of culture remain unresolved or insufficiently developed. The questions concerning the improvement of the components of organizational and economic mechanisms of state regulation in the sphere of culture in Ukraine require more comprehensive theoretical and methodological analysis.

The *purpose* of this monograph is to provide scientific and theoretical substantiation and develop practical recommendations for improving state regulation of culture development at the regional level.

Achievement of the stated objective necessitated solution of the following tasks:

- clarify the conceptual and categorical framework of state regulation in the cultural sphere;

- investigate the sphere of culture as an object of state influence;

- specify the essence, components, and content of mechanisms for state regulation in the cultural sphere;

- identify the peculiarities of state regulation in the cultural sphere in Ukraine, uncovering problems and contradictions in this field, and developing proposals for their improvement;

- analyse international experience in state regulation of the cultural sphere and

determine its applicability in Ukraine;

- propose ways to improve the mechanisms of state regulation in the cultural sphere;

- substantiate the directions for aligning the interests of subjects involved in state regulation of the cultural sphere.

The *object* of the research is the state regulation in the sphere of culture.

The mechanisms of state regulation of the cultural sphere development in Ukraine are the *subject* of the research.

The research results indicate the importance of a comprehensive approach to the formation of an effective management system in the cultural sphere. In Ukraine, the multi-channel funding system exists only on paper, the organizational structure of cultural institutions has changed very little recently, the level of remuneration for cultural workers is too low, and economic methods of labour stimulation are not fully implemented. We have substantiated that a new sector-specific system of remuneration funding in public organizations should become the mechanism that allows for increasing the wages of workers in the sector of culture and arts, optimizing the organizational structure of institutions, fully implementing economic methods of labour stimulation.

Under modern conditions, cultural policy, its goals, methods, and forms directly depend on the constant attention of the state to the matters of a society's spiritual enrichment. When considering the problems of cultural development, it is necessary to start from the general social orientation of a society: even with the highest individual usefulness of cultural goods, their prices should be affordable to different population groups, which, in turn, imply differentiation by their types (paid and free, private and state, individual and social). The balance between individual and social usefulness of goods stipulates the limits and extent of state involvement in market exchange. The market of individual goods and services typically requires minimal state participation, which is often indirect, as exemplified by the entertainment industry: it does not require state support. The requirements for creating an effective system of state regulation in the cultural sphere may include the compliance with

socio-cultural goals of a society and the complex of functions implemented by cultural institutions; integrity of all elements and members of the organization; certain autonomy of each element of the system; ensuring the most optimal combination of centralization and decentralization; clear distribution of functions that ascertain the coherence of vertical and horizontal links; control over the organization's activities should be extensive but should not limit institutions' autonomy. The methods of state regulation include direct methods (subsidies, state orders, price regulation, state control) and indirect methods (budget regulation, tax and monetary policy). The means of influencing the subjects of cultural activity can include ideological, social, legal, and economic aspects. Solving the problems of the cultural sphere requires review of the management system in this field, and investment of financial, material, and human capital. Summarization of the main principles and directions of state regulation in the cultural sphere entails consistent expansion and deepening of applying purely market methods and techniques in the economic activities of cultural institutions. Cultural organizations need to constantly update, improve, and change the form of delivering cultural benefits.

## **CHAPTER 1**

# THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF STATE REGULATION FOR THE CULTURAL SPHERE DEVELOPMENT

# **1.1. Conceptual Framework in Studying State Regulation of the Cultural Sphere**

In the literature, both domestic and foreign, it is often stated that culture, more than other spheres of social life, is a subject to institutional improvement and state management. The creators of cultural values often express this viewpoint. Due to the special role of creativity in socio-cultural processes, culture is primarily associated with the individual activities of artists and thinkers, writers and artists, which is impossible to fully regulate.

On the other hand, it is strongly emphasized that the state plays an important role in the functioning and development of culture. By fulfilling its general social functions, the state becomes a crucial prerequisite for culture, without which a society would be the subject to spontaneous development, the influence of local forces and local interests. The state also is an important "promoter" and "sponsor" when supports cultural activities materially or by providing privileges.

Nevertheless, the state is a specific sphere of societal life that operates according to its own laws and pursues its own interests. Neither the essence nor dynamics of the state directly align with the dynamics of culture. Tensions and conflicts commonly arise between them, where the state may temporarily prevail. However, possessing its own potential, culture mostly tends to be more enduring.

The works of both foreign and domestic scholars contain theoretical foundations concerning the state cultural policy. Such researchers as O. Butnyk [1], L. Vostryakov [2], Yu. Vdovenko [2], O. Hrytsenko [3], I. Ihiatchenko [10], O. Degtyar [8], A. Zaitseva [5], O. Kravchenko [9], O. Kopievska [7], V. Malimon [6], S. Ovcharenko [4], and others made significant contributions to the study of the state's influence on the cultural sphere. However, despite numerous studies, the specifics of management relations in the cultural sphere and ways for improving state cultural policy remain insufficiently covered.

Since the start of market-oriented and democratic transformations in Ukraine, the role of the state in cultural management has significantly weakened. Decentralization didn't become a conscious consequence of the new cultural policy, but indicated economic and political weakness of the state itself, and the reformers' belief that the market would regulate everything. Only in the early 21st century the contours of a new cultural policy emerged in Ukraine based on the understanding of the necessity of decentralization in cultural management, the development of diversity and open competition among different directions of cultural development. This transition involved a shift from directive and administrative methods to indirect, democratic methods of governance.

Each of these conflicting points of view has the right to exist, but this right is justified only in a specific historical context. The truth, as always, lies in the middle. When the state is economically weak, support for culture becomes quite limited and therefore selective. Cultural management is reduced to the distribution of meagre budgetary funds, often based on political lobbying, personal profit, or the incompetence of officials.

Thus, the effectiveness of state cultural management is influenced not only by objective factors but also by subjective ones, as management involves activities of management of a subject to ensure optimal functioning and development of the system. This primarily includes competent and authorized decision-makers [25, p. 91].

Another area of problems that modern science and state management have only recently begun to develop is the topic of cultural policy. This largely explains the lack of methodological development in many important aspects for a unified understanding of this topic's essence.

Currently, there is no unambiguous understanding of what cultural policy means in the literature. Despite the widespread usage of the term "cultural policy", its specific meaning remains undefined. Meanwhile, without defining the concept of "cultural policy" we cannot address the issue of its formation and implementation mechanisms. An attempt to delineate the boundaries of this concept was made by L. Vostryakov [29, p. 64], who based it on the concept of "policy" as a sphere of human activity involving a struggle for power. When it comes to the struggle for power among regional elites, the attempts to maintain economic and political power in opposition to state elites in the context of unification and centralization become quite complex. The law is currently subordinate to political expediency. The cultural sphere is perhaps the only sphere where political rivalry is not doomed to mutual destruction.

Principally politics encompasses not just any struggle for power but one that adheres to specific norms and rules of the political game accepted within a particular society. A distinguishing characteristic of political struggle is the commitment to legitimization, which involves providing legitimate grounds for one's aspirations and acquiring influence over state institutions of power [92, p. 15].

S. Ovcharenko considers cultural policy as a complex of measures aimed at the artificial regulation of trends in the development of spiritual and value aspects of social existence. When considering the boundaries of state intervention in the management of sociocultural processes, the author suggests to differentiate between cultural policy and operational management of current cultural creative processes as two distinct levels of strategy and tactics in managerial activities [95, p. 64].

Cultural policy is a combination of scientifically substantiated views and measures regarding comprehensive sociocultural modernization of a society and structural reforms throughout the system of cultural creative institutions as a system of new proportional principles of state and public components of social and cultural life, as a complex of measures for timely adjustment of scientific and educational support for these principles, targeted training of professionals for qualified regulation of sociocultural processes of the future, and, most important is deliberate adjustment of the overall content of national culture. Management of current cultural creative processes is a complex of operational actions aimed at the solution of urgent existing problems of cultural creative institutions, aimed at the expanded reproduction of relevant cultural forms within the available financial resources, personnel, toolkit, and technologies currently present in the country.

A. Zaitseva defines cultural policy as a line of behaviour and actions of a subject who has the ability to influence something [71, p. 34]. In any case, it is the subject's activity relating to culture, aimed at regulating the processes of cultural values' production, preservation, dissemination, and consumption.

In our opinion, cultural policy is the activity connected with the formation and coordination of social mechanisms and conditions of cultural activity of the population in general, and all its groups oriented towards the development of creative, cultural, and recreational needs. As mechanisms for forming and coordinating the conditions for cultural activity, legal, economic, and organizational aspects are distinguished.

A significant number of works that are fully or partially dedicated to theoretical problems of cultural development [87], to the issues concerning development of a new model for regulating cultural processes have emerged [91]. Summarizing the research, it is possible to highlight three important points:

1) currently, the function of transmitting socio-cultural values is carried out by cultural institutions and mass media, with the latter being more effective in doing so;

2) cultural and artistic institutions have lost their monopoly on engaging individuals with the best cultural values; they now have to share this role with personal libraries, television, computer technology, and the Internet;

3) cultural and creative processes, as well as other forms of active population engagement, largely take place outside the framework of institutional cultural systems and organizations.

Regarding the competencies of state cultural management, it is necessary to focus on the characteristics of object-subject interaction in this sphere. From the perspective of socio-cybernetics, which has constructed a formal model of this process. Management represents a particular form of interaction between specifically organized, complex, and interconnected entities - the controlling and the controlled - which are not inherently separate. Management presupposes that the subject exerting directed influence to control the state of the controlled object, encourages it to change its parameters to achieve predetermined results. In its turn, the object acts upon the subject and contributes to the fulfilment of its role in the management process [43, C. 94].

In totalitarian socio-political systems, the state, as a singular subject of social governance, fully determined the parameters for necessary changes, defined the goals, and determined the nature of the required results from the perspective of the

party-state elite. In a democratic society as a self-governing system, the object of management does not passively perceive managerial influences but actively affects the subject of management, compelling or even coercing it to make the necessary decisions. The development and functioning of managerial relations in the cultural sphere have a particular specificity. Conscious initiation determines not only the purposefulness of the subject's actions but also the activity of the managed object, which is not a passive "recipient" of the subject's managerial influence but actively participates as a full-fledged participant in the managerial process, urging, compelling, and forcing managerial components to make certain decisions. The more developed the social activity of creative workers and consumers of cultural values are, and the more persistent they are in defending their interests and influencing managerial decisions related to funding the cultural sector, the use of cultural heritage sites, taxation, etc., the more justifiably it is possible to speak about transforming managerial objects into subjects of cultural management. In the situation where such active subjects are absent in the cultural sphere, it becomes necessary to implement the program with the direct participation and control of government bodies responsible for cultural management.

Overall, management in the field of culture is an interaction of governing and governed subjects aimed at regulating activities related to the implementation of cultural policy. This process is the subject of the science of public administration [28, C. 51].

The specificity of managerial relations in the field of culture determines the limitations of state intervention in sociocultural processes. It is important to consider that besides state authorities, non-governmental institutions are also considered subjects of cultural management. It would be a mistake to restrict the understanding of the subject solely to the state and its governing bodies. The subject implementing cultural policy is primarily a society itself, which is adjusted by governmental bodies. As both the object and subject of the cultural policy, society acts as a self-organizing and self-developing socio-cultural system, continuously adapting to changing conditions of the existence. This adaptation involves changes in cultural values, as

well as the stimulation of changing utilitarian social needs influenced by social prestige, fashion, ideological and value orientations, etc.

The main bodies responsible for implementing the state's cultural policy are cultural institutions. They can be strictly categorized to state institutions, which are financially tied to the fulfilment of the state's cultural policy objectives as outlined in the Constitution of Ukraine and other legal acts, and non-state institutions. State institutions are involved in the collection and preservation of cultural heritage include libraries, archives, multidisciplinary museums, state historical and cultural reserves, etc. Non-state institutions involved in the development of artistic activities include artistic unions and associations, architectural, artistic, and restoration workshops, film studios, and film distribution establishments. Additionally, there are private theatres (dramatic and musical), concert structures, circuses, as well as publishing and bookselling establishments. Private art schools and higher education institutions specializing in the arts have also emerged in various regions of Ukraine. Not all of the aforementioned cultural institutions are administratively subordinate to the Ministry of Culture of Ukraine and centrally managed by it. For example, architecture, cinematography, literature, and the publishing complex are non-state structures. However, the state retains the right to license and regulate the activities of all cultural institutions, including those in the non-state sector.

The tasks of overall sociocultural regulation of people's lives, formation of customs and traditions, direct artistic creativity, and leadership of creative associations, etc., are not included in the function of state cultural governance. Culture management at the state level primarily involves modelling mechanisms of the natural civilization process, acting within the framework of its social laws, and only stimulating the accelerated development of a society in the direction in which it objectively moves on its own. The experience of history shows that attempts to artificially change this natural direction of the development, to impose idealized models of its evolution on a society, have not ended well for this society. If governance is a purposeful activity, then who will take on the function of setting goals for the society? There was such an attempt in the national history, but the current Constitution of Ukraine prohibits the existence of a state ideology.

The stereotypes of cultural policy formed in previous decades, including the principle of residual funding for culture, have not been destroyed, even though it was clear that they were inadequate in contemporary situation. Starting from the early 1990s, there emerged a need not only to adjust the goals and objectives of cultural development but also to formulate them anew. Since the mid-1990s, the state has transitioned to a new cultural policy strategy, which finds expression in the programs of sociocultural development.

In the field of culture, public and commercial organizations, independent creative unions, associations of cultural workers, and public and private foundations are playing an increasingly important role. They both actively develop the culture market and utilize non-commercial sources of cultural activity funding.

At the same time, new problems arise in the cultural sphere as certain social groups are unable to independently satisfy their cultural needs and realize their cultural potential. In this situation, achieving sociocultural stability and balance among various social, regional, national, and other communities, which possess distinct cultural patterns and norms and seek their exceptional priority and state support, requires an adequate cultural policy.

The state system reform, including the tasks of state-building as a wellthought-out system of measures to modernize various institutions of power, is being undertaken. One direction is a realistic social policy, which the state places as a priority, giving preference to the development of healthcare, education, and culture. State policy in the field of culture is based on recognizing the fundamental role of culture in personal development and self-realization, humanizing society, preserving national identity of peoples, and affirming their dignity. The sphere of culture serves as the defining and formative purpose and value of social life. It contributes to a new value perception of the changes in the country's management structure, thus shaping a new attitude towards power, which implements a policy of transitioning to a democratic state with a market economy.

However, proclaiming the primary role of culture in the development of Ukrainian society does not yet mean the implementation of this thesis in the practice of state governance. The existing understanding of the state functions in relation to culture [34, p.17] allows to synthesize the essence of the principles of state governance of sociocultural processes in the region:

1. The principle of problem-oriented and goal-directed state administering of culture involves addressing territorial problems, taking into account the capabilities of the state, as well as the problems of specific social groups and population categories that form social basis of the cultural policy. The arguments in favour of a problem-oriented and goal-directed approach are as follows:

Firstly, the role of sociological research, which traditionally studied the interests and demands of the population, is changing. Sociologists who studied processes in the field of culture through population surveys captured the established picture of people's tastes, preferences, and cultural orientations. However, management of sociocultural processes involves purposefully influencing the spiritual life of a society with the aim of changing. Due to this principle, among the factors that are to be considered, the focus is on problems, goals, and possibilities of changing the sociocultural situation. It is necessary to move to other sociological procedures such as social diagnosis, expertise, social planning, forecasting, and other methods of obtaining and using sociological information, which are comprehensively described by the concept of social audit [114, p.108]. The picture of already formed interests and needs is an important but secondary information. It should be taken into account in the development and implementation of programs, but the parameters of the desired future state of culture are determined by more modern and complex sociological procedures.

Sociological research can play an important role in verifying the effectiveness of managing sociocultural processes, documenting the outcomes of implementing management programs regarding changes in mass consciousness.

It is important to note that we are referring to state programs. Sociological research plays different role in the implementation of cultural and leisure programs financed by the population (paid events, services, etc.), which are commercial programs. For the development of such programs, studying the interests and needs of the population, or more specifically, the demand and willingness of people to pay for

certain services, becomes particularly significant. Essentially, this is marketing research for a potential market where various goods and services in the leisure industry will be offered.

Secondly, managerial object is seen much broader, as artistic, moral, physical, and psychological aspects of socio-cultural activities of the state, local communities, and commercial cultural organizations are integrated into the program.

Thirdly, the problem-oriented cultural policy encourages participation of the population in sociocultural activities by synchronizing the interests of social groups (striving to solve their problems) and the governing bodies (creating conditions for solving these problems). In the past, there was a significant disagreement between the goals of the state cultural policy (to bring up an individual according to a prescribed ideal "from above") and the subjects of socio-cultural activities (for them, the motives for inclusion into cultural activities were connected with the satisfaction of personal needs). Now, a problem-oriented and goal-directed approach unites their efforts.

Fourthly, the problem-oriented and goal-directed approach helps to enhance the social significance and prestige of sociocultural activities in the eyes of both the population and representatives of governing structures. This aspect is noteworthy because it can attract additional funding to finance socio-cultural programs located at the intersection with several priorities and corresponding social institutions [105, p.59]. For example, programs for socio-cultural development of a territory can combine the efforts of state, municipal, and commercial cultural, sports, healthcare, and education institutions.

2. The principle of depoliticizing public administration of sociocultural processes.

For the subjects of state management in culture, this principle means the necessity of creating conditions to manifest citizens' independent sociocultural initiatives, abandoning short-term relevance and focusing on long-term priorities and values. Only in this case cultural policy will become a means for self-realization of individuals' essential forces, a form of historical and cultural self-determination of social groups and territories whose "cultural" boundaries do not always coincide with

administrative boundaries, which are often established arbitrarily and sometimes by force. Culture has the capacity to overcome such boundaries and become a basis for the consolidation of different strata and groups (parties, religious and civic organizations with diverse political orientations and values). Actualization and priority of universal human values will partially relieve social tension and unite people for the collective resolution of problems of both regional and global significance.

The principle of depoliticizing state governance by means of sociocultural processes does not imply its de-ideologization; rather, it is quite the opposite. The point is that despite the apparent ideological nature of culture in recent decades, it has not truly been such because the society did not have any conditions for the development of ideology. Indicators of ideology include, firstly, the existence of concepts and ideas that reflect the interests of specific social groups – ranging from professional interests to classes and nations – and their clashes and struggle; secondly, the presence of ideologists, that is, creators and generators of ideas.

In the absence of these features, we have an ideology without ideas and ideologists, which can be referred to as a quasi-ideology. Basically, such an ideology is a means or mechanism of imposing the interests of a specific social group on the entire society, substituting the diversity of interests with the values of one social group. In such case, the semblance of ideology is ensured through the system of social institutions whose task is to forcefully spread ideas, simulate their connection with reality, exercise control over individuals and their beliefs, neutralize the interests of all social groups, and promote the idea of creating a "community of interests". The absence of "ideologists" is compensated by the "sanctification" of a unified conceptual framework (e.g., Marxism-Leninism-Stalinism), whose elements are forcibly brought together based on the principle of exclusion: everything contradictory to the subsequent concept is eliminated from the previous one [160, p. 74].

Currently, according to many authors, to replace quasi-ideology, the era of genuine ideological struggle is emerging, characterized by the clash of interests between different social groups. That is why, calls for de-ideologizing culture are seen as an attempt to return to total ideology and, consequently, to an administrativecommand system of management. Only with a multitude of ideas, values, and concepts, culture can fulfil its function of comprehending the fundamental interests of social groups, search of grounds for their reconciliation and coexistence, ultimately ensuring full formation and development of civil society structures. In turn, such a society becomes an environment that enables diversity and the richness of spiritual life, allowing for the realization of humanistic and creative potential of culture.

3. The principle of governmental support for the self-organization of sociocultural life. Implementation of this principle in the practice of state management of culture reduces the scope of ineffective administrative intervention by the government in socio-cultural processes, thereby increasing its managerial influence on them in appropriate state forms.

The transition of culture to a self-organizing mode involves decentralization of the state governance and creation of a new organizational and economic model that corresponds to present-day realities. The following positions should form the basis of such a model:

a) creating parallel structures of civic self-government at all levels of cultural policy (local and national) that complement and compensate limited capabilities of the state management system. The diversity of civic movement should have, first of all, organizational representation in "horizontal" non-governmental structures. Secondly, they should have a socio-legal status and mechanisms for interacting and influencing the activities of state institutions and policies of governing bodies overseeing the sphere of culture and leisure. This involves a conscious activation of cultural management entities to enhance their effective participation in the procedures of state management of socio-cultural processes.

b) decentralization of governance and granting maximum legal, organizational, and economic autonomy to the entities involved in cultural and leisure activities [39, p. 27]. They should have the freedom to determine the principles of organizing their activities, establishing the system and functions of governance bodies, as well as the forms and methods of work. According to the latest data, freedom should be recognized in determining principles of organizing one's activities, establishing the system and functions of management bodies, forms and methods of work.

Governmental management of non-state institutions should be expressed through legal regulation of their activities from the standpoint of societal interests. This can include registration of statutes, granting privileges, legal and financial oversight to ensure the legitimacy of the services provided, and so on.

When creating legal and economic conditions for self-development of culture, it is important to consider and employ the experiences of certain foreign countries, particularly Germany. In Germany, the state not only never opposes but also supports alternative movements and civic initiatives to alleviate social tensions in the society, thus preventing them from resorting to illegal means of existence or confrontation with the state. This approach is justified by the fact that, firstly, the social realm is one of the societal priorities, and secondly, the existence of alternative forms of social life is an indicator of societal cultural development.

The principle of governmental support to provide diversity and polyphony in social-cultural life entails the recognition of multiple subjects in socio-cultural activities, as well as the existence of alternative projects, programs, concepts, and ideas. Culture represents a potential infinity, a plurality of perspectives, opinions, customs, ways of life, etc. In this case, it is necessary for the state to create legal and economic conditions for free self-realization of individuals within culture.

The diversity of social-cultural life is expressed through a multitude of organizational forms of citizens' self-activity. Therefore, it is ensured through legal provisions by the state, granting the right to freely create "grassroots" various organizational structures (special interest clubs, associations, fronts, parties, movements, fonds, etc.) despite their ideological orientation. This right is crucial not only for personal self-determination but also for the overall culture development.

As is commonly known, in each initial state, culture contains potential variations of its future, which are represented in the least institutionalized formations - in the forms of amateur movements. Therefore, for the full development of culture, all "subcultural" formations, regardless of their conformity to the system of values of the official ideology and culture, should have equal conditions for free development

[65, p 108]. Otherwise, culture disintegrates both vertically and horizontally into a series of independent and disconnected (or even conflicting) subcultures. Restraining mechanisms and sanctions of the "official" state culture, standardization and regulation, suppression and blocking of social initiatives, give rise to extremism, protest behaviours, redirect social activity towards anti-cultural, anti-social, and sometimes unlawful forms of behaviour, ultimately leading to culture crisis as an integral system. Therefore, the natural and free development of non-institutional layers of culture (primarily the amateur movements in all their varieties and modifications, freedom of cultural self-determination for individuals and social groups) is the leading principle and mechanism of self-regulation and self-development of culture as a whole. Historical experience demonstrates that authoritarian monological models of culture tend to stagnate, regress, and transform culture into an appendage of a totalitarian state.

This principle represents one of the fundamental conditions for the selfdevelopment of culture, its most essential characteristic.

In the meantime, in foreign practice, cultural policy of a state is evaluated primarily not as the activity of one agency or even a set of agencies, but rather as its ability to create legal and economic conditions for the development of such a sociocultural situation where a wide range of subjects of cultural policy are involved: scholars, public persons, workers of culture and art, entrepreneurs, and others.

Professionals emphasize that the achievement of consensus among official, creative, and public forces regarding the priority goals of cultural development is the initial condition for the development of cultural policy [71].

Among the main typological components of the system of managing sociocultural processes, the following can be identified: its goals or priority tasks, the competence of management subjects, cultural life as the subject of regulation, economic-legal and administrative-organizational mechanisms for implementing cultural policy, and the recipients of cultural policy (age groups, regions, ethnic groups, etc.).

Characteristically, one of the most important goals of cultural policy in all developed countries has become the expansion of access to culture for broad segments of the population, which implies a commitment to democratization and development of cultural life for the population in general.

The slogan of "democratization" and "decentralization" of cultural policy will remain just a slogan if a sustainable principle for its implementation is not found.

Abroad, a principle, which can be considered fairly general and important for the methodology of governmental management in the sphere of culture, has been found. It is a well-known principle of the "length of hand". It aims to keep politicians and bureaucrats at arm's length from the distribution of financial resources and also to protect artists from direct political pressure or illegal censorship. In particular, it is ensured by the system of "peer judgment", which originates from traditional English law, according to which only an equal can judge another (thus, only an artist should judge another artist), and the decision-making process regarding subsidies should involve the cultural figures themselves.

The extent to which the state will influence "natural" cultural processes depends on the presence of a corresponding conceptual development of the priorities of state cultural policy. This is especially important for prospective planning and managerial tasks that have an unspecified structure. For such tasks, the formulation of the problem itself and its conceptualization are essential, as they determine the necessary information for its resolution.

Thus, we have identified such key principles of governmental management in the sphere of culture in the region, as the principle of problem-oriented and goaloriented approach to governmental management in culture. It involves solving territorial issues with the account of state's capabilities, as well as the problems of specific social groups and population categories which form social basis of the cultural policy; the principle of state management depoliticization over sociocultural processes; the principle of state support for the self-organization of social and cultural life, and the principle of ensuring diversity and polyphony of socio-cultural life, which implies multi-subjectivity in sociocultural activities, alternative projects, programs, concepts, and ideas.

Obviously, the majority of diverse processes of cultural existence in a society occur spontaneously, following only the deep laws of social self-organization among

individuals in their collective life activities. At the same time, certain components of this complex process are the subject to rational and purposeful regulation, stimulating some tendencies and curbing others, etc., carried out from the perspective of understanding and envisioning strategic paths along which this civilization is moving. The complex of these measures for artificial regulation of the trends in the development of spiritual and value aspects of social life can be referred to as "cultural policy".

So, the distinctive features of the subject of state management over sociocultural processes include the ability to influence through state normative-legal acts, financing of tasks of cultural policy from the state budget, and the resolution of cultural policy tasks solely through state legal and economic mechanisms.

Often, in practice, state support of culture is perceived merely as an existing mechanism of budget financing for the sector. Such a definition is clearly insufficient. Governmental management involves financing solely from the state budget. The support is not limited by direct funding only - the state can utilize other economic and legal mechanisms such as benefits, taxes, creating favourable conditions for development, etc. It should be noted that cultural financing can also come from sources other than the government, such as municipal budgets, non-budgetary funds, sponsorship, and others. However, even in such cases, the supervisory and controlling role of the state through normative and legal mechanisms must be preserved.

First and foremost, the activities aimed at preserving the historical, cultural, and natural heritage of national and global significance, as well as the work of creative individuals who create new cultural examples, study and preserve cultural traditions, and engage future generations in high cultural values, require state support. This can be achieved through government contracts.

The main task of governmental management at all levels of cultural policy is to create conditions which stimulate socio-cultural activities of individuals, social groups, cultural and leisure institutions, which contribute to solving social problems that various population categories face. As a result, the intensity and quality of sociocultural activities and their contribution to solving the problems of specific social groups become the outcome of cultural policy, while the development of infrastructure serves as a means for improving cultural life.

Thus, governmental managing culture in modern Ukraine is limited to constitutional tasks that include ensuring freedom of citizens to participate in cultural life, preserving the diversity of accumulated values within the united Ukrainian culture, and creation of legal and economic conditions for the support of functioning and development of artistic life in the country.

The state does not replace the activities of non-state subjects for managing socio-cultural processes in the country but rather creates the necessary conditions for their effective functioning in the interests of creating a modern democratic, humane, and prosperous society in Ukraine.

# 1.2. The Sphere of Culture as an Object of State Influence

Considering the sphere of culture as an object of governmental influence, it is important to note that its condition and the presence of problems are significant indicators of the level of economic and social development of the society, the degree of social responsibility of the state towards society, and the utilization of various resources by the government in order to create favourable conditions for people's livelihoods.

Taking into consideration that the sphere of culture is a complex system, the presence of system-forming factors among numerous system elements implies its another characteristic– organization and the possibility for its creation. For the existence of a system, formation of the ordered relations is necessary.

The application of a system approach to management allows us to view it as a system consisting of a controlling subsystem and a controlled subsystem, with constant interaction between them, and to determine the role and place of state regulation in the sphere of culture.

According to V. Kolpakov's structural approach to the study of management, the main components of a management system have been defined, including:

- the subject of management, which refers to the source of controlling influence, the one who manages, performs leadership functions, and influences the object in order to bring it into a new state;

- the object of management, which represents the target of the subject's controlling influence and operates under this influence;

- the controlling influence, i.e. a complex of purposeful and organizational commands, measures, techniques, and methods used to influence the object and achieve its real changes;

- feedback, or information to the subject about the effectiveness of the controlling influence and changes in the object [87, p. 18].

For the sphere of culture, traditional division into controllers and controlled entities acquires a relative character. For instance, in the field of free artistic creativity, management essentially turns into self-governance, merging directly with the creative process and the artist. Some scholars and practitioners use this as an argument for decentralizing management in the sphere of culture. Thus, L. Abramov and T. Azarova differentiate between "controlling" and "controlled entities" in the creative environment. At lower levels of management, this difference becomes increasingly relative, and one can even argue that it begins to disappear from the regional level onwards. The process of management decentralization in the sphere of culture cannot be limited by merely transferring functions from higher levels of management to lower ones.

It should be noted that in the scientific literature concerning the issues of managing the sphere of culture, the concepts of "social management" and "managerial technologies" are also encountered.

Numerous publications are dedicated to the analysis of social management problems. For example, "Sociological Dictionary" notes that social management, in a broad sense, refers to the management of all social processes as opposed to management in biological and technical systems. In a narrow sense, it refers to the management of processes and phenomena in the social sphere of public life, as a means of social policies implementation [97, p. 53].

At the same time, the most important types and functions of social

management are as follows:

- prediction - scientific substantiation of judgments concerning the state of certain social phenomena and processes in the future, as well as alternative ways and terms for achieving these states;

- design - the process of creating a prototype of the anticipated social object, social phenomenon, or process through scientifically grounded determination of their development options or the field of creative exploration of social reality. It involves considering not only the most probable development trends of social phenomena and processes but also the least likely but realistically possible ones;

- planning – determination of goals, plans, tasks with the indication of resources, deadlines, rates, proportions, and other necessary parameters of social process development, as well as the main means of their implementation;

- strategic planning - the process of formulating and scientific substantiation of strategic goals and decisions necessary for their achievement in a distant spatialtemporal dimension. This includes program-target management;

- formation of organizational order - the system of long-term, relatively stable goals, connections, and norms that regulate the relationships that arise between the subjects of social management [45, p. 381].

The analysis of social management technologies including those related to the management of the sphere of culture, has become one of the important research directions in recent years. The latest literature includes numerous publications of monographs, textbooks, collections of scientific articles, and conference materials devoted to this topic. Several examples illustrating the approaches found in the literature are provided in Appendix B, Table 1.

According to the above analysis, a refined definition of the term "social technologies" can be proposed, which refers to a set of techniques and methods of purposeful influence on social processes and systems.

A specific case within this area is social technologies of managing the sphere of culture, which can be understood as a set of techniques and methods of purposeful influence by the subjects of management on the sphere of culture with the purpose of improving cultural and educational level and the quality of the population living standards.

Since social technologies involve specific methods of influence, let us examine the main ones. In the conventional sense, a method is a way of theoretical research or practical implementation of a given task [156, p. 14].

O. Mordvinov identifies the following methods of state regulation: legal methods based on legislative and regulatory instruments; administrative methods based on the application of administrative acts and procedures with mandatory force; organizational-economic methods envisaging organization of the activities regulating subjects by creating conditions that make such activities economically viable; economic methods, which involve the state's influence on the activities of regulatory subjects through the use of economic means; socio-psychological methods based on the openness of information about the state of a specific sector of public administration and broad participation of society in the activities of the regulatory subject [133, pp. 82-84].

Regarding managerial activities of government authorities, the term "method" refers to the practical implementation of tasks and functions of managerial bodies based on the competence, established in the prescribed form and within appropriate limits.

Turning to the analysis of the specific methods of state regulation in the sphere of culture, first of all, it should be noted that within the numerous classifications existing in the scientific literature, three main groups of methods are usually distinguished: normative-legal, administrative, and economic ones.

Regarding the application of normative-legal methods, it is worth noting that by means of these methods, the state establishes a legal framework which allows to operate both cultural institutions, government authorities and local self-governing bodies influencing their work.

Administrative methods find their expression in the implementation of authoritative measures by the management subject to ensure proper behaviour of the objects. In other words, the subject of management makes a managerial decision that is mandatory for the management recipient. Economic methods are the ways of economic or indirect influence from the managerial subjects on the corresponding objects of management. The key point here is that with the help of these methods, the subject achieves the desired "behaviour" of the object by influencing its material interests, indirectly (in contrast to direct authoritative methods). The most common incentivizing means are related to economic aspects (such as financial incentives, benefits, etc.) [72].

The specificity of managerial methods in the sphere of culture is that it should consider not only administrative and economic approaches but also sociopsychological methods (including persuasive methods), because the object of management in the cultural sphere includes certain segments of the population as an integral component. By means of persuasion, proper behaviour of managerial relationships participants is primarily encouraged using educational, explanatory, advisory, and incentivizing measures. In our opinion, a systemic mistake in the managerial technology of Ukraine's cultural sphere is the fact that management bodies often ignore persuasive methods during the implementation of various innovations, which often leads to severe negative consequences, the main of which is the escalation of unnecessary social tension in a society.

Thus, one of the distinguishing features of management in the sphere of culture is the necessity to distinguish not three but four main types of management methods (see Appendix B, Table 1).

Therefore, managerial technologies in the sphere of culture have a pronounced specificity associated with the following aspects:

a) the object of management, which consists of the interconnected components of the cultural sphere;

b) the subjects of management, including government authorities, local selfgovernment institutions, civil society organizations, and managerial bodies of social institutions, etc.;

c) the methods of management, which should include not only administrative and/or economic methods but also socio-psychological methods (persuasive methods).

As in other areas of management, the requirements of the society to the acceleration of the implementation of innovative solutions concerning managerial technologies particularly in terms of the sphere of culture, are increasing.

Based on the general requirements, management appears as a process of implementing interconnected actions to achieve specific goals for each specific organizational system.

At the first stage of the managerial process, the goal of management is formulated, reflecting the peculiarities of the controlled object, its own purposes and the dynamics of societal needs in its production or services, taking into account the realization of possibilities for their most complete satisfaction.

At the second stage, an analysis is conducted based on such criteria as the compliance with the defined purpose and identification of factors hindering its achievement.

The final stage of the process is the decision-making and implementation of the decision to the object of management, based on which the effectiveness of management can be assessed. The sequence of forming the management goal is presented in Figure 1.1.



Fig. 1.1 Sequence of forming the management goal Source: Compiled by the authors

Thus, the components of the fundamental management scheme are well studied in the scientific literature on public administration, and they include:

- the subject of management (controlling subsystem)
- the object of management (controlled subsystem)
- management goals

- direct and feedback loops in the managerial system, etc.

When considering the issue of managing the country's social development, it is important to distinguish between closely related, but distinct aspects:

a) social management;

b) management of the social sphere.

Management of the cultural sphere, as it comes from the term itself, differs from the other types of management (such as personnel management, enterprise management, investment management, etc.) in that the cultural sphere is its object. From our point of view, the definition of this term should reflect the following aspects:

a) the subject of management is the controlling element of the management system exerting purposeful influence on other elements of the management system. An official person, managerial bodies or structures of a civil society can be the subject of management;

b) the object of management is the managed socio-cultural system, consisting of a society, social groups, cultural and artistic entities that interact with each other in pursuit of common and individual interests [5, p. 94];

c) the presence of managerial goals that refers to the desired, probable, and necessary state of the system that is to be attained [Ошибка! Источник ссылки не найден., с. 12].

In management, all objects and subjects are considered as interconnected collections of their elements. In this regard, an important role is given to the system-forming relationships that characterize internal and external interactions of the system as a whole and its constituent elements. These relationships facilitate the seamless and smooth functioning of the entire system. For example, the system of public administration maintains constant connections with a society, which are in continuous direct and feedback relationships with each other.

The causal relationship, in our opinion, should be considered in two ways: direct and reverse. Direct relationship refers to immediate communication, action, or event for which, depending on the cause, there is a certain consequence. Feedback, in a broad sense, means a response or reaction to some action or event. It serves as a basis for self-regulation and development of systems, enabling them to adapt to changing conditions of their functioning [14, p. 229].

It is worth noting that feedback is an essential component of both the cultural sphere and public administration in general. V. Bakumenko and P. Nadolishniy consider feedback as an influence of the results of functioning of the public administration system on the nature of that functioning [15, p. 259].

System analysis, in the substantive aspect reveals characteristics of various types of cultural activities, specifics of subjects and objects, their interests, goals, methods, results, and other components, factors, and conditions that distinguish it from other types of activities. One of the peculiarities is that not only cultural organizations and their employees but also other members of the society, groups, and formations pursue cultural activities. For example, professional and amateur artists, various creative studios, musical ensembles, and initiative groups are engaged in the restoration and preservation of cultural heritage.

In this work, the concept of "the subject of cultural activity" is used in an institutional sense, referring to legal or physical persons engaged in cultural activities and entering into various relationships with others. Numerous social and cultural institutions contributing to the accumulation, transmission, and assimilation of cultural forms in societal life are referred as the subjects of sociocultural activity. Subjects of socio-cultural activity can include the overall cultural management system represented by numerous governing bodies, specific bodies responsible for socio-cultural activities, cultural institutions, informal creative organizations, individuals, or management of formal or informal organizations.

State authorities. head the structure of socio-cultural institutions. They are authorized subjects in creating programs for socio-cultural development.

During the Soviet era, sectoral management bodies exercised directive centralized control and strict ideological oversight over all spheres of societal life.

Currently, the sectoral system of state influence on the cultural sphere has partially preserved, with such bodies as the Ministry of Culture of Ukraine and others. However, unlike the Soviet system, contemporary state governance is implemented without a rigid administrative hierarchy. Civil society structures (professional unions, Consumer Protection Societies, etc.) also influence state regulation in the cultural sphere by fulfilling certain social functions: protecting the interests of relevant workers, participating in the development of sectoral regulatory frameworks, exercising public control over the activities of organizations and institutions in the field, etc.

The subject of management is characterized by making managerial decisions and ensuring their practical implementation. Therefore, the subjects of cultural management include bodies of state authorities and local self-government, as well as civil organizations and private business structures.

In our opinion, the subject of state regulation in the cultural sphere encompasses not only the state itself but also individuals, social groups, and cultural communities, in other words, society as a whole (see Figure 1.2). The state acts as the primary subject due to its rights and powers, as well as specialized institutions, bodies, and services through which it carries out activities regarding the influence on the cultural sphere.

Taking into account the aforementioned principles, the following definition can be proposed: state regulation of the cultural sphere is an ongoing process of influence by state authorities and local self-government, organizations of all ownership forms, and institutions of civil society on the cultural sphere with the aim of raising the cultural and educational level, and improving the quality of life of the country's population.

Considering the key characteristics of the subjects of cultural management further on, one important feature is the pronounced "duality" within the management structures, which are constructed based on both sectoral and territorial criteria. It should be noted that this distinction gives rise to two distinct groups of issues in scientific publications:

- issues of sectoral management in the cultural sphere;

- issues of regional management in the cultural sphere [110, p. 25].

The resolution of tasks in the field of culture by state bodies essentially implies interregional regulation. State regulation in the sphere of culture should effectively influence the processes of cultural interaction and mutual enrichment, based on the nationally significant standards for education and healthcare, cultural institution activities, and programs for the preservation of historical cultural heritage developed by the state. This presupposes a clear definition of the functions of state governance bodies, such as the development of cultural development programs and the preservation of cultural values of national and global significance. All this does not contradict the need to establish a new socio-state governance structure capable of comprehensively reflecting cultural specificities of regions and different social formations, while clearly delineating functions and powers [76, p. 34].

It should also be noted that state regulation cannot be limited to simply expanding the rights of regional and local structures. In the activities and structure of state regulatory bodies and cultural institutions at the local level, changes to facilitate the formation of constructive and active links between cultural institutions, management bodies, creative groups, and cultural actors are needed. Improvement of regulation in this direction contributes to transforming elements of the management system into components of self-governance. The development of self-governing foundations is a path to activate creative efforts of intellectuals and their responsibility for the decisions made [42, p. 10].

New challenges facing state regulation in the sphere of culture raise questions concerning the development and use of appropriate organizational schemes and economic models that establish constructive relations among the state management structures, cultural institutions, and creative associations. One of the main tasks of governmental authorities is to determine long-term development goals for the sphere of culture, and facilitate its renewal in line with the society's development characteristics. Currently, effective and coordinated activities of social institutions at various levels are particularly important. In this context, state regulation of the cultural sphere emerges not only as management of respective cultural institutions but also as a guidance that extends to other areas of social life, such as politics and economy [67, p. 18].

State regulation of the cultural sphere involves the development of targeted programs that ensure the renewal of various areas of artistic life, the training and upgrading of creative professionals, the improvement of artistic activities, and the organization of international contacts. The search for optimal management structures, forms, and methods should be refocused on meeting human demands and needs as well as facilitating their development. Ensuring effective interaction between culture, science, and education should be considered an absolute priority of state policy in the spiritual realm.

According to the functional approach to the research, state regulation of the cultural sphere is defined as an integral sum of its functions, with each expert perceiving the quantity and content of functions differently.

It seems reasonable to identify the functions of state regulation of the cultural sphere based on considering it as an economic system. The functioning of an economic system and, consequently, its management is based on the organizational function, which involves dividing the system into administrative centres (elements), including the allocation of resources, power, people, information flows, and the organization of their interactions.

The functions of state regulation in the field of culture can include the following: organization, coordination, planning, control. These functions will be examined in more detail within the framework of specific mechanisms of state management in the field of culture.

As a result of the research, it is possible to note that state regulation in the field of culture is carried out by governmental authorities corresponding to the state structure of society. However, one should agree with the opinion of foreign and domestic scholars that the function of management entities at the higher hierarchical level, in connection with the decentralization of management in the field of culture, should not be controlling, but coordinating.

State regulation in the field of culture will be effective if the subject of influence forecasts future problems and makes decisions concerning the reduction of their acuteness and minimize social risks. At the same time, the resources spent on satisfying social needs are returned in the form of social activity of the population. As a result, high social efficiency of state regulation acts as a catalyst for effective economic development.

At the local level, state regulation in the field of culture comes to the forefront, and its implementation is the most important task and central mission of local selfgovernment bodies.

When considering the local level of cultural management, the following factors should also be taken into account:

1. Within the framework of market transformations, the property of cultural organizations that previously belonged to non-core ministries and departments (for example, departmental libraries, houses and palaces of culture, kindergartens, etc.) massively passed to municipal ownership. Thus, local self-government bodies were entrusted with the full responsibility for the development of the field of culture at the local level.

2. The participation of state sectoral bodies in managing the sphere of culture is not completely excluded and is carried out through a series of direct and indirect methods.

3. There are local management bodies in the field of culture, which are directly subordinate to state structures.

4. Local bodies managing the field of culture are also built on a sectoral principle. Therefore, the existing management principle has been defined as territorial-sectoral [207, p. 27].

An objective characteristic of the sphere of culture as a complex socioeconomic organism is impossible without a scientifically grounded system approach to its analysis. This means the necessity of a comprehensive study of the problem, the disclosure of its components, the identification of close interconnections between them, as well as dialectical interaction with external conditions, with other sectors of the social and material sphere, with the national economy as a whole.

The main features of the system approach are dynamism, interaction, interdependence, and interconnection of system elements, complexity, integrity, subordination, identification of the leading link [81, p. 31]. Therefore, as a tool for a comprehensive study, it was appropriate to use system analysis, which allowed envisioning the sphere of culture as an integral complex of interconnected subsystems and elements, united by a common goal.

In the system of social reproduction, the sphere of culture, as a specific subsystem of the economy, performs multifaceted functions. It acts as a field of production and consumption of various services and spiritual goods, related to the necessity of health protection, obtaining education, satisfaction of human cultural needs, creation of living and other conditions for the life and activities of the population. In the totality of the tasks performed, this function is aimed at ensuring the expanded reproduction of the labor force and forming its new qualitative composition. The most generalizing indicator of the development of cultural sphere is the growth of the volume of paid services to the population and complication of its structure [58].

System analysis allows envisioning the sphere of culture as an integral complex of interconnected subsystems and elements, united by a common goal, and also to identify specific features inherent in the sphere of culture as a particular, qualitative systemic object.

The first feature of the cultural sphere lies in the fact that economic, cultural, and social processes closely interact within it. The mechanism for managing the sphere of culture is a unity of social and economic mechanisms, which currently requires critical analysis and development.

The second feature of the cultural sphere consists of the presence of several hierarchical levels of management:

- governmental, at which management of the sphere of culture as a system is carried out;

- municipal, where the object is a part of this system in the form of local cultural complexes.

The third feature of the cultural sphere is that it is a branch of the nonproductive sphere, as the main type of its product is cultural and recreational services. Moreover, the services of the cultural sphere differ from other immaterial services by their consumer characteristics, being mixed public goods. Their consumption, besides relaxation, entertainment, and aesthetic development, significantly affects the entire moral and spiritual atmosphere in society.

The specifics of cultural sphere services include:

- intangibility - they cannot be seen, tasted, or heard until the moment of purchase (play, concert, museum exhibition);

- inseparability from the source - whereas a physical product exists independently of the presence or absence of the source (entertainment value). Services, which are inseparable from the activity and disappear with cessation of the activity, include, to some extent, those of a musician, singer, actor, director;

- variability in quality - the quality of services fluctuates widely depending on their providers (category of cultural institutions), and the time of day (evening, daytime), and place (culture and leisure park, theater, dance floor, stadium), and the quality of work of cultural institution staff;

- non-storability - the service cannot be stored [132, p. 28].

The fourth feature of the cultural sphere is the predominance of quantitative indicators in assessing performance. Formation of the market in the field of culture is accompanied by a transition to the use of primarily qualitative indicators. A new social mechanism that would assess the degree of satisfaction of societal and individual needs, both in terms of the scale of services and in terms of quality and content, is still in the initial stage of formation.

The fifth feature of the cultural sphere is the results of cultural activity, which are determined by the specificity of the object to which the activity is directed, that is, the human being.

The first form of cultural activity result exists, first and foremost, in the form of a beneficial effect work of the employees creating the service. The product here acts as labor, that is, it is identical to living labor. Thus, the positive effect appears as a finished product ready to satisfy individual needs.

The second form of the results of the work of cultural sphere employees can exist separately from the labor that creates it. Moreover, in this case, the result of work takes on independent existence, adopting a material form. The most characteristic example is a work of art, which enters into personal consumption and contributes to the satisfaction of a person's spiritual needs. The consumer properties of works of art and cultural services are only to a small extent determined by the natural properties of the material they are made (produced) of.

Analyzing the functioning and development of the cultural sphere at the level of economic activity, it seems legitimate to differentiate the results of this sphere into:

- immediate results, which represent an absolute expression of the number of people who visit theaters, museums, libraries, etc. However, it should be clarified and agreed with the opinion of V. Afanasyev that immediate results only indirectly reflect the work of a particular cultural organization, as well as absolute indicators [13, p. 21].

- final results – these are the socio-cultural levels of the population. It depends not only on the effectiveness of the work of the institutions but also on the individual characteristics of the consumer and general conditions under which the vital activity of population proceeds.

The conducted systematic analysis allowed identifying the main features of the system of culture as a management object, on the basis of which the specificity of the realization of the main managerial functions was revealed.

Theoretical study of this issue has allowed supplement the insufficiently developed scientific basis of the section in the theory of public administration devoted to the sphere of culture, with new statements, conclusions, and the construction of a model of the organizational structure of the management system in the sphere of culture. This, in turn, will enable optimize the process of scientific search for ways and methods of reforming public administration mechanisms in the sphere of culture.

### **1.3.** The Main Mechanisms of State Regulation in the Sphere of Culture

New tasks facing public administration in the field of culture raise questions about the development and use of adequate mechanisms under conditions of establishing constructive connections between state management structures, cultural institutions, and creative associations. One of the main tasks of state administration becomes the definition of long-term goals for the development of culture, facilitating its renewal according to the peculiarities of societal development. Furthermore, the effective and coordinated activity of social institutions at various levels becomes especially significant. In this context, state regulation in the field of culture will not arise as guidance by relevant sociocultural institutions, but as management that is also unfolding in other areas of social life, such as politics and economics.

As of today, such concepts as "mechanism of management" and "public administration mechanism" have been thoroughly studied in the works of such authors as V. Bakumenko [50], O. Mashkov [41], V. Malinovsky [56], N. Nizhnik [61], O. Radchenko [70], N. Kharchenko [77], O. Fedorchak [80]. Summarizing the viewpoints of scientists, it is possible to identify two main approaches in understanding this phenomenon as a static system, which is an instrument in organizing managerial events and processes, as well as a means of implementing power relations.

Although there are different points of view among the scientists concerning definition of the essence of public administration mechanisms. In this study we support the definition given in the encyclopedic dictionary of public administration, where "public administration mechanisms" are considered as ways for resolving contradictions of a phenomenon or process in public administration, the sequential realization of actions based on fundamental principles, goal orientation, functional activity with the use of the corresponding forms and management methods. In terms of presentation - it is a schematic representation of the static-dynamic (structural-functional) content of the managerial process as the interaction of subject and object, the unity of activity and relations, the functioning of a particular system or subsystem [70, p. 27].

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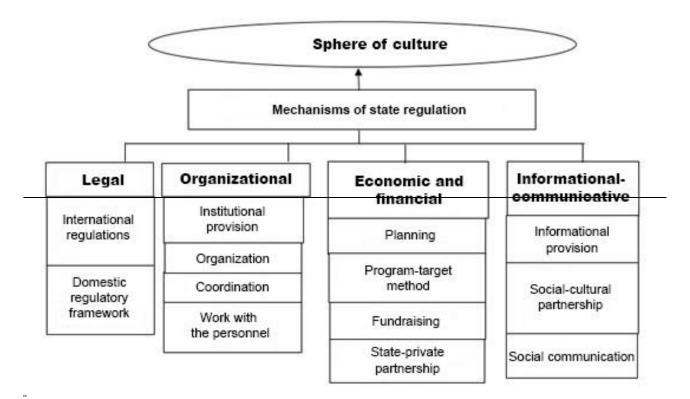


Fig. 1.3. Mechanisms of state regulation in the field of culture Source: Compiled independently

Currently, the legal mechanism of state regulation in the field of culture includes international legal and legal norms of national legislation, legal relations, regulatory legal acts, legal culture, and awareness.

Among the organizational and legal mechanisms for implementing cultural policy, it is worth to highlight legislative consolidation of the quality of cultural services and consumer rights protection; state prohibition on the production of socially dangerous goods and services; improvement of the legal framework of cultural institutions.

The main characteristics of the legal mechanism are its connection with a specific goal and its systemic nature, which does not entail automatic combination of regulatory legal acts regarding the chosen area of regulation (in this case – the field of culture), but their organized and interrelated totality, capable of ensuring the achievement of the defined goal through the legitimate implementation of the existing interests by the subjects [9].

It should be noted that the legal mechanism is formed based on the fact that the creation and development of the legal framework of the sphere of culture is undoubtedly influenced by various external and internal factors.

Considering the organizational mechanism, the Encyclopedic Dictionary of Public Administration provides the following definition of the organizational mechanism: each complex system possesses an internal or external subsystem of management that performs various functions of management. A separate management function can be implemented by means of formative or organizational mechanism, the action of which may be directed towards conjugation (connection of complexes), ingression (entry of an element of one complex into another), and complex decay. Organizational mechanisms represent the sequence of stages of designing structures, detailed analysis, and defining the system of goals, thoughtful allocation of organizational units and forms of their coordination to ensure the functioning of a certain complex (organizational system) [70, p. 423].

The organizational mechanism of state regulation is intended to ensure the functioning and coordination of institutions (subjects) of state regulation in the field of culture. In other words, it represents a set of rules and procedures regarding the

design of the functional structure of management and regulation of interaction between its participants; the ordering of their powers, delimitation, and avoidance of duplication of functions of central executive authorities, executive authorities, and local self-government bodies [40].

The recognition of these mechanisms illustrates the complexity of governance and regulation in the cultural sphere and emphasizes the need for a multifaceted and thoughtful approach. In the context of state regulation, understanding and employing these mechanisms can help create a more coherent, effective, and responsive system for managing the diverse and dynamic aspects of culture within a society.

The consideration of the institutional provision of state regulation of the sociocultural sphere should begin with the study of the origin of terms such as "institute", "institutions", "institutional provision", and "institutionalism", the essence of which is thoroughly examined by the representatives of economic sciences. Nowadays, Nobel laureate D. North is considered to be the founder of institutionalism. D. North emphasizes that the concept of "institutions" encompasses any types of constraints created to steer human interaction in a particular direction. The purpose of institutions in a society is to reduce uncertainty by establishing a stable structure of human interaction. The form of institutions manifestation is the institute – the subject of the institutional mechanism. He points out that there are no other solutions except using institutional mechanisms to establish the rules of the game, and using an organization in order to ensure compliance with these rules [92, p. 28].

D. North acknowledges that institutional constraints include both prohibiting individuals from doing something and the conditions under which they are sometimes allowed to perform certain types of activities, thus proving that "institutions are the creations of people, so they are also developed and changed by people. The form of manifestation of institutions is institutes [92, p. 25]".

According to M. Oliynyk's perspective, institutional support may include: 1) financial institutions (money, credit, taxes, liquidity, etc.); 2) institutions of organizations operating in this sector; 3) the state; 4) informal institutions of general order aimed at ensuring synergistic effect in the functioning of the financial sector of the economy through the optimal combination of interests of all participants (trust) [107].

One interesting feature is the presence of formal and informal institutions that create the institutional environment. D. North defines informal institutions as arising from information transmitted in the form of social mechanisms and, in most cases, as part of what is called culture. Informal rules were crucial in a period of human history when relations between people were not regulated by formal (written) laws. Informal institutions (constraints) permeate modern economies as well. Emerging as a means of coordinating repeated forms of human interaction, informal constraints can be seen as: 1) extensions, developments, and modifications of formal rules; 2) socially sanctioned norms of behavior; 3) internally obligatory standards of behavior. In fact, the role of informal institutions is fulfilled by business ethics or moral practices, which have been the subject of extensive research. Business ethics enhances the level of societal and therefore economic coordination in the market.

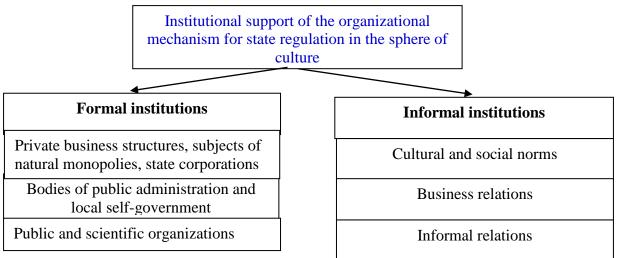


Figure 1.4. Institutional Support of the Organizational Mechanism for State Regulation in the Sphere of Culture

Source: Compiled independently

As for formal institutions, they are typically categorized into: 1. political institutions; 2. economic institutions; 3. contract systems (methods and procedures for entering into contracts regulated by legal norms and laws). Special organizations are necessary for the functioning of formal institutions. Formal institutions effectively operate through specific state institutions and organizations. Informal institutions function in the form of oral agreements to achieve their goals [82, p. 31].

Thus, institutional support of the organizational mechanism for state regulation in the socio-cultural sphere can be presented as follows, see Figure 1.4.

The organizational structure of the managerial system holds a special significance in the organizational mechanism for state regulation in the sphere of culture. Organizational structure encompasses:

- the sequential breakdown of the system into individual subsystems and elements;
- establishing hierarchical relationships between these components;
- developing managerial methods for each subsystem that align with the principles and methods of economic management.

The structuring of the system is a stage in systems analysis, involving the division of the entire set of objects and processes related to the defined goal. It primarily divides them into the system under research and the external environment. Then, individual components are identified as subsystems and elements of the system under study, while possible external influences are presented as the collections of elementary impacts [19, p. 24].

State regulation in the sphere of culture is carried out by governmental bodies corresponding to the state structure of a society. However, it is agreed upon by both foreign and domestic scholars that the function of governing entities at higher hierarchical levels, due to decentralization in the management of the cultural sphere, should not be directive but rather coordinative [1, 30, 40, 53].

It must be taken into account that the composition of ministries and agencies is not constant. In the process of dialectical development of the science of managing large systems, significant changes can occur under the influence of changing societal needs. Individual organizations may open, close, pass from state to municipal control, or vice versa. Changes in the nature of enterprises' activities are also possible. Therefore, the organizational structure in the sphere of culture is constantly a subject to change.

A crucial component of the organizational mechanism for state regulation in the cultural sphere is work with the personnel. Among the various types of professional work, managerial activity holds a special position. The essence of professionalism in managerial work under specific conditions is expressed in a manager's tendency to conduct activities in accordance with the objective laws for this type of work. Achieving the highest possible congruence (correspondence of the real characteristics of managerial work to the laws and principles formulated based on them) in this matter reflects the acmeological aspect of manager's work.

The main task of the managerial activity involves organization of effective relationships and interactions within the managed team, ensuring successful achievement of specific goals.

Currently, the necessity of creating a common model of a modern manager is emphasized. This model may include the following characteristics:

1. Knowledge and skills: a manager should have a broad outlook and systematic, non-standard thinking, possess the ability to carry out business design, forecast development of the organization.

2. Personal qualities include such qualities as initiative, creativity, ability to generate ideas, influence people, communicability, emotional balance, and adaptability.

3. Leadership skills. Effective managerial skills are crucial, and they can be influenced by such factors as clear personal goals, problem-solving abilities, values, teaching skills, self-management abilities, and creativity.

4. Constraints to self-development, which include such limitations or drawbacks as incapability to self-manage, vague personal goals and values, a lack of creative approach, inability to influence others, weak skills in managing human and material resources, and inadequate teaching abilities [26, p. 26].

Creating a modern manager's model that encompasses these characteristics can help organizations identify and develop effective leadership within their ranks.

The essence of optimal management lies in ensuring effective managerial influence of the subject on the object of management while utilizing resources and efforts in the most rational manner within specific conditions and real-world managerial scenarios. The degree of optimality is ascertained through the evaluation of the actual managerial endeavors of a leader, guided by predefined criteria of optimality. Therefore, the optimization of professional activities entails the alignment of their present state with the criteria of optimality.

Modern managerial practices within the cultural sphere exhibit several distinctive characteristics. The presence of a diverse array of cultural needs among the society, social groups, and individuals has engendered a plethora of cultural organizations, each uniquely capable of meeting these multifaceted demands.

Managerial activities in cultural organizations are conducted within the framework of a structured system. This system of management comprises structural elements intricately interlinked by stable managerial associations. These associations are shaped by the objectives, mandates, and exigencies inherent to the organization's operations, ultimately culminating in the realization of elevated performance outcomes.

Contemporary management highlights a new figure – a well-qualified manager, capable of overseeing finance, personnel, marketing, and decision-making. Therefore, it is entirely justified that researchers are paying special attention to analyzing the place and role of managers in cultural organizations [57, p. 110].

A manager working in the cultural sector must be competent in the field, and multifunctional as an organizer. Analyzing the specifics of manager's activities, G. Goldstein highlights three logical emphases formulated in the form of possible answers to the following questions: What do I want to achieve and why? How do I organize what I want to achieve? Can I achieve what I want? According to the researcher, the answer to the first question helps understand the manager's mission and strategic goals, the answer to the second question clarifies organizational aspect of their work, and the answer to the third one aids in understanding whether their goals are attainable.

The very formulation of questions addressed to a manager orients them toward a specific sequence of organizational actions, while the content of the anticipated answers to the last question takes on the character of assessing their potential capabilities. As a result, the dominant course of action for the manager is determined, which can be presented as follows: if during the business strategy formulation stage, the manager creates the prerequisites for successful management (comprehensive consideration of the cultural and financial policies of the state, international connections, conducting marketing, searching for innovations, etc.), then during the implementation stage, the manager must undertake activities necessary for the organization's growth.

This structural and logical scheme is directly addressed to the manager because in the market conditions, they have to rely solely on themselves, and the success of the endeavor will depend on their clear understanding of the goal and the technology of fundraising – the activity of attracting and accumulating financial resources from various sources for the implementation of social and cultural programs and projects. Fundraising is oriented toward the realization of specific projects which do not have direct commercial benefits. This technology involves a close interplay of interests among government authorities, the business community, the public, professional communities, and the possibilities of both commercial and non-profit activities [89, p. 21]. In Ukraine, the development of fundraising technology is still in its early stages of formation and growth.

Next, let's examine economic mechanism of state governance. In our view, the most comprehensive definition of this mechanism is provided in the Encyclopedic Dictionary of Public Administration, which defines it as the totality of financial and economic managerial methods, instruments, and incentives used by the state to regulate economic processes and ensure the implementation of socio-economic functions. These methods are formulated based on the basic functions and principles of economic policy and are aimed at achieving a specific goal and resolving development contradictions. The use of certain methods of direct influence involves state regulation in which economic entities are required to make decisions based not on independent economic choices but on government directives. Methods of indirect influence involve the state creating the necessary conditions for economic entities to lean toward economic decisions that align with the goals of economic policy [70, p. 422].

In summary, based on definitions provided in academic literature [70; 113; 114], among others, we consider the economic mechanism as a collection of

economic methods and means aimed at developing the cultural sector through rational planning of this process and the use of a program-targeted approach.

The transformations taking place in modern Ukrainian society bring to the forefront the issues of cultivating strategic thinking among cultural actors and the corresponding skills of goal-setting. Forecasting and planning the development of cultural policy become the primary task for actors in the cultural sector.

Planning is not contested to be the most crucial stage in the management process and an integral component of the mechanism of state regulation in the cultural sector. It defines objectives (for enterprises, groups, individuals), the most effective methods and means necessary to achieve these objectives, and a system of indicators that determine the progress towards achieving these goals [83, p. 51]. In other words, on the one hand, planning involves setting goals and determining the ways to achieve them, and on the other hand, it consists of a set of interconnected indicators that assess the correctness of the chosen methods for achieving the goal and the progress of this process.

According to V. Kostin, management is the activity that involves the development of a draft activity (an informational image). The project, in this case, acts as a program of the performer, that is, it is a complex ideal image, due to which the organization of the activities of both the subject of management and the controlled subjects is carried out [94, pp. 9-15]. Thus, the essence of managerial activity lies in the development of activity programs by management subjects and the determination of ways to implement them. Thus, the content of managerial activity is the development by managing entities of activity programs and the definition of ways to implement them. It is in public administration that the development and implementation of targeted programs is one of the main activities.

Currently, the relevance of applying the information and communication mechanism of state regulation in the cultural sphere is quite high. This mechanism includes such methods as information support, which consists of scientific developments, methodological and informational guidance on state regulation in the cultural sphere, as well as a system of monitoring and analytical support for decisionmaking; social partnership; social monitoring; social marketing. The key to the successful operation of the public sector always lies in the activities of public officials. However, traditional methods of information processing are no longer effective for adequately serving the needs of citizens [51].

The most obvious way to transform the public sector through the use of the Internet is to reduce the time and effort expended by citizens and businesses in dealing with a large number of documents. Situations where one government official is responsible for the entire business process from start to finish are relatively rare, so employees of government institutions need to learn to work in teams and establish collaborative work based on a unified information space that integrates various documents and databases across different server systems.

In the age of information technology, decision-making managers and analysts should have access to information at any time, from anywhere, and using any device. Civil officials directly involved in providing services to citizens should become information specialists who can use document management tools, understand any situation, laws, and regulations, and have the ability to make decisions. Instant access to documents stored on "electronic desktops" or in "clouds" ensures a unified approach to tasks, allows for quicker responses to citizens' requests, and reduces the time spent on administrative functions.

In the past, government information systems did not have the capability for modernization, leading to a proliferation of incompatible systems and services. Maintaining separate systems for email, large volumes of departmental data, and citizen information hindered the effective use of this information. However, governmental organizations can overcome these challenges through the integration of business and record-keeping processes using open web technologies, which allow for the seamless integration of applications, devices, and databases.

It's time to give users control over communication, both in real-time and asynchronously, rather than forcing them to use different, distinct communication tools such as fax, voicemail, instant messaging, email, and other means of information exchange.

There are positive examples of information technology usage in government organizations abroad. Until recently, the municipal administration of Salzburg, Austria, used an automated system for approving building projects that operated within a centralized computing environment. They have now transitioned to a business process management system combined with an electronic document management system. As a result, all municipal services involved in licensing and other administrative activities can access information on the progress of all construction projects in the city, which can number up to 3,500 annually, at any time. Business process management has saved municipal administration staff time and improved the quality of information and services provided to construction organizations.

By implementing electronic document management and record-keeping systems, governmental organizations aim to have data repositories that meet the needs of both employees and citizens, providing them with access to necessary information.

Strategically leveraging information technology can assist government agencies in the following ways:

- providing government employees with the ability to access information quickly and easily at any time, from anywhere, using any device. They should also have the capability to create, manage, and collaborate on this information and take actions based on it. Government officials should have analytical tools and collaborative features at their disposal. They should be able to query databases and perform data analysis from both their desktop computers and mobile devices. Lastly, they should have access to a unified tool that is available across all device types, combining calendars, email, task synchronization, and management.
- Enabling the delivery of services that align with citizens' needs, responding to their requests quickly and efficiently. Access to databases and data analysis tools should be available from various types of devices.
- Increasing the institution's efficiency by organizing collaborative work among employees, integrating information resource management, information tracking, and analytical systems. This includes user-friendly development

tools, integration with existing and third-party systems, and a high level of security and user authentication to protect departmental information.

Web technologies, such as Intranets (internal organizational networks) and messaging infrastructures, contribute to the further development of communication and information sharing. They create collaborative knowledge workspace where information is stored and organized across the entire government institution, optimizing business processes and facilitating collaboration among employees.

XML web services enable interaction between government officials and citizens, allowing them to exchange messages in written or visual formats. Information can be securely stored "in the cloud" on the Internet, allowing users to access it from personal computers, tablets, mobile phones, and other devices. The advancement of mobile technologies creates a unified environment that provides government employees with constant access to essential information, including work calendars, email, maps, task lists, and meeting schedules. Employees can receive real-time updates and fresh data, enabling them to work efficiently regardless of their location, whether in the office, at home, or while traveling.

Today, the society places novel demands upon institutions in the realm of culture. These demands facilitate the evolution of public dialogue and augment the significance of cultural-ecological and humanitarian aspects within socio-economic activities. Moreover, these demands stimulate the pursuit and implementation of innovative methods and technologies for cultural engagement with the population. Rapid expansion is witnessed in the communicative space of social partnerships, integrating diverse means of communication.

The continuous refinement of mass communication tools lays the groundwork for socio-cultural realities. Herein, social partnership stands as an instrument for mediating interactions between large social groups. Such a relational system holds relevance not only for the state as a whole but also for individual territorial communities.

Within the domain of culture, social partnerships are oriented towards fostering and satisfying the intellectual, informational, and aesthetic interests of individuals. They focus on finding a compromise between the cultural needs of diverse population groups and the overarching objectives of the state's cultural policy.

In scientific literature, social partnership is perceived as an effective mechanism for achieving full collaboration among all parties. According to many contemporary authors, social partnership signifies a reciprocity, aligning interests of various groups in a socially diverse society with the aim of attaining stability. As a societal phenomenon, social partnership is intrinsically linked with the exercise of power [194, p. 24]. In our view, this particular formulation somewhat narrows the socio-cultural opportunities for both theoretical and practical realization of social partnership in the modern world.

Social partnership enables individuals to successfully advance interests that align with the majority of community members. The analysis of the relationship between an individual and society within social partnership is conducted along the following lines:

- ensuring the accessibility of diverse forms within the culture of social partnership;

- creating conditions for improving the quality of life and activities through social partnership;

- ensuring the safety and preservation of health for the subjects engaged in social partnership;

- providing resources to support the development of professional orientations and needs through social partnership;

- enhancing the efficiency of management within the socio-cultural sphere through social partnership;

- systematic and prospectively oriented provision of professional personnel by employers.

As a result of synthesizing the discussed information, it is possible to refine the essence of the concept "state regulation in the field of culture", which is proposed to be interpreted as a continuous process of influence by government authorities and local self-government, organizations of all forms of ownership, and institutions of civil society on the sphere of culture. This process is based on principles of

democratization, legal regulation, control, with the implementation of functions related to information support, forecasting, practical and communicative functions, with the aim of providing high-quality socio-cultural services to the population (Table 1.2).

Table 1.2

	Components of State Regulation in the Cultural Sphere
Components	Content
Objective	The aim of state regulation in the cultural sphere is the development of its branches
	engaged in the production, distribution, and organization of cultural and informational
	services, thereby satisfying the cultural and informational needs of the population.
Tasks	- development of cultural initiatives;
	- encouragement of creative activity among the population;
	- support for new forms of cultural activities;
	- orientation of state policy towards priority population groups to ensure "equal
	opportunities" and real access to services in the modern cultural sphere;
	- tolerance, compromise, consensus, neutrality.
Principles	- democracy, legality, voluntariness, equality of parties;
	- humanism, social solidarity, social justice;
	- social dialogue, cooperation, interaction;
	- competition, confrontation, opposition, struggle;
	- tolerance, compromise, consensus, neutrality.
Functions	Analytical and evaluative: developmental, informational and educational, cultural and
	creative, recreational and health-oriented. Its qualitative essence is developmental rather
	than entertaining.
	Coordination: organization and economic relationship management, interaction of
	government bodies.
	Control: enforcement of legal requirements and the demands of relevant authorities in
	the development of the cultural sphere.
	Informational: support for decision-making in management.
Mechanisms	Legal, organizational, economic, informational and communicative.

Components of State Regulation in the Cultural Sphere

Source: compiled independently.

For practical implementation of such diverse and large-scale measures related to the development of the cultural sphere, it is necessary to have the support of all government authorities and local self-government, as well as the synchronization and coordination of efforts at all levels.

## **Conclusions to CHAPTER 1**

1. The consolidation of the main theoretical provisions of state regulation of the cultural sphere development has allowed us to define its purpose, basic principles, functions, and mechanisms. 2. Applying a systemic approach, we have examined the development of the cultural sphere from the perspective of the interaction between the controlling and controlled subsystems (as the subject and object of management). According to this approach, the subject of management is a component of the system and has a direct influence on it. The system is the object of management and exerts a reciprocal influence on the subject.

The subject and object of state regulation in the cultural sphere have been identified, with the state acting as the subject through its governing authorities. The object is the cultural sphere.

In other words, the cultural sphere comprises a set of branches, sub-branches, and types of activities whose functional purpose is expressed in the production and provision of services and spiritual goods to the population.

It has been established that the subject of state regulation in the cultural sphere is not only the state itself but also civil and scientific organizations, private business structures, natural monopoly entities, state corporations, and society as a whole. The state plays a primary role due to its specific rights and powers and possesses specialized institutions, bodies, and services through which it conducts activities aimed at influencing the cultural sphere.

3. As a result of summarizing the findings, it has been determined that the principles of state regulation in the cultural sphere represent manifestations of objective, universal, and necessary regularities in the interactions between government authorities and society. The primary principles of state regulation in the cultural sphere include democratization, legal regulation, comprehensiveness, objectivity, social orientation, controllability, and transparency. These principles are interconnected and, therefore, their comprehensive and systematic application in correlation and interdependence with one another is of utmost importance.

4. According to the functional approach to research, state regulation in the cultural sphere is defined as the integral sum of its functions, with each expert having their own interpretation of the quantity and content of these functions. The functions of state regulation in the cultural sphere can include organization, coordination, planning, and control.

Management functions are implemented through the application of relevant management methods. It has been noted that the specificity of management methods in the cultural sphere encompasses not only normative-legal, administrative, economic, and informational methods but also social-psychological methods (such as persuasion methods). This is due to the fact that specific segments of the population are an integral part of the management object.

5. It has been proved that the mechanisms of state regulation in the cultural sphere, as instruments, entail the means of achieving the set tasks within defined time frames through the influence of the subject (primarily the state through its authorities - state regulation) on a designated object (the cultural sphere).

Therefore, the mechanisms of state regulation in the cultural sphere can be categorized into legal, economic, organizational, and informational-communicative. These mechanisms employ their own methods, means, and instruments to exert influence on the cultural sphere.

It has been demonstrated that the legal mechanism of state management in the cultural sphere encompasses international legal and national legal norms, legal relationships, normative legal acts, legal culture, and awareness. The main characteristics of the legal mechanism include its connection to a specific goal and its systemic nature. This systemic nature implies not merely the automatic aggregation of legal norms concerning the chosen area of regulation (in this case, the cultural sphere) but rather their organized and interconnected totality, capable of ensuring the achievement of the set objective through the lawful implementation of the existing interests by the entities involved.

The organizational mechanism of state regulation is designed to ensure the functioning and coordination of institutions (subjects) of state regulation in the cultural sphere. It represents a set of rules and procedures for designing the functional structure of management and regulating the interaction of its participants. This mechanism involves organizing their powers, delineating and avoiding duplication of functions between central executive authorities, executive authorities, and local self-government bodies.

It has been established that the economic mechanism of state regulation in the

cultural sphere combines processes of social protection of the population and increasing the efficiency of its branches. These processes include:

- developing specific standards (socially guaranteed minimum) for the consumption of cultural services per capita and by age or other significant groups.

- facilitating the complementing of free services, provided based on the socially guaranteed minimum, with paid services. This allows certain segments of the population to access higher quality and a wider range of services using their own funds or funds from enterprises, which the state may not be able to guarantee to all citizens due to resource limitations.

- identifying sources and scales of state support for the cultural sphere and involving private capital in supporting this sphere.

- encouraging the activities of non-governmental organizations in the cultural sphere.

Summarizing these definitions, we consider economic mechanisms as a set of economic methods and means aimed at developing the cultural sphere through rational planning of this process and using a program-targeted approach.

# CHAPTER 2 THE CURRENT STATE OF STATE REGULATION IN CULTURAL SPHERE DEVELOPMENT

# 2.1. Organizational and Economic Aspects of State Regulation in the Cultural Sphere

The methodology of state regulation in the sphere of culture is being shaped in modern Ukraine under the influence of socio-cultural transformation processes, which represent a complex, predominantly evolutionary transformation of society as a socio-cultural system. According to O. Chernysh, the comprehensiveness of these transformations is viewed as a transformation process that encompasses fundamental structures and phenomena of the system that cannot be reduced to "top-down reforms," and its course and outcome largely depend on the actions of mass social groups. This stipulates fundamental ambiguity of the results. The transformation can result in either progressive development or regression and even degradation of a society, when due to the transformative changes, a society may be dropped a few levels back in its development [227, p. 57]. Globalization can also be considered a transformation process on a global scale, which proceeds non-linearly, ambiguously, and often unpredictably, even for the key subjects involved in the process.

Currently, there exist organizational, economic, and legal issues related to the formation of the cultural services sphere. There is no comprehensive understanding of the necessary conditions and mechanisms required for the development of an effectively functioning cultural sphere, the impact of structural innovations on social processes in a society has not been thoroughly studied. The problems concerning the methodology of managing the sphere of culture, especially in the context of economic transformation, are not frequently enter the scope of researchers' focus.

V. Heets emphasizes that during the research of structural shifts in socioeconomic systems, the evolutionary method of research is productive, which forms the basis of modern institutionalism as a developed system of views on the structure and ways of transformation of a society and its institutions [31, p. 54]. However, there are also other methodological approaches used in science to study the processes of transformation of social and economic systems.

Each of these approaches allows identify only a part of changes in the economic structure. For this reason, it is necessary to apply a variety of scientific methods for the development and implementation of structural transformations, focusing on structural analysis and regulation of economic development as the two most important methodological components of structural policy. Apart from the general regularities determined by the transformation of economic systems and changes in technological paradigms, certain specific particularities of the national economic mentality have a significant impact on the forms of state participation in the country's economy.

The problem of transformation is the least developed and most debated in scientific literature: it is defined as a change in social forms during the transition from one qualitative state to another, which has several vectors of direction: constructive, stagnant, and destructive. Depending on the nature of management, transformational changes can be purposeful or chaotic (uncontrolled). Constructive transformation presupposes such changes in social forms and selective processes, which result in progressive changes, and the quality of life improves. Destructive transformation is more associated with the archaization of social structures, their "gravitation" to social forms that have developed in simpler conditions and do not correspond to the growing complexity of the world. Stagnant transformation occupies an intermediate position between constructive and destructive forms and is characterized by the external change of sociocultural norms without acquiring a new quality [74, p. 21].

The formation and development of the methodology of state regulation in the field of culture in modern Ukraine are influenced by external and internal factors [94, p. 75]. The external factor is the global imperative of designing an information society with a "new economy" based on scientific management, high technology, and priorities: managerial intelligence over the exploitation of natural resources, intellectual and human capital over material capital, and innovation development over a focus on raw materials. The internal factor is the "management in a transitional social system," namely, to what extent reforms execute the imperative of integrating Ukrainian society into the coordinates of the information society and the "new

economy."

As V. Stepanov rightfully asserts, the creation of effective methodological foundations for state regulation in the field of culture plays a crucial role in the current stage of economic transformations. These foundations ensure the most comprehensive and efficient disclosure and realization of human potential, which is the most important resource for renewing the modern Ukrainian economy [88, p. 115].

In the conditions of Ukraine's economic transformation, the issues of managing the sphere of culture primarily concern the creation of optimal methodological foundations for managing institutions in the field of culture as they are the institutions producing cultural services that require the improvement of management mechanisms for successful adaptation to the laws of the innovation economy and to enhance competitiveness in the social services market. The introduction of innovative methodological foundations into the managerial processes of cultural institutions allows perform managerial control over changes in the field of culture and the introduction of uniform rules for fulfilling management decisions, ensuring mutual understanding and productive interaction among all members of the society.

Therefore, the effectiveness of state regulation in the field of culture depends on the correct choice of instruments, methods, and management mechanisms and is determined by the available resources and their sources.

Government and municipal sources of funding for the cultural sector include:

1. Budgetary sources of funding:

- state budget (tax revenues);

- local (municipal) budget (tax revenues, interbudgetary transfers).

2. Extrabudgetary sources of funding:

- financial resources from state and municipal social extrabudgetary funds;

- own funds of state and municipal cultural organizations.

Private sources of funding for the cultural sector include:

- non-governmental social extrabudgetary funds;

- household savings and income of private organizations for the payment of cultural services;

- own funds of private organizations in the cultural sector (revenues from entrepreneurial activities, interest, loans, etc.);

- charitable funds;

- funds from public organizations.

The source elements of budget financing for the cultural sector include guarantees from the state, and their volume is determined not only by social but also economic tasks of the country. In economic terms, it is important to consider two directions. The first is to ensure the reproduction of labor resources, and the second is to create conditions for forming the maximum possible level of "human capital" development within existing resource constraints by the state and municipalities. The second direction is particularly significant in the transition to a post-industrial stage of economic development and transformation of a human factor into the main factor of economic growth. It is the cultural services' sphere (healthcare, education, culture) where the foundations of economy include reducing government expenditures and increasing the efficiency of budget resource utilization for the purpose of economic growth (see Figure 2.1). Therefore, it is important to find the optimal combination of these interdependent factors.

In the context of market relations, cultural and educational institutions transitioned to commercial principles, which led to the estrangement of significant segments of the population from culture and represented a survival problem for library and museum workers. Overcoming the cultural crisis from managerial perspective involves optimizing the forms and directions of governmental support for culture and attracting additional materials and financial resources to culture. Given the current realities, the idea of involving various sources, including privatization of property, encouraging sponsorship and patronage, is gaining an increasing importance in addressing the issues of the cultural sector.

Several variants of cultural objects' privatization are described in:

- commercial privatization with established requirements for the use of privatized property;

- commercial privatization without the establishment of such requirements,

where the use of cultural and educational institutions for purposes other than their direct purpose is allowed;

- transfer of state (municipal) property to the ownership of a public association;

- transfer of state (municipal) property to the ownership of non-commercial organizations;

- transfer of property to a non-commercial organization where the state is a cofounder.

Without rejecting the possibility of privatization in the cultural sector in principle, it is envisaged that its implementation should be introduced in limited scales, taking into account the socio-cultural situation in the region and comparing the conditions for privatization with the principles of cultural policy focused on preserving the cultural heritage of society, ensuring accessibility to the population, supporting creativity, developing professional art, and nurturing the younger generation. Not every method of privatization meets these requirements, so the state policy of cultural support should be emphasized.

The state policy proposes a series of measures to stabilize the financial situation in the field of culture, implement practical social security systems, and form new institutional forms for the social sector development.

Nowadays, the levels of budgetary funding do not meet resource needs of cultural services. Moreover, budget expenditures for the cultural sector are consistently decreasing. Budgetary funds are clearly insufficient for the normal functioning of the cultural service system to be provided for the population. The lack of a necessary financial basis is one of the reasons for the uncontrolled process of blurring the system of free cultural services. This leads to a decline in the quality of cultural services provided to the population, the substitution of free services with the paid ones, and many cultural institutions are forced to lease their premises to commercial organizations. It should also be noted that the tax policy does not effectively stimulate an increase in the share of non-governmental financing for the cultural sector. The tax deduction for charitable activities for legal entities is only 3% of the total amount, while global experience shows that tax incentives for philanthropy should be in the range of 5-10% to work effectively. In Ukrainian

legislation, the 5% tax deduction is only provided for donations to state (not municipal) cultural organizations. However, philanthropy is an additional source for the cultural sector funding.

The scientific literature describes several ways to stabilize funding for the cultural sector:

- Establish minimum expenditure quotas from state and local budgets for healthcare, education, and culture.
- Introduce dedicated taxes to fund the cultural sector or allocate specific portions of existing taxes and tax rates as earmarked funds for cultural financing.
- Set minimum expenditure standards for the state's spending on the cultural sector, either in monetary terms per capita or as a percentage of the gross domestic product for the respective sectors.
- Expand the list of expenditure items in the cultural sector that fall under the concept of "protected budget items" – expenditure items that receive priority funding.

These measures' goal is to ensure stable and adequate financing for cultural services and promote the development of the cultural sector.

Regional programs' development plays an exceptionally important role in state regulation of cultural development. Past experiences with the development and implementation of regional programs in the cultural sector have shown that possessing a strategy offers several undeniable advantages, making state regulation in this area more effective. Experience gained through regional programs helps identify key problems, the resolution of which would enable the construction of cultural policies at a qualitatively different level, ensuring the achievement of set goals. An essential aspect of achieving the program's goals and objectives is the creation of a comprehensive system of operational communication and computer technology, informatization, and software that would streamline information flows and achieve highly qualified information processing, building an algorithm for management activities on this basis.

With reference to scientific information-analytical support, the process of

developing targeted programs and projects can become the organizing start of constructive interaction between various stakeholders in the cultural sector and development of the corresponding organizational and managerial structures that facilitate such interaction.

The analysis shows that success in implementing cultural projects is achieved where management is characterized by its flexibility and alternatives. To overcome formalism of administrative management, comprehensive self-organization of cultural activity subjects is required. With the account of the dynamic nature of processes in the cultural sphere, the optimal management organization is one where all stakeholders unite together to analyze the situation, set goals, determine their relationship with resources, and choose priorities. This includes those who manage and finance culture, those who consume cultural goods, and those who create them.

The specificity of cultural development necessitates the development of managerial methods which ensure the conditions for self-organization of activity subjects. Self-organization involves expansion of the system and is characterized by the assimilation of ready-made structures from the environment, which the system grows according to a certain plan. The system is self-organized as much as it performs the function of generating information. This is a key aspect of managerial activity, and it's important to evaluate the obtained information according to a certain value scale.

The situation in Ukraine calls for appropriate organizational and managerial structures, including a significant reorientation of current activities, including in the field of culture. Among the fundamental aspects of building new structures, the following can be highlighted: a focus on consumers and the market for cultural services, the creation of dynamic target groups for operational management instead of departments, minimizing levels of management, fostering initiative, and ensuring the personal responsibility of management entities.

Improving management involves taking into account global experience in the field of culture, selecting the most characteristic and promising innovations for Ukraine's conditions, subjecting them to scientific analysis, and adjusting reforms accordingly. The task is to find the optimal balance between the state support for

culture and the use of entrepreneurial mechanisms in this area.

Managing social processes and the sphere of culture at all levels is a highly complex and comprehensive system. The aforementioned type of managerial activity's aim is to primarily influence the sphere of society's activities closely related to meeting the material and spiritual needs of individuals, the functioning of the socio-cultural infrastructure, and the provision of social and cultural goods and services. We can agree with V. Lobas that this can only be achieved by forming a development model based on effective cooperation among various social groups. Such cooperation, in our opinion, is the foundation for ensuring social stability in society, which, in its turn, serves as a guarantee for creating a knowledge-based economy in Ukraine. [4].

Thus, it is possible to make a conclusion that it is impossible to activate innovative processes in all spheres of Ukrainian society without creating a system of cooperation between different social groups. To settle this issue, it is necessary to create conditions in order to accelerate the establishment of partnerships between diverse social groups, to develop the intellectual sphere, which requires changes in the methodology of state regulation in culture. This conclusion is supported by the position of E. Libanova, who claims that the modernization of Ukraine's economy should be based on intellectualizing the activities of labor collectives, fostering optimistic expectations in a society, improving the qualifications and creative activity of workers [90, p. 52].

Within the framework of state regulation in the cultural sphere, it is important to create conditions for collective creative, labor, and spiritual upliftment of people united by highly organized joint work. Radical changes are needed in almost all aspects of social life. This means that as part of the modernization of Ukraine's economy, the state is called upon to direct its efforts toward the rapid growth of Ukraine's intellectual potential, creating conditions to demand for the results of intellectual work in all spheres of the society's activities.

According to V. Bakumenko, the problems of forming universal managerial methods in culture directly depend on: "the complex of the existing problems within the cultural sphere itself and its individual branches; the specifics of financing and

attractiveness for investors; the nature of the products (services) produced in the branch and their social significance for the population [15, p. 34]."

The main problems in forming an effective methodological system for state regulation in the field of culture in Ukraine can be summarized as follows:

- general reduction in the number of cultural objects, the volume, and variety of goods and services provided to the population over the past 20 years;
- significant changes of the branch structure in the cultural sphere, often not reflecting the real needs of the population and the income levels of vulnerable and low-income groups;
- insufficient consideration of social-demographic factors for the development of the cultural sphere and its investment;
- regional discrepancy in the standard of living, often not solely based on the socio-economic conditions of the territory;
- loss of comprehensiveness in addressing social issues;
- significant differentiation in the income and expenditure of the population on services provided by cultural sector enterprises;
- rapid growth of the "shadow" sector in the cultural sphere, leading to reduced tax revenue and criminalization of the sector.

These challenges highlight the complexity of managing culture in Ukraine and the need for comprehensive reforms and policies that take into account the diverse needs and socio-economic conditions across the country. Addressing these issues will be crucial for promoting the development of culture and ensuring its accessibility to all segments of the population.

As many researchers have noted, currently, there is a gradual transition towards combining a departmental approach with a program-targeted managerial method in the cultural sector [69, p. 51]. In practice, the combination of departmental and program-targeted managerial methods in the cultural sector is aimed at the implementation of complementary forms of integration: spatial and temporal. Spatial integration in the cultural sector involves the consolidation of activities in various branches of culture across the entire country, while temporal integration involves clear sequence of stages to achieve the main goal outlined in the project. Managing the cultural sector by combining departmental and program-targeted methods in the context of Ukraine's transformational processes is characterized by the ability to concentrate limited resources to solve priority tasks in all major spheres of culture. This approach often makes use of indicative planning for social development programs, where the timing of program implementation depends directly on the availability of economic resources.

At the same time, it's worth noting that Ukrainian entrepreneurship can significantly contribute to increasing investments in human resources, improving the educational and cultural levels of the population, enhancing healthcare, improving the quality of goods and services, and creating favorable ecological environment.

The development of an effective system of interaction between government and business is a crucial step towards mutual social responsibility in the journey towards a civil society and a legal state with effective social policies. A rational system of cooperation between different social groups mediates the need for social peace as one of the main conditions for political and economic stability, as well as social progress in society.

Business, as a subject of social governance, can only be recognized as such when its goals are oriented not only towards achieving economic results but also mandatory social outcomes: if it involves production, then the output should be competitive; its industrial activities must take into account the ecological factor; the firm's development should be linked with the progress of its territorial region; improving and upgrading the qualifications of employees should be associated with measures to enhance the local health and education systems, and expanding the market niche should involve resolving consumer issues [50, p. 51].

One of the initial steps in the reform of the cultural sector by the state should be clear legislative establishment of the principles for the operation of non-profit organizations. In Ukraine, the imperfections in the legal system allow many companies to masquerade as non-profit organizations while engaging in activities far removed from providing cultural services.

In a market economy, the primary model is commercial entrepreneurship; this is an axiom. However, there are types of economic activities that cannot exist solely on the basis of a commercial model of entrepreneurship and require a certain regulation of a non-market nature. Dozens of programs designed to overcome crises have been unanimous in the view that fundamental science, culture, and environmental protection, i.e., sectors within the realm of culture, belong to the non-market sector of the economy.

The cultural sphere, by its functions, gravitates towards the non-commercial sector. If society, as the main benchmark for its activities, establishes profit, then it stands to lose more than it gains.

Non-profit organizations are often referred to as an alternative form of economic management. In this sphere, commercial (for-profit) organizations are considered as the opposite. Thus, classic entrepreneurship is contrasted with non-profit activity. According to the classification proposed by American experts, three categories of non-profit structures are distinguished. The first category includes organizations that exist through public support and charity in areas such as education, healthcare, culture, religion, environmental protection, international aid, etc. The second category comprises 'mutual benefit' societies or 'club' structures, whose activities are dedicated to the interests of their members and are mainly financed through membership fees. The third category includes political parties and social movements (youth, women's, consumer groups, and others), whose aim is to promote social 'well-being' and protect the interests of certain segments of the population.

Typically, organizations belonging to the first group fall within the cultural sphere. As for the second and third groups, they are collectively termed 'public organizations' in Ukraine, with their status determined by relevant legislative acts.

According to the Civil Code of Ukraine, the activity of non-profit organizations is characterized as:

- not having profit-making as its primary goal;

- having a prohibition on the distribution of profit among its participants [23].

The main objective of non-profit organizations is to achieve social benefit, thus satisfying non-material needs is a distinctive feature of their functioning. As noted by domestic researchers, the main defining characteristic of non-profit structures is the limitation on the distribution of profits or assets among founders, management, staff, and 'donors'. Therefore, even without an orientation towards profit-making, profit can still be generated. However, imposing a prohibition on profit-making could negatively impact the operations of non-profit organizations. In this matter, the intended use of the profit is critically important. The generated profit is not subject to distribution, similar to how it occurs among shareholders.

An organization attains non-profit status if its activities are focused on charity, as well as the development of education, healthcare, culture, religion, sports, etc. Non-profit organizations operate in a broad spectrum – ranging from animal protection to patriotic education of youth. However, not every organization in the cultural sphere can be classified as non-profit, as there can be profit-seeking entities within it, such as gaming establishments, amusement attractions, cinemas, etc.

Non-profit organizations function on the basis of both state and non-state ownership. State non-profit organizations are funded by the state budget, while nonstate ones are supported by non-budgetary funds, both gratuitous and paid, although state support is not excluded for them. The most common is a mixed form of ownership for non-profit organizations.

In the economy of the Soviet period, the state non-profit sector existed in the form of public organizations (trade unions, creative unions: of composers, writers, etc.), which were not ideologically free and economically independent.

Non-profit organizations can have both internal and external sources of funding. Internal sources include:

- contributions from founders (participants) or members, both regular (membership fees) and one-time (e.g., property contribution to the founding fund or an autonomous non-profit organization);

- revenue from the sale of goods (works, services), the production (sale) of which is the main activity of the non-profit organization;

- income earned from securities and deposits of the non-profit organization.

External sources of funding can be any voluntary property and financial contributions, which are gratuitous donations or sponsorships.

In summary, the main directions for improving economic mechanisms of cultural policy implementation are:

- first, the state should define its obligations to provide a socially significant minimum of free cultural services to the population according to its real financial capabilities. Funding for cultural sector expenses should be based on stable economic norms, with the main criterion for calculation being the share of budget expenditures on cultural events in the gross domestic product.

- Secondly, the state must ensure effective control over the expenditure of allocated funds. To achieve this, it is essential to ensure "transparency" in the relevant financial flows and the economic activities of state and municipal non-profit organizations that provide cultural services to the population. As measures to ensure "transparency", it is proposed to require all recipients of state resources to publish reports on the status of their budgets and the expenditure of provided funds.

- Thirdly, conditions should be created to attract private capital for financing cultural institutions. Therefore, it is necessary to introduce maximum tax and credit incentives for social investments and sectors that generate interest in mobilizing non-budgetary funds.

Therefore, it can be asserted that state regulation of the cultural sphere, based on the consideration of mutual interests, is the most appropriate way of combining the principles of freedom and authority to ensure the well-being of the entire society and individual personalities, and to guarantee social justice in the distribution of national income. In our opinion, the effectiveness of the partnership between the state and entrepreneurship is the main tool for achieving the value orientations set at the highest level of state regulation of the cultural sphere. The main principles that should form the basis of such a partnership, in our view, are:

- mutual interest and responsibility;
- targeted orientation;
- final effectiveness;
- informational predictability and openness.

New principles for constructing an effective system of state regulation in the cultural sphere should be based on strategic orientations aimed at large-scale, long-term investments. These investments would foster the emergence of projects directed at updating the managerial, engineering-technical professionals, and skilled workers,

essential for establishing a knowledge-based economy in Ukraine.

Effective state regulation of the cultural sphere significantly influences the unification of the nation, strengthens social unity, and enhances trust in social institutions, which, in turn, reflects on the socio-economic progress of the state.

Innovative challenges that initiated the processes of economic and social transformation in Ukraine have given rise to concepts such as management of social technologies, management of social responsibility, and demanded conceptual changes in personnel management [51, p. 24]. Transformation of the economy, in our view, should be understood as structural, technological, and institutional changes in the national economy aimed at enhancing its global competitiveness.

Over an extended period, the actual processes of socio-economic systems' transformation have altered the value orientations in approaches to the forms, methods, and objectives of structural transformations in the cultural sphere. The stabilization and creation of conditions for the transition to a new rise in the national economy are forming real opportunities for the development of a modern, socially oriented market economy in Ukraine. In this context, strengthening and qualitatively developing cultural sphere becomes particularly significant, as the effectiveness of its management greatly influences the further establishment of an innovative economy in Ukraine.

For active citizen participation in the ongoing processes in the country, it is necessary, in our opinion, to further strengthen the social orientation of reforms. This includes prioritizing investments in the development of social infrastructure, healthcare, education, fundamental and applied science. These areas are pivotal for ensuring that the transformative efforts align with the social and economic needs of the country, fostering a more inclusive and progressive society.

The analysis of the state regulation practice in the cultural sphere of Ukraine allows us to state that:

- the progress of Ukraine's economy currently depends on the success in addressing the challenges of cultural development in society. It is this sphere that now creates the coordinate system for economic growth and the formation of the country's innovative economy; - the creation of a socially oriented state that truly guarantees conditions for the continuous improvement of the population's well-being, solving a set of problems for the creative development of each citizen, forming a secure and strong family, comprehensive care for children, i.e., the foundation of well-being and constant intellectual progress of the nation, is an objectively necessary prerequisite for building a knowledge society and adhering not only to the social rights of each citizen but also to their obligations to the country;

- social progress of society depends not only on its sufficient financial, material, and human resources but even more on the quality and effectiveness of managing the state's available capabilities, its regions, local communities, enterprises, and organizations with the aim of maximizing results in the intellectual development of the individual, continuous growth in cultural and professional level, comprehensive development of innovative approaches in work, which ensure an increase in labor productivity and its competitiveness;

- management of the cultural sphere should be based on planned and prospective programs, the implementation of which is intended to serve as a foundation for the intellectualization of all other areas of the national economy, primarily the economy, fully satisfying society's needs for innovative intellectual products;

- the necessity for radical transformations in the system of state regulation in the cultural sphere is dictated by its current state not meeting the constantly growing and qualitatively changing social needs. The pace of addressing the deficiencies in the country's cultural development will be directly proportional to its societal achievements;

- leadership in cultural processes at all levels is to be based on effective interaction between different societies and social groups, which will allow to achieve a high synergistic effect through joint efforts;

- the process of creating a society built on innovations will be more successful if it relies on the innovative system that stimulates highly productive, innovationoriented work, evaluated based on the actual end results achieved;

- a truly cultural society in Ukraine can only be created through the combined

efforts of the state, private business, public associations, and organizations, interacting with consideration for the interests of all parties.

Having conducted research, it's important to note that the issues for improving the methodology of state regulation in the cultural sphere of Ukraine and expanding research in this area have come to the forefront today, receiving special importance in the formation of the state's cultural policy. Nevertheless, many problems in this area, including organizational, legal, and economic aspects, remain unresolved.

It has been determined that the applied methods necessary for use in the state regulation of the cultural sphere in the context of Ukraine's transformational processes should include those aimed at implementing the main stages of the social management algorithm: social forecasting, designing, programming, and planning.

The transformations in the country's economy, triggered by a deep financial crisis, lead to a change in the methodology of state regulation in the cultural life of Ukrainian society. This necessitates a fundamental alteration of many applied techniques to ensure that the transformations are adequate not only to changes in the social policy of society but also in the entire economy as a whole. The methodology of state regulation in the cultural sphere must incorporate innovative changes, new methods, and management tools that meet the changing requirements and approaches.

In the current conditions, the development and practical implementation of new social standards gain particular significance. This approach will significantly enhance the living standards of the population and ensure conditions for the comprehensive development of the individual.

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#### 2.2. Defining the Effectiveness of State Regulation in the Cultural Sphere

The transformation of Ukraine's state and societal structure in the 21st century is accompanied by changes occurring not only in the legal and economic spheres but also in the social realm. This has led to an increase in the dynamism of societal development and, consequently, to the emergence and intensification of a number of socio-economic problems, the resolution of which directly depends on studying and understanding the effectiveness of state regulation in the cultural sphere.

The concept of "effectiveness of state regulation in the cultural sphere" is characterized by two features: multifacetedness and abstractness. Multifacetedness is evident in the large number of approaches to defining the essence of effectiveness. Abstractness lies in the interpretation of the effectiveness of state regulation in the cultural sphere irrespective of the object and types of state management. In our view, such an abstract formulation of the essence of the phenomenon of effectiveness out of the context of its types is inappropriate, as determining the effectiveness of state regulation in the cultural sphere requires knowledge of the specifics of its regulation. This requires the examination of the peculiarities of state regulation in the cultural sphere.

In scientific literature, in many cases, state regulation is reduced only to the activities of executive authorities, which, in our view, is incorrect. Excluding legislative and judicial bodies, as well as state and municipal institutions from the system of state regulation leads to its disintegration, loss of emergent properties, since all of them are interdependent and act to achieve a common goal – maintaining a balance between different socio-economic spheres. Among the spheres that represent the structure of society, it is commonly accepted to distinguish the following: the political sphere; the material-production (economic) sphere; the spiritual sphere; and the cultural sphere, which performs a socio-reproductive function [10, p. 221].

In this work, state regulation is considered according to the position of liberal

conservatism, which is characterized by an understanding of the inseparable unity of society and the state, and the danger of their opposition [37, p. 159]. In this context, it is important to prevent and regulate social conflicts, achieve peaceful coexistence of different socio-demographic groups, and maintain social stability in society. Forming a stable social system is one of the main components of the effectiveness of the activities of state authorities. Therefore, the social policy implemented by the state should contribute to the establishment and strengthening of civil society, ensuring the formation of a social order in the state.

For the effective implementation of its objectives, state regulation should be based on the results of public opinion research on issues related to the provision of sociocultural services and the state's provision of social guarantees. This approach enables the identification of societal attitudes of different strata of the population in the context of transforming the social sphere. Simultaneously, the focus of scientific interest should shift towards analyzing scenarios of social life development to determine the fundamental principles for ensuring stability and order in a dynamically evolving society [14].

Therefore, the effectiveness of state regulation in the cultural sphere should be viewed from the perspective of the satisfaction of subjects targeted by the state's social policy and entities implementing it.

The state, represented by government bodies and local self-government, forms the legal framework and mechanisms that establish rules for ensuring social protection of the population, supporting vulnerable segments of the population, fair distribution of income, and strengthening the social solidarity of citizens and their real impact on the management of public and state life. State and municipal institutions directly implement the developed cultural policy. As a result, a certain problem arises because the state authorities simultaneously create the legal framework and financial regulators of sociocultural policy, implement it through institutions, and also assess the effectiveness of the implementation of management decisions. This requested examining the peculiarities of evaluating the effectiveness of state regulation in the cultural sphere.

The complete realization of state functions in public spheres ensures the

integrity and unity of the state. For instance, the material-production sphere meets the societal need for the organization of production of consumer goods. The cultural sphere, relying on social infrastructure (medical, educational, and cultural institutions, etc.), facilitates societal reproduction, regulates the consumer behavior of social subjects, and aids in realizing their creative potential. Similarly, the functional interaction of the cultural sphere of society with the political and spiritual spheres can be considered. Ultimately, the effective performance of state functions allows the system of state management to adequately respond to the requests (expectations) of citizens, contributing to their satisfaction, thereby achieving economic, political, spiritual, and social stability of society.

In this context, economic factors of stability work to support a sufficient level of citizen welfare; political factors determine a socially optimal balance of different interest groups; social and spiritual factors orient the behavior of society members towards the values and norms of the existing system. Hence, social and spiritual factors of stability shape societal needs and interests, political factors compile and implement measures to satisfy them according to their significance, and economic factors act as the mechanism for satisfaction through the implementation of state decisions.

The outcome of the activities in the cultural sphere manifests as a final product in the form of specific goods or services – fulfilling the spiritual needs and use of leisure time of the population. Services in the cultural sphere are mixed-social goods, which hold significant importance for both the individual and society, reflected in the concept of socially significant services. Here, the realm of social guarantees constitutes a non-market sector, above which there are free market services.

The production of cultural services has several unique characteristics that distinguish it significantly from other types of activities. Firstly, there is the high social significance of the product, meaning that meeting socio-cultural needs holds greater importance from the perspective of society as a whole than from that of the individual consumer. Secondly, in the production of cultural services, the period of development, implementation, and realization of projects related to human potential enhancement, including the stage of obtaining results, is approximately equal to the reproduction period of an entire generation, that is, 15-20 years.

Parameters characterizing cultural activity are more challenging to measure than those of material production. Broadly, these parameters can be categorized into social, which reflect the state of the sphere, and material, more commonly used in economic analysis.

The key social parameters indicating qualitative state of society include: the proportion of cultural goods and services in the total per capita consumption; the level of scientific development, the number of registered inventions, and newly created technical models; the population's education level and the number of students; average life expectancy; mortality rate; crime rate; environmental protection level; the proportion of individuals engaged in various forms of art; the percentage of people involved in different political parties and social movements; and the proportion of individuals belonging to various religious denominations, and others.

Among the material indicators that play a primary role in the economic evaluation of the cultural sphere's activity, the following should be highlighted: the per capita GDP; the share of science, art, education, and healthcare in the GDP; the number of people employed in the cultural sphere sectors; main funds; financial flows; investments.

The development of forms and instruments for implementing cultural policy includes analysis of social parameters and economic indicators characterizing the activity of the cultural sphere's sectors. The main forms and instruments of implementing cultural policy include:

- development programs for the cultural sphere responsible for the reproduction of human potential in society, and their financial support from budgets at all levels;

- norms and standards for providing the population with cultural goods and services;

- regulation of inter-budgetary relations aimed at equalizing the minimum provision of sociocultural goods and services;

- state and local long-term programs aimed at solving targeted problems of the development of cultural sphere sectors (creation of a comprehensive infrastructure for socially significant sectors).

Therefore, the cultural sphere encompasses a complex of sectors that create social goods in the form of services. Despite its internal diversity, it is unified in its economic purpose and differs from material production in several economic characteristics. Primarily, the output in this sphere is predominantly non-material for society, taking the form of a service. This means there is a fusion of production, realization, and consumption of products in time and space, characterized by their "non-transportability" and the impossibility of accumulation. A unique feature of services in the cultural sphere is also their individual nature. Unlike products of the production sphere, they have a definite address and usually cannot exist outside of individual contact with the consumer. An exception may be the results of work in the fields of scientific research and education, which are important components of society's long-term productive potential. Furthermore, in many cases, the service consumer personally participates in the service process in one form or another, significantly determining its final effect (e.g., medicine, education).

The state is the main commissioner of cultural services. A significant portion of these services is provided by state and municipal-owned organizations. However, it is quite evident that in the conditions of scarcity, state and municipal budgets are unable to ensure the normal functioning of these sectors, leading institutions to develop economic mechanisms of operation. These include entrepreneurial activities, paid services, and independent structural divisions.

In the cultural sphere, regulatory requirements established at a minimum by state standards, at a maximum - by subjective requests of citizens, are applied. This is due to the fact that value regulators, which cannot be considered solely from the perspective of a normative approach, are integral components of social systems.

By studying the extent to which citizens are satisfied with various elements of the cultural sphere, one can evaluate the external social effectiveness of a state management.

Meanwhile, it is essential to focus on such categories as the "level of the cultural sphere development", "standard of living", and "life quality of the population". Conceptual analysis of these phenomena is not the objective of our study, but stating our position is important for researching the effectiveness of state

regulation in the cultural sphere. The cultural sphere and quality of life are, first and foremost, sociological categories, each broader in content than the "standard of living" category, which primarily records economic indicators of the population's life. In its turn, "life quality" and "level of the social sphere development" are not identical, as life quality is considered as a system of indicators characterizing the degree of people's life priorities realization [23, p. 271], while the level of the cultural sphere development includes indicators reflecting the development of various areas of human activity in reproducing their lives. Thus, it can be said that life quality records an ideal of living conditions, while the cultural sphere represents their necessary level for societal reproduction. Ensuring the functioning and development of the cultural sphere is a crucial function of state regulation, the effectiveness of which depends on whether state authorities fulfill the obligations imposed on them regarding the provision of social guarantees.

In our opinion, the essence of the cultural sphere lies in the fact that it is a system of organized activity of social subjects for the direct reproduction of their lives, satisfying a complex of social needs and expectations, and reproducing socio-demographic groups.

The aforementioned essence of the concept of the cultural sphere allows us to highlight the specificity of its state regulation, without considering which it is impossible to formulate the concept of the effectiveness of state regulation in the cultural sphere, nor the indicators for its assessment.

The first specificity arises from the essence of the cultural sphere and lies in the fact that state regulation of the cultural sphere should create conditions for the reproduction of the population, primarily through the implementation of such a state function as regulation. In this context, the objective indicators of the development of the cultural sphere are the norms established by state authorities, reflecting the optimal level of its development.

Let's consider that, despite the fact that the sphere of culture is understood as a system functioning for the reproduction of the population, in our view, the birth rate in a country should not be considered the main indicator of the level of development in the cultural sphere because, as of today, there is no direct correlation between them. Many scholars in sociology and statistics have highlighted a paradox: the more socio-economically developed a state is, the lower its natural population growth tends to be. This occurs due to various rational, psychological, and social factors, the exploration of which is not the objective of our study. Consequently, when evaluating the effectiveness of state regulation, it is important to consider this social fact and not include changes in birth rates among the most significant indicators of the effectiveness of government actions.

Another characteristic of state regulation in the cultural sphere is the comprehensive nature of state decisions, which are made due to the regularities of the processes of functioning and development of this sphere. The sphere of culture is a multifaceted social subsystem that requires ensuring clear interaction among all its elements and solving tasks facing the managing entities. The realization of such a complex task is only possible through the use of a combination of economic, organizational, and social mechanisms in state management. The task of state authorities becomes the analysis of the prospects for the development of the cultural sphere and the possibilities of its resource provision, which requires considering the state of the economy in the country. To implement the state's cultural policy, it is necessary to unite efforts in realizing both socio-cultural and economic functions.

In this case, use of all mechanisms of state regulation is justified because an effectively functioning and developing economy "serves" the development of society and lays the foundation for the comprehensive resolution of social problems, both existing and potential, prospective ones. In this sense, state regulation of the cultural sphere will be effective if the regulating entity anticipates future problems and makes decisions to reduce their severity and decrease social risks. At the same time, the resources spent on meeting social needs are returned in the form of the population's social activity. As a result, the high social effectiveness of state regulation acts as a catalyst for efficient economic development, and vice versa.

Given that societal interests and needs are formed and realized within the sphere of culture, attention should be paid to the factors that determine their emergence. The system of socio-cultural needs is significantly influenced by social facts (the result of people's joint activities).

The emergence and change of social facts require time and certain joint efforts of individuals. For a social fact to exist, several individuals must unite their actions, and this combination must produce some new result. Since this synthesis occurs outside each of us, being formed from numerous consciousnesses, it inevitably results in the establishment of certain ways of action and judgments that are independent of any individual will. This conceptual idea allows us to say that state authorities can influence the demands of social groups on the content and results of the state apparatus's activities by transforming social facts. To do this, in the process of explaining a social phenomenon, it is necessary to separately study the factors that generate it and the function it performs, determining the correspondence between the given fact and the interests of social groups. Only after this can state decisions be made, intended to influence the content of social facts, because the media shape the collective mentality, which determines conditions important for all social systems. [66, p. 67].

In the process of evaluating the effectiveness of state regulation in the sphere of culture, collective representations play a special role, expressing the way in which the group comprehends itself in its relations with public authorities. As Emile Durkheim noted, to understand how society imagines itself and the surrounding world, it is necessary to consider not the essence of individual persons, but of society itself. The symbols in which it conceptualizes itself change depending on what it represents. Therefore, the essence of state regulation and its effectiveness are ultimately reflected in the degree to which the interests of social groups and the population as a whole, as well as individual subjects as members of these groups, are satisfied. An exception is targeted assistance, which in practice is applied in cases that do not have a mass character.

The purpose of state authorities is to protect public interests and fulfill social obligations, the primary ones being to ensure favorable conditions for the population's life and support for vulnerable social groups. Solving the social tasks facing state power is complex because there is no single correct path: satisfying the interests of one social group often involves suppressing the interests of another,

resulting in the Pareto efficiency phenomenon. Furthermore, as Niklas Luhmann notes, it is unrealistic to expect that the same needs of all people will become urgent simultaneously [112, p. 125]. As a result, due to limited resources, state regulation is forced to keep some needs in a state of waiting to be satisfied, and the ability to meet them is stretched over time. This is because it is practically impossible to guarantee the entire population not only the satisfaction of a complex of needs but even the provision of a basic living minimum in a short term.

Our research and statistical data reveal that a significant number of people have incomes below even the minimum subsistence level. In this context, the correct prioritization of problems awaiting resolution, based on their importance and urgency, becomes a crucial condition for the effectiveness of state regulation in the cultural sphere. This can only be achieved with reliable, timely information, including sociological data. These details help to discern individual perceptions of the present and future in a societal context. Conversely, using this data, government authorities can create what will be valuable to consumers – the population.

In summary, the task of state regulation is to take managerial decisions considering the perceptions of social groups. These perceptions should be studied and considered in a way that does not overtly disrupt the balance of interests.

Indeed, the decision-making process at the state level, and consequently the effectiveness of state regulation, depends on considering various alternative solutions that define the objective. Herbert Simon aptly pointed out the complexity involved due to the limited capabilities of the human mind, which is incapable of considering all factors influencing problem-solving [79, p. 21].

Therefore, a leader cannot formulate a complete list of alternatives and choose the singularly correct one [79, p. 22], as Simon noted. In reality, in a situation of classic choice, the decision-maker opts for a solution that is optimal compared to others. In practical terms, a government official is not able to consider all possible alternatives, nor is it their objective to do so: decision-making is guided by administrative regulations and conducted within the framework of normative legal acts. However, this often leads to a challenging choice: to make decisions that are either compliant with legality or effectiveness. In examining state regulation of the cultural sector, it is important to bear in mind that governmental bodies are predominantly process-oriented by nature. Their primary activities involve negotiations and consultations with other structural divisions, officials, and directly with the population. As a result, a significant amount of work done in regulating the cultural sphere may not culminate in the final outcome expected by the public. In many cases, successful negotiations can even lead to negative outcomes.

Moreover, the results of government bodies' work often elude assessment due to the multifaceted nature of their activities. The output of any civil servant is not individual but collective, and there is a significant time lag between action and outcome. In government structures, an official and a structural division do not act as independent units; their work is interrelated, and measuring each one's contribution is practically impossible. The end results of civil servants' activities have a synergistic effect, evident in the combination of intermediate outcomes from several government bodies. Furthermore, the effectiveness of one division often directly depends on another. For instance, the results of an analytics and planning department form the basis for many other decision-making divisions. However, its high performance does not guarantee the effectiveness of other departments. In other words, the efficient operation of individual divisions does not always contribute to the overall effectiveness of the organization.

To reduce the number of negative consequences of state decisions, ensure greater predictability of government bodies' outcomes, and align the results of management entities with public expectations, it's crucial to continuously monitor social changes occurring in society and the population's opinions on the effectiveness of government bodies.

Researching social changes at macro-, meso-, and micro- levels helps to understand their impact on individuals' motives and choices, and how these choices in turn exert a reciprocal influence. Monitoring these changes in the societal structure allows for an analysis of the processes leading to and intensifying inequality among the population, directly affecting their quality of life, reproduction, and level of social tension. In Ukraine, for instance, there is an observed increase in income inequality and wage differentiation unrelated to labor productivity and worker qualifications. Furthermore, intellectual work in sectors like education, healthcare, and science is often paid less than unskilled labor in the commercial sector.

The openness of government bodies can be assessed through analyzing the transformations in relations between the state and society, among other factors. This involves evaluating how government entities interact with and respond to societal changes and public opinion, reflecting their level of transparency and accountability to the population.

It's essential to caution that government bodies must be guided by up-to-date knowledge. Solving problems and formulating strategies based solely on knowledge of the past is inadequate. A key task of state regulation is to avoid addressing today's problems with outdated information about society's state. Decisions and actions of civil servants must align with the requirements of the new reality, in terms of professional knowledge, understanding of public interests, and the degree of their satisfaction. This is primarily because society is in constant motion from the past towards the future. Its present state is merely a phase between what has happened and what will happen, containing echoes of the past and potential seeds of the future. The nature of society is such that its previous stages are causally connected to the current phase, which in turn lays the groundwork for the next stage.

Thus, while resolving existing problems, state regulation should not be fixated on the past or lag behind reality. Addressing current issues can at best hope to restore the former state, not prevent future problems. If the current state of society is the sum of influences from past states, it follows that an adequate forecast of the future can provide tools to enhance the effectiveness of state regulation in the present.

Consequently, the state authorities in Ukraine find themselves in a cycle of addressing the inexhaustible and growing problems of social infrastructure, such as housing and communal services, healthcare, education, and pension provision, leading to not just supporting specific social groups but entire regions.

To ensure that, using the words of Piotr Sztompka, "the seeds of the future sprout", it is necessary to analyze the current state, identify past issues that led to the present situation, and thereby create a scheme showing the relationships and interactions between resources and outcomes, efforts and achievements, income and expenses [Ошибка! Источник ссылки не найден., p. 5], which means to find out favorable opportunities that can help prevent problems.

Therefore, studying social changes enables to reveal connections and developmental trends in the internal and external environments of state regulation, making it an integral part of evaluating the effectiveness of government bodies' activities. This approach transforms the understanding of social changes from a mere observation to a strategic tool for effective state governance and proactive problem-solving.

A significant aspect of sociocultural changes is the dynamics of deviant behavior. This includes such phenomena as alcoholism, drug addiction, vagrancy, the society's criminalization, and corruption among officials. The nature and dynamics of deviant behavior in society are critical indicators of the effectiveness of state regulation because they lead to the erosion of traditional standards and norms that are not replaced by new ones, resulting in the absence of clear behavioral standards, as noted by Émile Durkheim. Furthermore, the mismatch between collective goals and legitimate means of achieving them, as pointed out by Robert Merton, is a consequence of suboptimal state policy.

Sociocultural anomie largely reflects the shortcomings of state regulation, as it indicates that the social norms in place are not supported by the relevant conditions for their adherence. In other words, people's actions are not aligned with the established norms. A glaring example of this is deviant behavior within government bodies, such as corruption. High rates of corruption in state structures are a direct consequence of their inefficiency, as actions are primarily directed towards satisfying private interests rather than societal ones. Moreover, the corruption of government officials gradually becomes normalized within society, leading to bureaucratization in the worst sense of the word. This situation implies that state bodies, which should be the source of primary sociocultural norms, are prone to anomie due to both objective factors (like insufficient funding and unforeseen circumstances) and subjective factors (such as low moral standards or lack of professionalism among officials). They operate inefficiently and primarily meet the needs of those directly connected to power.

Deviant behavior also reflects discrepancies in social practices and problems that state regulation fails to adequately address. The more numerous and acute these problems are, the lower is the effectiveness of state regulation. In this context, the gender aspect of deviant behavior is a significant indicator of the effectiveness of state regulation. For instance, statistical data show that female crimes not only constitute a smaller percentage compared to male crimes but are also less likely to be severe and are often of a minor scale. This suggests that a shift in these statistics towards an increase in female criminality may indicate that state policies are misdirected, social changes are negative, and not conducive to population reproduction. If freedom is not balanced with equality, and many are deprived of the opportunity for self-realization, deviant behavior takes on socially destructive forms. Therefore, an effective state regulatory approach should balance individual freedom with social justice and order, ensuring that inequalities are not excessive and that the population lives a rich and fulfilling life.

This approach implies creating policies that address the root causes of deviant behaviors, such as poverty, lack of education, and inadequate social services. It also involves promoting gender equality and ensuring that both men and women have equal opportunities for personal and professional development. By focusing on these areas, state regulation can help foster a more harmonious, equitable, and prosperous society.

In conclusion, state regulation of the sphere of culture encompasses all social groups of the population, and the effectiveness of government bodies directly impacts the life of every individual. In conclusion of the analysis of the peculiarities of state regulation of the sphere of culture, it should be noted that in order to achieve stability in the main spheres of society (political, spiritual, economic and social), consensus is needed between public authorities and civil society, which is achieved through communication

To complete analysis of the peculiarities of state regulation in the sphere of culture, it should be noted that to achieve stability in the main spheres of society (political, spiritual, economic, and social), it's crucial to have a consensus between state authorities and civil society, achievable through communication, as outlined in Jürgen Habermas's theory of communicative action. By understanding the situation, social actors can act appropriately, as they make interpretive efforts to comprehend the message's meaning in the context of the situation. Conversely, the absence of an effective communicative process significantly impacts the stability of the state, negatively affecting society and government bodies. This lack of communication leads to increased effort and resource expenditure by these bodies, thereby reducing the effectiveness of their activities.

Modern practice shows that the communication between state authorities and socio-demographic groups is an informational interaction that does not meet contemporary requirements, which is evident in the insufficient openness of government bodies, emphasizing of civil servants on quantitative results of internal management, the absence of dialogue with the population, and the lack of monitoring of the social mood and well-being of the populace.

The quality of communication processes within government bodies is extremely important, as the results of their work often depend on their mutual interactions. The current results of one organization can assist in planning the resources of another. By analyzing the outcomes of a state body, its structural division, or a specific civil servant, it's possible to identify weaknesses that hinder achieving set goals. A fast, transparent, and undistorted communication process is also ensured through the procedures for evaluating the effectiveness of officials' activities, which can improve the connection between the decision-making system and the organization of activities for implementing decisions in practice. Effective communication within and between government bodies, as well as between the state and its citizens, is essential for the successful implementation of policies and the satisfaction of public needs. This requires not only open channels of communication but also an ongoing effort to understand and respond to the changing dynamics of society.

The existence of indicators evaluating the effectiveness of civil servants' activities allows all structural departments to have an understanding of the overall policy of the state authority, the principles of decision-making, and the extent of their

participation in achieving common goals because each employee sees their contribution towards the defined target and compares it with the contributions of others, thereby eliminating the closed nature and isolation of structural units (such as departments, committees, and departments). It also identifies the "weakest link", whose fault lies in not achieving the expected results, and introduces objectivity in the approach to each civil servant.

Based on the above, we can identify a range of features of state regulation in the sphere of culture:

- in state regulation, social facts play a significant role, influencing which it is possible to affect societal needs and interests;

- social obligations of state regulation imply satisfying group interests rather than individual ones;

- state regulation of the cultural sphere is complicated by the constantly increasing demands of the population for their status and living conditions, which arise due to continual dissatisfaction with their social position;

- managerial decisions by state authorities often, while conforming to laws, contradict criteria of effectiveness;

- in ensuring the interests of one social group, there is often a suppression of the interests of another, resulting in what can be described as Pareto inefficiency;

- the procedural and incremental conception of decisions opens opportunities for studying and optimizing all stages and aspects of the development, adoption, and implementation of decisions as an integral part of the system of political and administrative actions of the governing entity [108, p. 69];

- when making decisions in state authorities regarding the cultural sphere, it is imperative to consider the results of monitoring social changes in society, which reflect the level of development of the social sphere and the population's evaluation of the implementation of administrative decisions;

- analyzing the dynamics and nature of deviant behavior allows for identifying the causes and character of problems in the cultural sphere;

- effective state regulation of the cultural sphere is based on dialogue between state authorities and society, achieved through communication. This allows the state to track and adequately understand public interests, and for the population to monitor how well state policy meets their expectations and influence state regulation of the cultural sphere;

- the outcomes of state regulation in the cultural sphere often do not have a tangible embodiment and largely depend on the quality of communication within state bodies because their activity is complex, and thus the assessment of the effectiveness of state regulation in the cultural sphere should be expressed not in the evaluation of the work of a specific official, but in the evaluation of social problems and their parameters.

The foundation of a state's social transformation is information, which serves as the theoretical source of state policy at all levels of social structure. It enables overcoming the opposition between the state and society. As Piotr Sztompka highlights [92, p. 6], the opposition between "us" and "them", civil society and the ruling elite, has emerged even in new democracies. On behalf of the civil society, scholars should mobilize moral impulses, expose the pathologies of power, and encourage civil society to make the government more accountable. The "Public voice" of the scholar can enhance sociocultural effectiveness because the needs of the population will be accumulated and voiced. The relevance and significance of the activities of state authorities will become more transparent and adequate, and society can expect that its rights will be protected and its needs not just considered but satisfied.

## 2.3. Foreign Experience in State Regulation of the Cultural Sphere

In the majority of industrially developed countries, the state's cultural activity has taken on a large scale and holds independent significance. This is natural when considering that the social-cultural infrastructure, which the state spends considerable funds to maintain, plays a special role in defining the main directions of societal development and ensuring general conditions for its functioning. Cultural activity relies on a stable legislative base, substantial financial resources, and a wide network of institutions that use various mechanisms to implement socio-cultural programs. It should be particularly emphasized that one of the key tools in managing the sphere of culture is the state's social and, within its context, cultural policy, which encompasses broad segments of the population. This policy is an important component of the national economic structure, capable of solving current tasks of societal development through its unique mechanisms and methods.

There are a number of reasons concerning the intense public attention to the cultural sphere: firstly, the support for the development of national cultures and the preservation of uniqueness in the context of European countries' integration; secondly, the understanding of the importance of organizing purposeful activities and measures for the leisure time of the population, especially the youth; thirdly, the necessity of proper allocation and state control of budgetary funds for the cultural sector.

In the 20th century, many countries that underwent development stages as centralized and liberal states, entering the phase of development as "welfare states," experienced a paradigm shift in social management due to changed economic conditions. This shift occurred amidst continually reducing possibilities for state funding of social programs, changes in the legal base in this area, and the crisis of legitimacy of social work due to its decreasing effectiveness and productivity. This situation was critically analyzed, including in the context of searching for new management mechanisms. Reference can be made to the identification of such management mechanisms by the German sociologist F.-K. Kaufmann:

- market-price based (operates on the principle of self-regulation);

- hierarchical (facilitates the creation of a guaranteed and regulated social state);

- solidarity (coordinated use of additional resources of collectives and groups under conditions of public resource scarcity) [81, p. 112].

Gradually, managerial tradition in developing and implementing state policy is becoming more oriented towards the effectiveness of an organization or program. This approach is characterized by borrowing and adapting technical methods and techniques most commonly used for quality management analysis in the private sector (performance indicators, balanced scorecards, etc.). Thus, four decades of history of such activity detect close intertwining, on one hand, of political and ideological logic behind various large-scale socio-economic and political-administrative reforms of the second half of the 20th century, and on the other hand, of depoliticized, technocratic, and economic logic in managing complexly-organized structures.

In the majority of Western countries, the implementation of new approaches to management in the cultural sphere according to this managerialist concept began in the 1970s, although the appropriateness and necessity of supporting culture and arts had long been understood.

The extent of the state's technocratic functions in regulation, financing, and production of cultural goods varied in application to different areas of the cultural sphere, across different countries and different periods. These were determined by the goals of social and cultural policy, national uniqueness, the level of development of democratic principles, the state of legal regulation, and the economy of the country.

Analysts identify various typologies of state regulation of the sphere and means of mass communication based on the degree of state participation in their activities. The characteristics of the scale and technologies of the organization of contemporary state assistance to socio-cultural institutions are revealed in a unique typology [30].

The first role is that of an assistant. The state focuses its attention on supporting and developing diversity both in non-commercial professional and amateur creativity, achieving this by supporting cultural activities as a whole rather than specific styles or directions. The state finances art by establishing tax incentives for private individuals or corporations that donate money to art (but not through direct subsidies). In this case, the sources of financing are varied, and the government's role lies in encouraging this diversity by all means, primarily through legislative and tax policy. A classic example of the "assistant" is the state support of culture in the USA. (Until 1965 and, to some extent, later, the state in the USA played and continues to play this role in relation to art).

The second role is that of a patron. The state allocates a total amount of subsidies but does not interfere in its distribution, entrusting this to specially created public structures that operate according to the "arm's length" principle, where politicians and bureaucrats do not take direct part in the everyday work of distributing financial resources.

The third role is that of an architect. State assistance to culture and arts is a part of its program to enhance societal welfare. The basis of its policy is more about societal standards than professional standards of the cultural sphere's professional environment. The support itself is expressed exclusively in long-term direct state funding. The state finances art through a ministry or department of culture. Art is supported as part of a social welfare program; hence the emphasis is on catering to the mass demands and tastes of the population.

When the state takes on the role of an "architect", funding is provided by a ministry or another state body responsible for the cultural sphere. In this case, sociocultural policy is an integral part of the overall social policy, and its goal becomes the cultural upliftment of the people, as seen in the Western European model of cultural support, particularly the French model. In contrast, in Anglo-Saxon countries, the state acts as a patron, with arts councils playing the role of a kind of screen. They receive state funds and distribute them in the fields of culture and arts but prevent bureaucracy from intervening in the creative process or the activities of organizations receiving assistance.

The fourth and the last role is that of an engineer. The state owns all means of artistic production and supports only the art that meets established political standards. The state plays the role of an "engineer" when it becomes the owner of the material base of cultural activity and directs it towards the goals of education and upbringing. The state does not support the creative process as a whole and seeks to subordinate art to political and commercial goals, which can lead to the emergence of underground art and the development of various subcultures.

Depending on the economic mechanisms chosen for implementing cultural policy, different models of managing the cultural sphere are distinguished. In their purest forms, the following models can be identified:

1. social-democratic model;

2. neoliberal model;

3. command-administrative model.

The social-democratic model of managing the cultural sphere prioritizes establishing public standard of living in the state. The activities in the cultural sphere are recognized as socially significant. The economic provision for these areas is based on financial and tax policy aimed at redistributing the incomes of high-income groups and the middle class in favor of social priorities and state programs. Therefore, the activities of the cultural sphere are predominantly non-commercial, meaning the sources and directions of fund and income use are limited, and conditions are created for supporting this sphere with state and socially charitable resources. Access to cultural sphere services is determined by a socially-guaranteed minimum, which varies greatly between different countries and changes depending on the economic state of society. The possibility of independent economic activity and organizational freedoms in the cultural sphere are determined by the size of capital and the favorable or unfavorable conditions for entrepreneurship development, dependent on the current state policy. A weakness in this model is the presence of bureaucracy and lobbying in the implementation of social programs, which significantly reduces the socio-economic effectiveness of the allocated resources. This model, with various differences, is implemented in many European countries. A striking example is Sweden.

The neoliberal model, the state is assigned an important, yet subordinate role. The state is responsible for establishing uniform rules of the game to ensure fair competition and freedom of entrepreneurship. However, the state does not have an unconditional priority in the development of the cultural sphere. It guarantees support in providing cultural services only to the poorest and truly needy segments of the population, and this support can be in the form of specific targeted programs or inkind assistance (for example, anti-epidemic measures).

In an ideal implementation of the neoliberal model, all able-bodied citizens should be exempted from paying state taxes directly from income and can independently choose the volume and quality of cultural services. With the presence of state cultural institutions, especially free medical care, the consumer has the right to choose the type of institution (private or state) depending on their income level and preferences. In this model, consumers are offered a wide range of cultural services, and competition is maintained between private and public cultural institutions.

Establishing a public standard of quality falls on the shoulders of the consumers themselves and is achieved through competition among various cultural service providers. State support for the cultural sphere is limited to drawing public attention to socially significant activities in the form of education and advertising. Additionally, targeted lending and subsidization of certain consumer groups are possible, although their scope is limited.

Access to cultural services for the population largely depends on the family's economic status. All able-bodied citizens have a real opportunity to use cultural services by independently covering the cost of these services with their earnings. The state only supports the most vulnerable population segments in terms of market participation. Also, the role of the state is reduced to addressing evident failures in the development of certain areas of the public sector in a market economy, using economic and organizational tools. Thus, under the neoliberal model, there is a move away from active state activity in developing mechanisms for the prospective development of the cultural sphere.

The real displacement of state institutions by the private sector is a weakness in this model, most acutely felt in healthcare. This model is partially implemented in the USA and has been the path of cultural sphere development in Chile.

In the command-administrative model of cultural sphere management, the market mechanism of the economy's functioning is absent. The development of cultural sphere sectors depends on the dual nature of the prevailing social ideology, which is characterized by the existence of a dogma about the equality of rights and freedoms of all citizens on one hand, and a real rigid hierarchy of ranks and positions on the other. Formally, the constitution guarantees equal access for all population categories to the services of the cultural sphere. In reality, however, the volume and quality of cultural services depend on the state's current priorities.

Within the command-administrative model, cultural services are provided to all population categories at the minimum possible level. At the same time, showcase institutions are established to support the illusion of high-level cultural services being accessible to the masses, although these institutions themselves have a narrow and limited consumer base among the ruling elite. The cultural sphere is moved outside the state's priorities and is adapted for political needs.

The accessibility of cultural services is determined by norms of mass provision, which guide the work of state cultural institutions. The quality of service is determined by affiliation with a particular state-economic or public structure (well-funded department or large capital city). Ultimately, in the totalitarian model, there is an unevenness in the provision of access to cultural goods, leading to social stratification. The constitution formally enshrines a high level of social guarantees, but in reality, only a minimum is implemented.

In such a model, the activities of the cultural sphere are not carried out through the development of a free economy in a market environment and orientation towards the actual needs of specific individuals. Instead, they are conducted through providing guarantees in-kind by building and organizing institutions, strictly defining their functions, and attaching them to their consumer base. This model of cultural policy implementation was most vividly expressed in the Soviet Union.

The current state of the cultural sphere requires its rapid reform. The development of an optimal reform option should be based on a successful combination of economic mechanisms for implementing cultural policy adopted in foreign practice and national characteristics of the functioning of the cultural sphere in our country.

Foreign experience in the development of the cultural sphere offers two fundamentally different ways to overcome crisis: the social-democratic (conservative) option and the neoliberal (radical) option.

The social-democratic option means a painful breakdown of the existing system and clear definition of the level of state support for different population groups. This requires the creation of stable budgetary and extra-budgetary sources of funding for this sphere through an insurance system and tax incentives. Alongside state financing, private funds are also attracted to this sphere.

The state recognizes the activity in the cultural sphere as socially significant by enshrining its priority in legislative acts (laws on education, healthcare, press and media, culture and arts, physical culture and sports, about the status of non-profit organizations) and in the organizational structure of the management bodies in this sphere.

The social-democratic option implies reduction in the state's own economic base for implementing social programs, leading to a narrowing of the level of social guarantees. Inflationary processes and a sharp decline in living standards during a crisis increase the significance of in-kind benefits for the broader population. As a result, the state is forced to provide cultural services at an affordable price or for free.

Choosing the neoliberal option means renouncing the priority of state structures in the cultural sphere. An important direction of state policy is to create economic conditions where consumers have the right to independently choose the volume and structure of cultural services. This requires freedom of entrepreneurship and an open market for these services.

Conditions for the development of entrepreneurship in the cultural sphere are more stringent than in other economic sectors due to the impossibility of foregoing control over the targeted nature of the activities of relevant institutions. Under conditions of financial resource scarcity, there is a drain of resources to sectors with more favorable conditions for entrepreneurship, leading to a deterioration in the quality of cultural services and increased pressure on the consumer to maintain the network of cultural institutions. This pressure manifests in the form of rising service costs, orientation towards high-income consumers, and the elimination of "unprofitable" types of activity in the cultural sphere.

The essence of the neoliberal variant of reforming the cultural sphere boils down to changing the type of social protection, where the state's strict control and standardization of the socio-cultural service standard are replaced by the freedom of personal, collective, and societal initiative within the framework of the law.

To soften the main contradictions that arise during the transition to a market economy mechanism, it is necessary to balance the average wage level of workers with the price level of essential goods, as well as to ensure relative stability in social guarantees.

At the stage of stabilizing the economy and finances, it is advisable to use the social-democratic model, and as the market mechanism improves, strong state

regulation of the cultural sphere will gradually weaken.

Ukraine needs rapid reform of the cultural sphere, and the social-democratic model would be clearly better.

Another model of state regulation and financing of culture, adopted in Germany, should be noted: there the main role in conducting cultural policy is played by the regions, while the federal government only coordinates their activities.

In each of these foreign models, there are specific principles of federal and regional support for culture and arts. The state, to varying extents, supports the cultural sphere through budgetary financing, as well as through special legislation or social policy.

Compared to the countries of the European Union, the funding for domestic culture is very low.

In many countries around the world, state or budgetary funding forms the basis of financial support for the cultural sphere. In many European countries (France, Sweden, Finland, Czech Republic, and others), the volume of budgetary funding predominates over funds allocated to culture from other sources [94, p. 34].

Firstly, state finances can be allocated directly from the budget and directed towards the financial support of cultural organizations or support for specific cultural projects, as well as individual representatives of creative professions.

Currently, in many countries, common is the practice where ministries or departments of culture directly allocate funds for financing cultural organizations of national significance (United Kingdom, Italy, Spain, France). Even in the USA, the renowned Smithsonian Institution, the largest cultural, scientific-research, and educational complex, which includes 19 museums, a zoo, 9 research centers, and 156 affiliated museums, is officially considered a state institution and is funded by the U.S. Government [96, p. 41].

As a rule, local museums and libraries receive direct funding from the budgets of local authorities.

Secondly, budgetary financing can be allocated not directly, but through intermediary structures that operate on the principle of the "arm's length". In many developed countries, to avoid corruption among cultural officials in the distribution of financial resources, efforts were made to mitigate risks of inefficiency by creating independent public organizations (agencies) in the form of arts councils, which operate on the "arm's length" principle. Decisions on the allocation of funds for the implementation of a particular project are made not by officials, but by independent experts, whose composition is approved by the ministry or department of culture.

However, the scales of activity of national arts councils and the volumes of financial resources distributed through them vary significantly across different countries (Table 2.2).

Financing culture and arts through non-governmental structures operating on the principles of "arm's length" in various countries.

	Annual budget per capita (in U.S. dollars)	The reporting period
Arts Council of Wales	17,80	2012/2013
Arts Council (Ireland)	16,96	2012
Scottish Arts Council	14,52	2009/2010
Arts Council of England	13,54	2010
Arts Council of Northern Ireland	12,36	2011/2012
Australian council	8,16	2010/2011
Canada Council for the Arts	5,19	2011
Creative New Zealand	2,98	2009/2010
National Endowment for the Arts	0,47	2012

The Source: Compiled based on data [236, pp. 13-15].

Furthermore, the effectiveness of agencies operating on the principle of the "extended arm" is by no means flawless. For example, in 2009 in the United Kingdom, a great scandal erupted concerning the activities of Arts Council England, the largest recipient and distributor of financial funds from the Department for Culture, Media, and Sport, as well as funds from the National Lottery. As a result of this scandal, serious discussions arose about the need to abolish Arts Council England. Critics of the Council's activities emphasized the lack of transparency in the selection procedure for cultural projects eligible for grant support. Additionally, it

Table 2.2

was noted that with the presence of the Department for Culture, Media, and Sport, there was a proliferation of overlapping functions between these two structures, leading to an expansion of the civil service workforce and an increase in bureaucratic red tape. Serious allegations of inefficiency in the allocation of budgetary funds were leveled against the Council's leadership, which, in the face of previously announced cuts in grant support for 200 cultural organizations, significantly increased the remuneration for managerial staff.

Thirdly, budget financing can also take the form of intergovernmental transfers. Intergovernmental transfers refer to funds provided by one level of the budgetary system to another level of the budgetary system.

Fourthly, budget financing of cultural projects and initiatives can be based on what is known as co-financing or matching funding. In this case, it concerns a specific cultural project for which state funding needs to be secured. In this scenario, a special request for budget financing is made, ranging from 10% to 50% of the total project cost from the state (municipal) budget, with the confirmation that the remaining portion of funds is raised through charitable contributions or other sources of funding. Matching funding is an integral part of the fundraising strategy for cultural organizations in the developed countries.

Finally, budget financing can be allocated when implementing so-called public-private partnership projects. Public-private partnership (PPP) is a long-term and mutually beneficial collaboration between the government and the business community based on pooling resources, utilizing state-owned assets in economic activities, and attracting private capital investments. PPP projects in the preservation and management of historical and cultural heritage sites, as well as the construction of major cultural facilities, have gained widespread adoption in global practice [90].

A closer examination of the mechanisms of government support in each country reveals more specific and intriguing details.

Canada's cultural policy is implemented through the following directions:

- financing of public cultural institutions through direct and indirect subsidies;

- the work of government agencies in formulating and regulating cultural

policies.

Canada's state interests in the field of cultural policy are focused on several areas and spheres:

- tourism development and attracting tourists to participate in major events such as festivals, competitions, exhibitions, celebrations, etc.;

- supporting artistic intelligentsia, whose societal and political influence on the country continues to grow;

- protecting national culture from the increasing influence of the "entertainment industry of the United States", which is emerging as a major stronghold of patriotic forces.

Direct subsidies in Canada are provided through the Canada Council for the Arts, as well as the Department of Public Works and the Department of Foreign Affairs, which fund cultural exchanges. Public cultural institutions that are directly funded by the government include the National Film Board, the National Arts Centre in Ottawa, and the Canadian Broadcasting Corporation (CBC), which serves as a patron for various forms of art.

Indirect subsidies are implemented in two forms:

1. providing funds without direct government subsidies, such as various tax incentives, postal privileges, and more;

2. supporting the arts and culture through the implementation of programs and initiatives aimed at other goals, such as youth programs of the Federal Government, unemployment reduction programs, and so on.

With the continuous growth of budget assignations, increasing attention is given to the development programs to stimulate private subsidies for culture, particularly through tax incentives [190, p. 9].

Regarding the United States, one of the most common misconceptions is that there is no government funding for culture and the arts at all. However, with the establishment of the National Endowment for the Arts in 1964 and the National Endowment for the Humanities in 1965, both of which operate primarily through programs funded by the federal budget, it is possible to speak of an activation of government support for the field of culture and the arts. This support is carried out at three levels: local, state, and federal. The tasks and practical activities of these levels are interconnected, and they include:

- promoting aesthetic education among the population;

- ensuring access to culture for various segments of the population, particularly the disadvantaged and less affluent;

- financing cultural and arts institutions, individual projects and programs, and supporting individual professional creativity.

According to prevailing views among American management theorists and practitioners in the field of culture, attempts to determine priorities and forecast cultural processes are considered somewhat futile. Culture and creativity are seen as self-organizing and self-developing entities, with limited potential for rigid rational intervention in cultural processes. The government's role is primarily one of general regulation (legislation and taxation), while direct support is provided exclusively by non-governmental funds. In the United States, there are over 25,000 such funds that accumulate funds from various sources [94].

In 1965, under President Lyndon B. Johnson's administration, a mechanism for federal funding for culture and the arts was established. These funds distribute grants to artists and nonprofit cultural organizations, supporting the development of various art forms, ethnic arts and crafts, museum work, art education, and media. In addition, state arts councils and humanities councils operate, and programs for cultural exchange, tours, and scholarships for education abroad are supported by the United States Information Agency (USIA).

Material support for non-profit art organizations in the United States is provided through tax exemptions and favorable tax treatment. By implementing an original system of "challenge" grants, the government encourages independent organizations to engage in fundraising. The government also handles copyright protection, provides unemployment compensation, sets minimum wages, and oversees immigration for art professionals.

Several government agencies are responsible for providing financial support to cultural organizations. These include the previously mentioned National Endowment for the Arts, the Institute of Museum and Library Services, the National Endowment for the Humanities, and the National Archives and Records Administration. Additionally, two cultural institutions—the Library of Congress, which is formally considered a service unit of Congress, and the Smithsonian Institution, which has "quasi-official" agency status—are funded directly from the federal budget [94, p. 64].

The most developed sectors of art support in the United States are local government and private agencies that fund various cultural projects and programs, aiming to make cultural life accessible to different segments of the population within their regions. In the country, there are approximately 2,000 local agencies, and private agencies outnumber public ones by threefold. However, state agencies have budgets that are 70-75% larger than private ones [56, p. 27].

The merging of public allocations and private financing in the field of culture has led to its rapid development. By 1988, the United States had around 400 professional drama theaters, over 240 professional ballet and dance companies, 110 professional opera companies, 300 art museums, and as many art galleries. The amount of private funding for culture from 1970 to 1987 increased tenfold, from \$660 million to \$641 billion. It's important to note that a significant portion of state support goes to museums and libraries, while only a small part goes to performing arts. Support for cultural institutions is primarily provided in the form of grants rather than subsidies [98, p. 181].

There is no official body responsible for coordinating cultural policy, programs, and initiatives at the federal level in the United States; they are mostly conducted at the local level.

In most European countries, government participation in financing non-profit cultural activities is significantly higher than in the United States. For example, in the Netherlands, it reaches 80%, and in Sweden, it's 65%. Budgetary policies in these countries prioritize indirect forms of financing [93].

As evident from this research, different countries have developed various approaches to the use of mechanisms to support the cultural sector, primarily financial ones. Therefore, questions related to the modernization of cultural management and organization have become the most crucial and decisive processes for its effective governance.

It is important to emphasize that many countries have effective systems of state regulation in the cultural sector, and the use of international experience is of great interest to domestic practice. However, direct adoption of ready-made models of state regulation of the cultural sector for Ukraine is impossible, primarily due to the vast differences in the resources allocated for its financing.

In summary, we can state that the state regulation of the cultural development process in a society is based not only on the existing managerial resources, both spiritual and material, but also on the use of various management technologies and structures capable of direct influence on different segments (sectors) of cultural life. An important tool for the successful implementation of a comprehensive approach to state regulation in the field of culture is the state cultural policy, which encompasses the ideas and priorities of purposeful cultural development in a society.

## **Conclusions to CHAPTER 2**

1. Over the past decade, the field of culture has undergone significant changes. The quality of socio-cultural services is constantly evolving, and this affects the development of the market for cultural goods and services. The development or stagnation of cultural organizations can have an impact on the overall state of society, as culture plays an important role in shaping identity and contributes to social development.

2. The development of forms and tools for implementing cultural policy includes analysis of the social and economic indicators that determine the cultural sphere activities. Among the main forms and tools for implementing cultural policy are programs for the development of the cultural sector, there are:

- development programs in the field of culture, responsible for the reproduction of society's human potential, and their financial support from budgets at all levels;

- norms and standards for providing the population with cultural goods and services;

- long-term state and local programs aimed at addressing targeted development issues in the field of culture.

3. Currently, there are organizational, economic, and legal issues in the formation of the cultural services sector. There is no complete understanding of the necessary conditions and mechanisms for creating an efficiently functioning cultural sphere, and the impact of structural innovations on social processes in society has not been thoroughly studied. Methodological issues related to managing the cultural sphere in the context of economic transformation are not often the focus of researchers.

4. It is necessary to highlight the main problems in forming an effective system of state regulation in the cultural sphere in Ukraine:

- a general decrease in the number of cultural institutions, the volume, and variety of goods and services provided to the population from 1992 to 2020. While the number of theaters has decreased moderately (from 125 to 113), and the number of concert organizations has increased (from 44 to 73), the annual attendance of theaters and the number of concert attendees have significantly decreased;

- substantial changes in the sectoral structure of the cultural sphere often do not reflect the real needs of the population and the financial resources of vulnerable and low-income groups;

- inadequate consideration of socio-demographic factors in the development and investment in the cultural sphere;

- regional disparities in the standard of living, often unrelated to the socioeconomic situation of the territory;

- significant differentiation in income and expenditure on cultural services among the population.

- rapid growth in the size of the "shadow" sector within the cultural sphere, leading to reduced tax revenues and increased criminalization of this sector.

5. Information asymmetry hinders the effective allocation of resources and affects the cultural and arts market. Perfect competition assumes that all participants in market transactions are fully informed about the properties of goods, the conditions of their production and consumption, and the state of the market. The more complex the exchange object, the more individualized its useful properties, and the longer the manifestation of the useful effect, the less realistic this assumption becomes. When it

comes to cultural services, the completeness of information is much less likely than when buying or selling homogeneous standardized industrial products with a limited set of objectively measurable useful qualities.

6. With the expansion and structural complexity of the cultural and arts sector, the influence of the factors mentioned is amplified, and the need for government intervention in its development increases. This intervention is expressed both in the direct production of services within the public sector and, to a much greater extent, in the formation of cultural policy and various direct and indirect methods of regulation.

The cultural sector, by its functions, tends towards the non-profit sector. If a society sets profit as the primary goal of its activities, it will lose more than it gains. One of the first steps in reforming the cultural sector by the state should be the clear legislative establishment of the principles of operation of non-profit organizations. In Ukraine, the imperfection of the legal system allows many companies to operate under the name of non-profit organizations and engage in activities far from providing cultural services.

7. It has been found that many countries have effective systems of state regulation in the cultural sphere, and the use of foreign experience is of interest to domestic practice. However, direct adoption of ready-made models of state regulation in the cultural sphere for Ukraine is impossible, at least due to the vast differences in the resources allocated for its funding.

## CHAPTER 3 DIRECTIONS FOR IMPROVING MECHANISMS OF STATE REGULATION IN THE CULTURAL SPHERE

## **3.1. Strategic Planning and Forecasting for the Development of the Cultural Sphere**

Under modern economic conditions, effective management of entities operating in various components of the cultural sphere includes both operational responses to the current changes in their environment and a strategic vision of the activities of these organizations in the process of further development. This, in turn, requires the formation of a certain action plan for the strategic perspective, allowing the economic entity to stabilize its functioning at the present time, determine directions for future development, and to some extent mitigate possible negative impacts of external factors.

Experts in their works dedicated to improving the efficiency of entities in the cultural sphere point out that strategic planning is an integral component of management, but there is currently no universally recognized essential interpretation of this management process [7, p. 356]. Some economists indicate that strategic planning should be carried out by allocating the activity of the management subject to the formation of an action plan for the organization's strategic development perspective, during which optimal allocation and utilization of material, labor, financial resources are ensured with minimal costs. Other researchers understand strategic planning not only as the formulation but also as the implementation of a complex or program of measures, focusing primarily on outcomes rather than costs and expenditures. In our view, the need to assess both the costs of implementing management actions and their long-term effectiveness allows us to characterize strategic planning as a systemic mechanism for managing an organization at the strategic level, representing a process of setting organizational goals and ways to achieve them while rationally using material, technical, financial, labor and time resources available to the economic entity.

The sphere of culture as an object of management is a complex multicomponent system, the organizational basis of which consists of sectors and subsectors, organizations and institutions, their structural units, and so on. The activities of cultural institutions are multifaceted. Therefore, in their work planning, both vertical relationships and horizontal ones should be taken into account.

The strategic plan for the development of cultural institutions is developed based on their vision, mission, goals, basic principles, and strategic development priorities. Strategic planning is a specific type of planning aimed at creating strategic documents that outline medium-term (from one year to five years) and long-term (over five years) goals and the selection of methods to achieve them, ensuring effective functioning of the organization in the long run and its quick adaptation to changing external conditions. Strategic planning encompasses all elements of planning. Under the strategy, we will understand the document created as a result of planning in any form.

The necessity to develop a strategy is particularly important in the conditions of resource scarcity, which is characteristic for the cultural sphere in our country today. It is known that if a manager has sufficient resources to accomplish a task, they do so without developing any special strategy. However, in cases of resource scarcity, it is necessary to analyze various action options, assess the balances of costs, risks, and gains, consider available resources, identify critical points of possible failure, formulate different scenarios of action at these points, and so on before starting work. In such conditions, the precise selection of priorities and directions of activity that can be realistically supported by the existing resources becomes of paramount importance. Strategic planning procedures focus the manager's attention on the subjective components of management, on how and on what principles it is organized, what technologies are used, and so on. In other words, strategy is the art of management based on accurate and far-reaching forecasts. Strategy is not only an expression of the real nature of the object's life and development; it is also an indicator of how the management system is organized. Extensive and detailed planning in the face of massive changes happening faster than ever before should yield to a strategy that combines a minimum of planning and a maximum of adaptation.

Strategic planning should be based on the creation and continuous operation of

the mechanism for professional scientific substantiation, formation, and broad public discussion of the region's development strategy. The basic principles of the proposed approach are as follows [28]:

a) regular and consistent work on the creation and reevaluation of the development strategy;

b) combining deep professionalism in substantiating the strategy with broad public discussion;

c) using the process of working on the strategy to activate public initiatives;

d) creating a mechanism for transforming the strategy into specific programs and current action plans.

At the present stage, the theoretical and methodological aspects of strategic planning are already quite well developed in the scientific literature.

For example, according to M. Meskon, M. Albert, and F. Hedouri, strategic planning is a set of actions and decisions made by management that lead to the development of specific strategies designed to help the organization achieve its goals [127, p. 54].

Analysis of works [18, 35, 66, 67, 92] allows us to note a significant similarity in the definitions of strategic planning. However, in our view, a significant drawback of these definitions is the focus on the instrumental part of the problem. Each definition mentions a system of procedures, but their essence is not fully disclosed. Therefore, we define strategic planning as a system of analytical, evaluative, and forecasting procedures. The continuous use of this system will allow for informed strategic decision-making and the formation of "final output" of the system - strategic plans, and then programs, projects, and other forms of implementing strategic planning for the cultural sphere development.

Let's highlight several aspects of this definition.

1. Strategic planning is a system of procedures for analysis, evaluation, and forecasting that generates data for making strategic decisions. Depending on the level and quality of the system, it can propose strategic alternatives for future decisions and/or identify strategic issues.

2. Strategic planning is a system that continuously accumulates, processes, and

systematizes information enabling to make strategic decisions.

3. The fundamental property of the strategic planning system is to serve as a basis (rather than the end result) for strategic decisions.

4. Only after making these key decisions does the strategic planning system perform the function of transforming decision data into specific documents that are adequate to the organizational structure, the adopted work system, and other features of the cultural management system. At this stage, the main measurable benchmarks for future activities are refined and documented: financial, investment, etc. Essentially, these are different types of plans. Based on these plans, specific projects and programs related to the implementation of specific strategic tasks are developed.

5. Strategic planning requires a system of interaction between leaders, planning staff, and specialists in the field of culture. If strategic planning is entirely entrusted to planners, it turns into a formal procedure devoid of real connection with personnel and management. Conversely, by relying solely on leadership and planners, the strategic planning system loses the potential and intellectual capabilities of the staff.

6. A fundamental challenge of strategic planning is the process of involving direct producers and consumers of social services, using mechanisms of information communication and interaction with them.

The process of strategic planning for the development of the cultural sphere should be carried out in accordance with the methodologies and techniques of strategic planning developed by domestic and foreign scholars.

To adapt to new conditions, leaders at all levels must reconsider their attitude towards the future, recognize the role that the future plays in the present, and be able to anticipate future events.

The process of strategic planning follows a specific logic and is carried out in a particular sequence (stages of planning). Its specifics depend on the nature of the organization (i.e., there are requirements for strategic planning).

The logic of strategic planning refers to the ordered sequence, mutual consistency, and reasonableness of procedures related to solving the problems of planning, as well as determining the starting point for their resolution.

The stages of strategic planning include:

- evaluate the organization competitiveness, its potential, strengths, and weaknesses;

- selecting the most suitable strategic alternative from the developed options;

- implementing the strategy based on available resources, methods, and planning procedures;

- analyzing the implemented plan to make necessary adjustments.

Changes in the country's economic life in recent years have significantly increased the interest of cultural organizations in studying the factors that affect the activities of cultural institutions. New situation has shown that the possibilities of using old methods are almost exhausted. While in the past, programs of cultural institutions focused on forms and methods of work, the current emphasis is on meeting the needs and demands of the population. The successful operation of cultural institutions depends on various factors, often qualitative and intangible, including the attitude of cultural organizations towards entrepreneurship and innovation. Without a strategic vision of current and future actions, surviving and thriving in current economic situation can be quite challenging.

At the core of the strategy for cultural organizations is the necessity to align the interests of consumers with the efficient use of resources, including financial, labor, material, and informational resources. Formulating an institution's strategy means answering questions about the purpose and sense of its activities in the current circumstances and establishing the necessary guidelines for implementing specific management actions. Unfortunately, many cultural institutions have operated under a style of rigid short-term task planning, decision-making, and performance control until recently. In many cases, the medium-term annual plan was often treated as a long-term plan, as implied by its name. Strategic decisions were mostly the prerogative of senior management, leaving other professionals only to execute them.

A successful strategy relies not only on the skills and entrepreneurship of top management but also on the so-called rank and file, who need to understand their tasks and contribute to the successful implementation of ideas for the institution's development. Strategic thinking, or strategic management, is gaining wider recognition as the most effective method for addressing issues in the cultural sphere. Strategic management involves:

1. Modeling of situations. This refers to a comprehensive understanding of the situation, including the need to correlate the actions of cultural institutions, demand for services and products, the activities of competitors, the quality of their products, and the ability to meet the needs of users. Decision-making in this context involves analysis.

2. Identifying necessary changes (in services, products, production costs, and the institution's approach to the situation in the market, etc.).

3. Developing a strategy for changes. Defining or formulating a strategy is an intellectual process that involves gathering and systematizing information, creating various strategy options, and selecting the best one. It is a creative process that defines the art of strategy.

4. Choosing methods for strategy development. This may involve organization of business games, seminars, creation of temporary creative teams, using tools like the Boston Consulting Group matrix, etc.

5. Implementing the strategy. All intellectual efforts, whether logical or creative, can only be realized through the development of an appropriate implementation mechanism. One of these mechanisms is program-target planning [35, p. 51].

The transition of cultural sector institutions from a service production strategy, where the range of services was determined by a directive, to a customer needsoriented strategy, necessitates a radical revision of the fundamental principles of their operations, including organizational structure and functions of the departments and individual employees.

When defining the strategy, organizational management must solve three important issues, dictated by the situation in the service market:

- which services to discontinue;

- which services to continue offering to users;

- which new services to introduce and offer in the market.

The third area of strategy definition refers to fixing a defined market segment and focusing the organization's efforts on this selected market segment. In this case, the organization does not aim to operate across the entire market but rather investigates the market's need for services of a certain type. In such situations, priority is given to a thorough analysis of the needs of users of certain services, possibly specific individuals, rather than the population in general.

For decades, institutions of culture have been committed to maximally satisfying the population's needs for services and products across all areas. Specialization notably developed according to the types of institutions (schools, libraries, museums, clubs, etc.). Particularly challenging was the operation of rural cultural and educational establishments, as they had to meet the broad needs of a relatively small user base. This dispersed the already extremely limited forces and resources of these institutions. At the same time, it became evident that under current conditions, businesses are intensifying their activities in providing cultural, leisure, educational, and sports services, integrating them into commercial and entertainment complexes, restaurants, cafes, etc., both in urban and rural areas. For a significant portion of the youth, the most massive consumer of cultural services, the issue of payment is not a barrier. Moreover, they even prefer paying for these services, choosing them over the free offerings of rural cultural institutions.

With the consideration of the presented information, it is advisable for cultural sector institutions to adopt a strategy of the so-called differentiated growth. This involves the development of new services while maintaining the capabilities of the already established market and mastered technology. Specifically, this could include offering ancillary services to the consumers of the main services, fitting into a strategy of horizontal diversification. In this context, the competency factor in producing such services plays a crucial role.

In the process of state regulation of the cultural sector at various levels, contradictions can arise when formulating development goals. To resolve potential conflicts, it is necessary in the practice of state regulation to establish a procedure for strategic planning, which will allow the definition and adjustment of strategic directions for the development of the cultural sector.

Strategic planning is, first and foremost, about planning to achieve goals, a purposeful search for, development of, and selection of ways to attain the desired

state of the social sphere development.

The application of strategic planning in the state regulation of the cultural sector's development offers several advantages:

1. It enables preparation for future favorable conditions. The use of strategic planning provides a clear understanding of the general trends in the external environment, their consequences, and their impact on the functioning and development of the cultural sector, allowing the prompt utilization of emerging favorable situations.

2. It allows to anticipate various kinds of surprises and minimize losses in the event of potential problems.

3. It reflects the value system, views of state administration and local selfgovernment bodies, as well as the population's outlook on the future, which helps to guide the management staff in the desired direction.

4. It enhances the readiness of the management system to respond to unforeseen changes, provided that an analysis of possible changes has already been conducted at the planning stage.

5. It contributes to a more rational allocation of resources. In the process of strategic planning, an analysis of the cultural sector's status in the region is conducted, the most promising areas of activity and main directions of development are identified, which allows for a more effective distribution of available resources, directing them to areas where they can be used more beneficially.

6. It improves control in the management system of the cultural sector in the region.

Meanwhile, in our opinion, one of the conditions for enhancing the efficiency of economic entities' functioning in the cultural sector is the development of a strategic management plan for organizations in this field based on market tools. This approach enables the rationalization of the process of current operations and the prospective development of organizational and legal structures. The author notes that strategic planning of activities in the cultural sector is carried out through the planning of measures within the framework of the chosen development strategy for a given type of organization. The formation of a strategic plan should be aimed at the achievement of certain indicators in the volume of cultural services provided to the population and increasing the competitiveness of the organizations. As a result, economic entities and infrastructure components can overcome the current negative trends in their activities by improving the quality of services to the population and ensuring stable growth in the volume of cultural services in the strategic perspective.

In the process of formulating a strategic plan by cultural sector organizations within market conditions, it is necessary to coordinate short-term, medium-term, and long-term planning processes in such a way that they align with a unified goal-oriented approach to the entity's long-term business activities. The author emphasizes the feasibility of setting the implementation period for strategic plans to be no less than five years, which requires the managing entity to make an adequate assessment of the market situation in the long term. It should be noted that a strategic plan based on the use of market tools in the cultural sector should ensure not only the growth of economic indicators of development but also achieve a certain level of social effectiveness, including through the development of this sectoral complex at the national level.

In the author's view, in the process of developing a rational plan at the strategic level under contemporary economic conditions, the modification of management structures of industry organizations and their adaptation to the use of market economic tools appear reasonable. However, the organizational structures currently employed in the cultural sector do not allow for the full realization of the existing potential and the attraction of new resources, primarily financial ones. New operating conditions require changes in management structures and reorientation towards the use of market methods of economic management to enhance the efficiency of the institutions development in physical culture and sports services sector.

In our opinion, the strategic plan for the cultural sector development should be based on a set of principles.

Firstly, a rational combination of strategic, tactical, and operational planning in the cultural sector is necessary. This approach involves delineating and defining the scope, timelines, as well as the corresponding executors and those responsible for implementing the planned activities.

Secondly, the enhancement of the strategic planning process must be intrinsically linked with the forecasting of socio-economic processes in the cultural sector at both micro and macroeconomic levels. This allows to form adequate longterm goals for the enterprise as a whole and rationally orientate the activities of its units based on the assessment of demographic changes in the target market, the dynamics of prices for services and related goods, and ensures the integration of other sectoral complexes in the sector of culture.

Thirdly, monitoring of the strategic plan is necessary, using indicators of economic and social effectiveness. This direction of management improvement is interconnected with the first principle, as the indicators of the strategic plan need to be substantially specified when transitioning to tactical and operational levels of planning.

Fourthly, market conditions of business operation necessitate active use of a comprehensive set of marketing tools in the process of planning and implementing the development strategy of an organization in the cultural sector. It should be noted that the coherence of planning and marketing in managing entities providing cultural services to the population requires decision-making that takes into account not only the demands of target consumers but also the long-term interests of society. In our view, such coherence is achieved by identifying different consumer groups, reflecting the diversity of their interests and needs in cultural services. According to the author's perception, the services of these entities have different social significance. Therefore, in the process of strategic planning, it is necessary to consider various directions of their development under modern conditions, which are determined by the possibilities of cultural sector enterprises to undertake both socially significant actions and those aimed at generating profit.

Furthermore, in our opinion, despite the fact that the presented principles will allow the management entity to significantly improve the effectiveness of all types of planning activities of organizations in the cultural sector, they will not be sufficiently effective without the use of modern market tools in the process of socio-economic development. Therefore, the rationalization of strategic planning for organizations within the considered structural component of the national economic complex should be based on the formation of an effective development strategy. This includes enhancing the economic and social effectiveness of entities operating in the field of physical culture and sports in a market environment. This strategy is based on a set of principles for prospective development, monitoring various factors of the external environment, and the expanded use of market tools in the further implementation of strategic plans.

It is important to note that in practice, violations and obstacles often occur during the implementation of strategic planning, which are caused by the fact that the process of sustainable promotion and implementation of strategic planning is not fully refined. To prevent possible violations in the process of implementing strategic planning in the practice of state regulation of the cultural sector, we propose a scheme of "implementation directions" (see Fig. 3.1). By the "implementation directions", we mean a system of actions aimed at preventing and eliminating "bottlenecks" in the organization of strategic planning for the development of the cultural sector.

Let's sequentially examine the content of the proposed "implementation directions". The first of these is determining the readiness of the management apparatus for the process of formulating a development strategy for the cultural sector as a whole. Using various expert methods to assess the initial state, it is necessary to:

- identify the presence of strategic ideas for the development of the cultural sector;

- refine strategic orientations to achieve the main goal of developing the cultural sector – enhancing the quality of life of the population;

- determine the level of forming the organizational core of the designers for the development strategies in the sphere;

- study the phasing out of leaders;

- determine the level of internal collective consensus regarding the implementation of changes in organizations towards ensuring improvements in the life quality;

- identify the level of desire to learn and form management skills in the cultural sector.

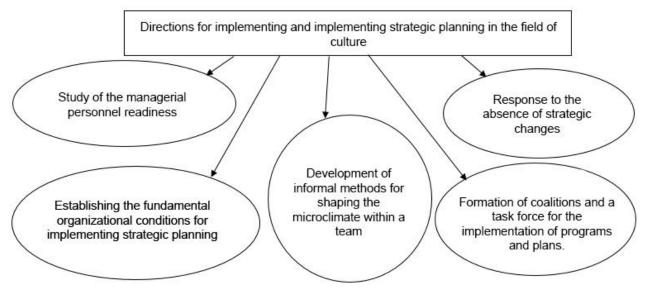


Fig. 3.1. Scheme of "directions of implementation" of sustainable promotion and implementation of strategic planning

Source: Compiled independently according to [67, p. 13-15]

To assess readiness of management personnel for strategic planning in the cultural sector, questionnaires and interviews can be used.

The second "direction of implementation" involves creation of the fundamental organizational conditions for the implementation of strategic planning in the cultural sector, which include:

- instilling psychological readiness in the management apparatus for lasting changes during strategic planning;

- continuously clarify the content and significance of changes at all levels of management in the cultural sector;

- forming new adaptive structures for implementing changes;

- development and implementation of a set of material and moral incentives facilitating the implementation of concepts aimed at orienting cultural sector management towards life quality;

- forming and adjusting the "framework" of strategic planning development (main ideas, concepts, strategy developers, etc.).

Creating organizational conditions will enable successfully implement all strategic concepts by managerial personnel aimed at improving the life quality of the population.

The third "direction of implementation" can be presented in the form of

developing informal methods of shaping the microclimate within a team. For the establishment of management orientation in the cultural sector focused on the quality of life of the population, numerous innovations are required, whose progression through various channels is often impeded. In such cases, informal structures come into play, creating a climate conducive to innovation and change. Leadership in the development of the field of culture in general and its individual functional complexes should stimulate this positive effect by forming project teams, working groups, and commissions based on informal groups.

Informal communications, therefore, shape a team climate that facilitates effective collaboration and efforts in implementing strategic planning.

The next "direction of implementation" involves formation of coalitions and a headquarters to implement programs and plans, aiming to create a team capable of effective implementation of a socio-innovative model.

Finally, the last "direction of implementation" – responding to the "stalling" of strategic changes – appears to be quite crucial. It should be noted that the multi-year implementation of strategic changes often negatively impacts the enthusiasm of leaders and influences the dissolution of coalitions and headquarters for the strategy development in the cultural sector. The accumulation of such negative consequences leads to "stalling". To prevent and eliminate such "stalling", it is necessary to develop motivational measures for adapting management personnel to working in the conditions of prolonged changes. Furthermore, within this component, it is necessary to study the process of implementing the "integrated systems for enhancing the quality of human life" model to prevent and address potential "malfunctions" and "failures".

The concept of "directions of implementation" is aimed at coordinating the work of the managerial apparatus and developing skills to identify and assess situations and respond to them adequately, without waiting for the system's slow reaction. Thus, at the current stage of the country's development, the implementation of strategic planning in the practice of state administration and local self-government in the development of the cultural sector, as the most crucial tool of state management oriented towards ensuring a high quality of life for the population, will

allow for the resolution of many problems in the cultural sphere.

Alongside this, the collection and systematization of verbal, statistical, normative-legal, and other information should be carried out by highly qualified experts-specialists in this field. The level of objectivity of the experts' forecasts should be based on their experience in the sectoral components of the cultural sphere, as well as on the formalization and logical-verbal modeling of the structural component development in the sphere of cultural in an unstable macro environment.

A scenario forecast for the development of a particular component of the cultural sphere should consider several main variants: optimistic, pessimistic, and conservative scenarios.

One of them is the optimistic scenario, which takes into account quantitative and qualitative data about the conditions, trends, and resource provision for the development of the social complex sufficient to achieve the planned economic, financial, and social results in the prospective period. In this case, it is necessary to establish the probabilistic degree of occurrence of the optimistic scenario, based on possible qualitative and quantitative changes in the macro and microenvironments **[Ошибка! Источник ссылки не найден.**, р. 58].

The pessimistic scenario for the prospective and strategic development of a given structural component of the cultural sphere should reflect the possibility of changes in the social complex, considering the worst-case scenarios of the impact of external and internal environmental factors on the socio-economic, scientific-innovative, and financial-investment development of the object of prospective and strategic development in the cultural sphere.

In our opinion, the conservative scenario for forecasting the possible development of a sectoral component of the cultural sphere should include inertial, but not abrupt, factors of influence from the macro and microenvironments on the strategic development of the social complex. In this predictive scenario, the reality of achieving a particular economic, financial, and social result by the social complex in the process of its medium-term development should be substantiated by experts with a sufficient degree of significance, reliability, and accuracy. This also includes the probability of developing the forecasting object and the occurrence of external

events, including the influencing factors according to this scenario.

In our opinion, it is important that within the framework of strategic development of structural components of the cultural sphere, those types of forecasting procedures should be used that are aimed at substantiating the most probable comprehensive development of the sectoral component of the cultural sphere in a prospective (medium- and long-term) period. These procedures should facilitate the rational allocation and efficient use of labor, material-technical, financial, and informational resources in the strategic orientation towards achieving optimal economic results of the sectoral components development in the cultural sphere. This should be in line with the corresponding organizational-economic conditions created under the influence of macro and microenvironmental factors in prospective periods.

In organizing and conducting the forecasting process, a crucial aspect is the selection of economic, financial, and social identifiers - characteristics of the prospective development of the constituent components in the cultural sphere. These identifiers, when aggregated, reflect the key performance and expenditure indicators of economic development processes, as determined in the dynamics by state and local statistical authorities and reporting.

Therefore, forecasting as a function of state managing the development of sectoral components and economic entities in the sphere of culture retains its purpose to enhance the level of significance and accuracy, and to facilitate the optimization of resource consumption in each type of planning (current, prospective, and strategic).

The external environment for the structural components of the cultural sphere can be represented by other sectoral components of both socio-cultural and productive sectors of the national economy, as well as by various levels of managerial bodies for the current functioning and prospective development of the cultural sphere.

Thus, strategic development of the cultural sector can be sufficiently ensured while maintaining, for example, the rates of economic growth, efficiency of the service provision process, and production within each of the forecast scenarios of the national economy, region, and development of sectoral components. Such a scenariobased forecast should be developed based on a substantial amount of information about the processes occurring in the external environment and trends of the internal environment development, that is, directly of the sectoral socio-cultural complex itself.

Therefore, effective strategic development in the cultural sector requires a comprehensive and well-informed approach, considering both the internal dynamics of the sector and the broader economic, social, and political contexts. This approach enables a more precise and impactful allocation of resources, aligning strategic objectives with broader societal goals and trends.

## **3.2.** Approach to the Improvement of Individual Components of the State Regulatory Mechanisms in the Sphere of Culture

Analysis of the current state in the cultural sphere, characterizing the object as a whole, allows identifying a number of situations that require resolution. Based on this and taking into account the priority tasks on the improvement of state regulation in this area, problems can be formulated that simultaneously characterize the difference between the desired and actual state of the object.

Many managerial issues in the cultural sphere are related to an imperfect legislative and regulatory base. At the beginning of the 1990s, with the change in the socio-cultural situation in the state, there arose a need for further study of problems in the cultural sphere. Traditional approaches, such as planning, programming, and forecasting, proved to be ineffective. There was a demand for new technologies capable of resolving contradictions in this area [76, p. 26].

Overcoming this gap became the development of the theory, methodology, and technology of socio-cultural design, which provides one of the essential conditions for long-term socio-cultural programs to be based on comprehensive socio-cultural project developments.

Development and adoption of targeted programs based on the project activity technology is an effective way of expressing and implementing the goals and objectives of developing the infrastructure in the cultural sphere and its other subsystems. The practice of regulating and financing the cultural sphere based on programs and projects is characteristic for many economically developed states.

The program-target approach becomes a "tool" for state regulation of the cultural sphere and is characterized by the following:

- resolves external economic aspects of planning;

- it is linked with solving the most urgent problems;

- resolves the issue of overcoming departmental disunity.

The necessity to appeal to targeted programs arises when there is a need to define the development priorities of various socio-economic systems and their segments, and in forming objectives with the necessary resources for their achievement. For the cultural sphere, this need becomes increasingly relevant under modern conditions.

Targeted programs and their effective application expand the organizational and managerial possibilities, aiding in the optimization of territorial and sectoral interests in managing the cultural sphere. The appropriateness and effectiveness of developing targeted programs in the cultural sphere, as experts [1, 40, 58] believe, lies in the fact that these programs require a comprehensive analysis of the real state of this sphere, identifying priority directions of its development at the current stage, and demand scientific substantiation in planning and managing socio-cultural processes. As a result, targeted programs become a prospective way for optimizing cultural policy.

Targeted programs are directive and specific documents that represent a complex of socio-economic, organizational, and economic tasks and measures aimed at solving a particular, socially significant problem. Characteristic features of a program include the reality and controllability of its objectives. The reality of the goal means its practical achievability by a certain date, while controllability implies the possibility of monitoring the progress of its implementation.

The concept of a "program' appeared in economics in the 1970s and is viewed as a new type of management, distinct from the established technologies of traditional planning. The novelty and significance of the program-target approach lie in the fact that with its application, it became possible to solve problems and tasks that were not amenable to resolution by traditional managerial methods.

Scientific interest in the concept of the program-target approach in economically developed countries arose in the 1960s and 1970s. In Ukraine, the method of target programming began to be implemented in the 1970s, when a number of targeted programs of social, republican, and regional scale were developed and adopted, mainly related to the development of social infrastructure and the solution of important socio-economic problems.

Currently, the program-target approach is applied at all levels of economic management. It is considered that program-target managerial methods are used in many enterprises and are included as key elements in forming organizational management structures in general industry normative documents. However, it should be noted that only in the second half of the 1980s several attempts were made to use the program-target method in the cultural sphere [68, 69].

In 1989, due to the transition of the cultural sphere to new economic conditions, the program-target approach was marked as an alternative method of management in the cultural sphere, as opposed to the former administrative-command approach, and began to be interpreted as a designation of new managerial methods, adequate for a society with a market economy and democratic structure. In practice, the transition to managing the cultural sphere based on targeted programs was triggered by changes in the system of budgetary financing that occurred in 1991.

The increasingly widespread application of the program-target approach in state regulation of the cultural sphere has several reasons [164]:

Firstly, new economic conditions in the cultural sector, which since 1989 have begun to require a specific technology for mastering, at least a portion of the budget funds for social orders, as well as the expansion of contractual relations to the budgetary financing of socio-cultural activities, necessitated the development of the corresponding type of a document. The document, which defines the content, terms, and other types of work according to the contract, is the program. Regarding budget funds, the program is an economic method of management. Funds for the program are allocated not in the form of a subsidy but for specific activities, allowing budgetary financing on a self-financing basis. Thus, the program is economic, as it has a specific budget that justifies the possibility of implementing activities, and legal one in the form of a contract.

Secondly, arises the demand for an appropriate document based on which financial and other means can be attracted from various sources (sponsorship, patronage, patronage) for the implementation of socially significant programs and projects in the cultural sphere.

Thirdly, the program approach is a characteristic feature of modern management. Supplementing the development of sectoral and territorial plans, it allows for the coordination of efforts of various partners and co-executors, regardless of their departmental affiliation and location.

In the current context of crisis economic situation, with rising inflation and budget deficits, where the market economy imposes strict demands on the efficiency of using all types of economic resources, the increasing role of extrabudgetary sources of financing in the cultural sector should be noted.

Funds for cultural activities should be allocated based on clearly defined tasks that need resolution and the definition of expected results. Targeted programs can serve as a substantiation for the necessity and appropriateness of financing various directions of cultural activities, with broad involvement of entities in the sphere. Therefore, targeted programs are of interest as a means of regulation and rational financing of the cultural sector at both state and local levels (see

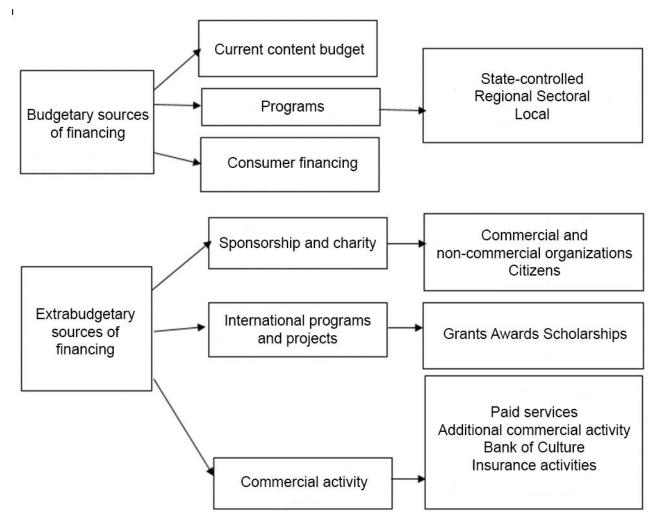


Fig. 3.2. Sources of funding for the sphere of culture Source: Compiled independently according to [90, p. 13-15]

The existing sources of funding confirm the priority of the program-target approach in state regulation of the cultural sector, and project technology should become its socio-technical system. This technology is a method for solving economic, organizational, and social problems in the cultural sphere and an effective means of practical use of financial resources through programs and projects. For these reasons, project technology is becoming increasingly relevant for modern management in the cultural sphere. In this technology, the interests of state authorities, the business world, the public, professional communities, and the possibilities of commercial and non-commercial activities are closely intertwined [190]. Currently, financing from extrabudgetary sources requires serious attention, informational and organizational support, and scientific substantiation. The development of paid services, additional commercial activities, civilized sponsorship, charity, and patronage in Ukraine is still in the stage of formation and development.

It is the transition to a mixed economy which has stimulated interest in the relatively new concept of project management in the cultural sphere. The foundation of this concept is the idea that a project represents a change in the initial state of any system and is associated with the expenditure of funds and time, being carried out according to the pre-developed standards within budgetary and time constraints. Another important circumstance that contributed to the establishment of socio-cultural project planning is the emergence of a group of new complex tasks in the economics of culture that cannot be solved by traditional methods and techniques.

In modern conditions, project management has become a recognized methodology for investment activity in all economically developed countries. In domestic practice, this concept is reflected in the application of program-target management. Professor H. Reshke defines project management as a direct, interdisciplinary corporation of planning, management, and decision-making processes in an interdisciplinary setting of tasks [72].

Program-target management as well as project management include the same stages of project development and implementation. However, there are significant differences in the relative significance of individual stages and ratio of the allocated time and material resources for them.

A project is a specialized management tool used in modern market economies regardless of scale, sphere of activity, and form of entrepreneurship. Project management brings together and optimizes resources (skills, tools, materials, equipment, information, money) necessary for the successful completion of a project, making it a socio-technical mechanism of program-target management [96, p. 58].

The creation and development of new technologies can be considered one of the promising directions of modernization in all spheres of public life. Currently, technologies have begun to acquire general social significance. Their influence is no longer limited to the sphere of production. Technologies are integrated into various social processes and characterize the level of socio-economic transformations in societal development.

The concepts of "technique" and "technology" have acquired the status of general scientific and social concepts today, as they have a universal, general character and reflect the real existing interconnections between material production and other aspects of social life. Socio-cultural technology is an ordered sequence of socio-cultural activities in time and space, a set of skills, methods, and ways aimed at achieving and implementing socio-cultural orders [111, p. 52].

Currently, in both domestic and foreign literature, socio-cultural project planning is understood as a special type of scientific-practical activity aimed at reconstructing existing or creating new objects (clubs, sports facilities, libraries, entertainment venues, etc.) that carry an important socio-cultural function.

The technology of socio-cultural projects includes everything that serves as a tool for creating the final product of this activity (project): firstly, various methods of obtaining information, technical means of processing, storing, and transmitting information, as well as the corresponding toolset; secondly, various technical means used in the design and verification of the project, methods, and tools by means of which the socio-cultural project is developed.

A project in the sphere of culture is a temporary activity with a specific initial budget, designed to achieve set tasks with clearly defined objectives. Projects in the cultural sphere can include concerts, play productions, exhibitions, festivals, tours, conferences, etc.

Project management effectively combines three qualities: flexibility, predictability, and integrity. In terms of the final result, it is typically innovative management, which is often aimed at creating a new product or service, or at introducing changes to the existing work order. This differentiates it from traditional management – managing a company or organization [86, p. 51].

Project management can be seen as a special type of management that requires a certain combination of all its parameters. It requires not only a special organization based on meticulous planning and designing a complex of necessary management decisions but also special training of staff to work with project technology - staff which is capable of working not in a stationary system of distribution and assignment of functions and strict functional control of activities, but in a flexible decisionmaking system according to project criteria: time saving, resource saving, consistency of actions, interactions (see Fig. 3.3).

Allocating funds from various sources to a socially significant project in the cultural sphere, based on the presented scheme, allows for the allocation of funds not simply for the existence of an organization, but for a specific type of activity, if the project meets all the specified criteria, goals, and parameters.

Project technology, as a socio-technical system of program-target management at the current stage, in the conditions of perpetual uncertainty, acts as an adaptive mechanism of the cultural sphere to new economic conditions. This approach shifts the focus from traditional, often rigid funding models to a more dynamic and purpose-oriented system. It emphasizes the importance of the project's relevance, viability, and alignment with strategic cultural objectives, thereby enabling a more effective and responsive use of resources in the cultural sector.

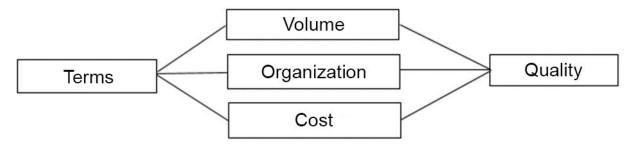


Fig. 3.3. Main project objectives

Source: Compiled independently according to [86, p. 13-15]

First and foremost, program-project technology is essential for addressing the most pressing problems of the cultural sphere at the local level and for invigorating local socio-cultural policy. The preparation of programs and projects provides an opportunity to identify and interact with initiative-driven individuals in the regions.

The development of organizational and economic measures for the implementation of programs and projects is determined as a result of the joint activities of managerial bodies, specialists, and subjects of cultural innovations [93, p. 31]. The primary essence of local programming lies in responding to public needs in the sphere of cultural, as opposed to an ideological dictate over it.

At the local level, the process of forming cultural policy is to be based on the principles of individualizing territorial development and a democratic mechanism for forming cultural priorities, relying on the socially active subjects operating in the area. Each territory should independently formulate cultural development priorities, based on an analysis of local conditions and problems.

The relatively new technology of project management in the cultural sphere in Ukraine requires further study and development, making the foreign experience of scientific and practical research and developments a field of interest.

Managing the cultural sphere development at the local level cannot be limited only to searching for solutions resolving the problems related to the activities of state or departmental cultural organizations. The contemporary situation in the cultural sphere is characterized by the fact that other subjects also actively influence it.

The task of local management bodies in the cultural sphere is to create conditions for the realization and combination of the interests of numerous different entities operating in the cultural field - citizens, various population groups, formations, creative teams and their associations, self-organizing organizations of the cultural sector and their employees, public movements, private commercial and noncommercial organizations. Constructive interaction and regulation by state management bodies should contribute to achieving the common goal of preserving and developing culture and the arts. Global practice and domestic experience in cultural management confirm the necessity of state regulation, both at the state and local levels, across the entire system of the cultural sphere, including its non-state sector.

Based on the results of conducted research, the main principles of the mechanism of state regulation in the cultural sphere at the local level have been identified:

- decentralization, demonopolization, and democratization of the management and financing system in the cultural sphere;

- transition to predominantly targeted financing of the cultural sphere;

- diversity of possible organizational and economic forms of cultural activity, taking into account regional specifics;

- differentiation of business models (commercial and non-commercial organizations, specialized models corresponding to different types of activities);

- ensuring the interaction at the regional level of various subjects of cultural policy in solving tasks which correspond to their common interests;

- implementation of managerial influences based on contractual relations and involving various subjects in the development and implementation of targeted programs and projects on a partnership basis.

The state managerial bodies in the cultural sphere of the Kharkiv region face the challenge of developing a cultural policy for a new stage of development. One of the ways to overcome economic, organizational, and social problems in the cultural sphere of the region could be the creation of intermediary organizational structures with a coordinating beginning. The program-target approach and project technology can be adopted as an adaptive mechanism of cultural organizations to contemporary economic relations. The most crucial component of such process is the transition from predominantly administrative to economic methods of management and leadership at all levels.

Intermediary state and public organizational structures in the sphere of culture are created at the local level – these are various organizations performing some functions of state management but do not possess the status of an executive authority. Coordinating organizational activities and the distribution of financial resources, including those provided by the state for the development of the cultural sphere are the pivotal functions of such non-commercial organizations (funds, associations, centers) delegated by the state on the development of the sphere of culture. The analysis of foreign experience in managing the cultural sphere confirms the effectiveness of creating such organizational structures, as evidenced by their widespread adoption in many countries.

The primary sources for funding such organizations are voluntary deductions and donations from sponsors and patrons, as well as grants allocated from state budgets and provided by foreign foundations. These organizations operate independently, possessing own financial fund and staff. In their activities, they unite representatives of government authorities and private business, creative organizations, and other interested parties to develop programs and projects aimed at preserving and developing culture in regions, serving as unique organizational platforms for the interaction of various cultural entities at the local level.

One of the main tasks of state cultural management bodies is to create favorable conditions for achieving the primary goals of the local cultural complex the preservation and development of local culture and ensuring social state guarantees for the population of the Kharkiv region in the field of culture and arts. One of the ways to achieve these goals and objectives could be the establishment of a Fund for Programs and Projects in the field of culture in the Kharkiv region. The main aim of this Fund would be to coordinate the activities of all elements within the cultural sphere to satisfy the economic (funding of projects) and social needs (provision of cultural services) of the population in the Kharkiv region.

The conducted research has confirmed the relevance of establishing a Regional Fund for Programs and Projects in the field of culture. The substantiation for this perspective is based on the results of the analysis of socio-economic status of the cultural sphere in the Kharkiv region and the changes associated with the development of market relations.

The mission of the Regional Fund for Programs and Projects in the field of culture is to develop this sector in the Kharkiv region.

The main objectives of the Fund's activities are:

- attracting and accumulating financial resources from various sources for the organizational and financial support of socially significant projects;

- uniting creative and intellectual workers in the field of culture to collaboratively develop the main directions of cultural policy in the Kharkiv region;

- assisting in the adaptation of cultural organizations to contemporary economic conditions;

- involving various entities in the Kharkiv region in joint activities for the implementation of socially significant projects on the territory;

- providing informational and methodological consulting to management personnel in the field of culture in modern economic disciplines and management methods, based on program-project technology. In line with the primary objective of the Fund, a list of managerial tasks has been developed to ensure its achievement. These tasks include:

- coordinating activities of various entities in the cultural sphere in the Kharkiv region;

- forming cultural policy of the region, taking into account existing opportunities and socio-cultural situation;

- distributing financial resources on a competitive basis to programs and projects of organizations, regardless of their ownership forms and departmental affiliations;

- identifying the sources and scales of funding for the programmatic and project development of the regional cultural complex;

- establishing a database of potential donors for the Regional Fund for Programs and Projects in the field of culture (patrons, sponsors, enthusiasts) who invest in the cultural sector;

- creating a database of cultural organizations in the Kharkiv region, irrespective of their departmental affiliations.

Based on the main objective of the Fund, a comprehensive list of managerial tasks has been developed to ensure its achievement. Among the key areas of the Fund's activities there are:

- coordinating activities of various cultural entities in the Kharkiv region, facilitating effective collaboration and synergies;

- formulating the cultural policy of the region, considering the available opportunities and the current socio-cultural context, to effectively resolve specific demands and dynamics in the region;

- allocating financial resources on a competitive basis to various programs and projects, irrespective of the organizations' forms of ownership and departmental affiliations;

- identifying sources and determining the scale of funding for the programmatic and project development of the regional cultural complex;

- developing a database of potential donors for the Regional Fund for Programs and Projects in the field of culture, including patrons, sponsors, and enthusiasts; - compiling a comprehensive database of cultural organizations in the Kharkiv region, regardless of their departmental affiliations.

The Fund's tasks are characterized by their generalized nature, each encompassing a complex of basic functions. The main directions of the Fund's activities include:

- organizing and conducting competitive selections for socially significant cultural projects in the Kharkiv region and providing financial support for these initiatives;

- carrying out informational and educational activities, such as development of newsletters, brochures, and reports concerning the Fund's activities and state of the cultural sphere in the Kharkiv region;

- organizing and conducting informative and introductory offsite seminars, focusing on new management and financing technologies in the cultural sector.

- providing methodological and practical assistance to cultural organizations in the Kharkiv region in the development and writing of project proposals.

Therefore, having defined the goals, tasks, and managerial functions, one should proceed to design the organizational model of the Regional Fund for Programs and Projects in the field of culture. This process includes the development of an organizational structure, a matrix for the distribution of functional duties among employees, staff scheduling, and regulations.

In management theory, modeling organizational structures is performed by the principle of departmentalization, which means the process of dividing organization into separate blocks, which can be called departments, divisions, or sectors.

In modern management theory, four main types of organizational structures are distinguished - linear, functional, line-staff or linear-functional, and matrix or program-targeted. Each of these has its own characteristics and drawbacks, which are taken into account in the development of management structures for specific entities.

To the greatest extent, the goals and tasks of the Regional Fund for Programs and Projects in the field of culture correspond to a matrix management structure. Its principal distinction from other types of management structures lies in the presence of horizontal links and the alleviation of vertical ones. Increased management efficiency in a matrix structure is achieved through the creation of target groups working on specialized programs. Their task is to ensure the achievement of the defined goals in a short term through the rational integration of functional units. The most qualified specialists in functional departments concerning a specific problem form target groups.

Creating an organization based on the matrix approach is associated with solving managerial problems in the sphere of culture through the organizations in situations when financial and human resources are limited. The main advantage of matrix departmentalization lies in its high potential for adaptation to changes in the external environment by simply altering the balance between resources and results, functions and products (services), technical and administrative goals.

The advantages of a management body formed on the program-targeted principle lie in its mobility, orientation towards clearly set goals and tasks for each period. It focuses on the rational use of all resources and opportunities for specific purposes, and on control not over the content of individual aspects of executive activity, but over its final result.

## **3.3.** Model for Coordinating the Interests of Entities Involved in State Regulation of Cultural Sphere Development

A subject of management is characterized by making administrative decisions and ensuring their practical implementation. In the sphere of culture, the entities of management include government bodies and local self-government, state and municipal enterprises, as well as public organizations and private business structures.

In this case, the alignment of interests of such entities, including state authorities and local self-governance bodies, private investors, public and scientific organizations, natural monopoly subjects, and state corporations, is of particular importance.

The term "interest" originates from the Medieval Latin word "interesse", meaning "to be of importance" [218, p. 183]. Economic interests are the conscious aspiration of economic entities to satisfy economic needs, serving as an objective motivational driver of their business activities [14, p. 24].

The Constitutional Court of Ukraine has defined the concept of "legally protected interest" as the aspiration to use a specific material and/or immaterial benefit, as determined by the general content of objective law and not indirectly mediated in subjective law - a simple legitimate permit, which is an independent object of judicial protection and other means of legal protection. It is aimed at satisfying individual and collective needs that do not contradict the Constitution and laws of Ukraine, public interests, justice, honesty, reasonableness, and other general legal principles [70].

The structure of a legitimate interest includes two elements:

- the subject's aspiration to use a specific social good;

- in some cases, seeking protection from competent authorities [17].

In the process of interests' concordance, the conditions and trends of socioeconomic development are identified, along with the possibilities and limitations; its goals and priorities are formed. Moreover, one of the tasks can be to determine the ways, methods, measures, resources, and mechanisms that allow for the most effective achievement of the specified objectives. This task should be addressed in both territorial and sectoral dimensions.

In the model of coordinating interests of various parties involved in state regulation of the cultural sphere, the following main methods and means of interests' coordination can be identified: program-targeted planning, indicative planning, social standards, social marketing, state procurement, and public-private partnership (see Fig. 3.7.).

Let's consider program-targeted planning, aimed at defining the goals of socioeconomic development of the country, the priorities of socio-economic policy, as well as forming a complex of measures with indication of their funding sources, to achieve the stated goals and priorities.

Initially, a priority development sector is selected. Next, it's necessary to choose a specific direction of development, taking into account the identification of alternative opportunities. This is followed by the development of an action plan for achieving the goals for the chosen direction. In this case, economic, legal, institutional actions can be planned. Once the main expenditure directions are determined, it is essential to find income sources to cover them. The foundation of program-targeted planning is the sequence of "goals - paths - methods – means". This not only involves forecasting possible outcomes but also describes how to achieve them. Thus, this method allows to change some directions in case of deviations and achieves the most comprehensive reconciliation of interests among various parties affected by the program.

Moreover, it is important that in this particular case, management of actions and elements of the program is considered, that is, the approval process affects not only the compliance of goals, but also the specific actions of participants in economic processes. The presence of such programs facilitates improved coordination of actions between different governmental bodies and businesses and resolves contradictions in the implementation of social measures [72, p. 19].

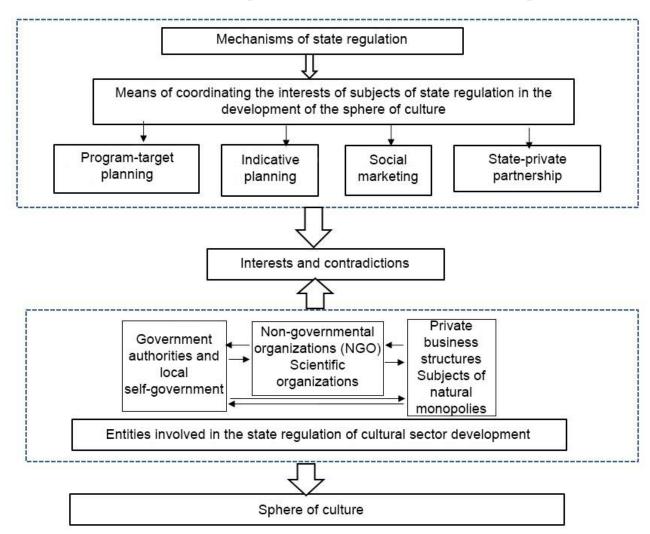


Fig. 3.7. Model for Aligning the Interests of Entities in State Regulation of Cultural Sector Development

Source: Compiled by the author

Recently, social programming has developed as a form of systematic redistribution of resources based on predefined goals, criteria, and possible forms of using these resources to address specific social tasks. In this case, the recipients of the resources and state bodies responsible for implementing the program are clearly defined. It is important that such programs reduce uncertainty and are not associated with severe administrative pressure, but they take into account the specificities of sectors, specific organizations, and government bodies [38, p. 159].

According to the activity-based approach, programming as a management function represents a particular type of managerial activity. In line with the classification of types of state management proposed by T. Duran and V. Kostin, the programming function can be attributed to goal-oriented management. Goal-oriented management is the most diverse type of management. In terms of functions, it also includes accounting, analysis, control, but additionally involves goal setting (planning), selection of executors, motivation, and stimulation. In terms of application areas, it is used by all management subjects: in management, in state and municipal management, and in public organizations [68, p. 11]. We propose to supplement this list of functions belonging to goal-oriented management with forecasting and programming.

From the viewpoint of the socio-technological approach, social programming is viewed as a social technology. This approach theoretically justifies youth policy as a systemic technology for improving the quality of life of young people [30, p. 47]. The significance of technology lies primarily in making managerial activities more rational, including only those processes and operations necessary to achieve the defined goal.

The technology of programming is implemented in accordance with the principles of the program-targeted method in management, the purpose of which is to increase the efficiency of using the financial resources of the territory. It "involves setting specific goals, tasks, and performance indicators of programs with simultaneous monitoring and control of their achievement" [16, p. 38].

Indicative planning can be a method of matching interests. In its essence, it is closely related to the program-targeted approach because it is based on setting certain

goals and striving to achieve them. On the other hand, indicative planning leaves freedom of action for economic agents, while the program-targeted method presupposes the presence of predetermined measures, procedures, and their sequence that facilitate the achievement of the goal.

In our opinion, the system of indicators represents a set of interrelated socioeconomic indicators, formulated on the basis of the goals and priorities of territorial development and interconnected by basic information. The system of indicators is one of the most important elements of indicative planning, as it sets the parameters of socio-economic development in the medium or long term by defining indicators and establishing their threshold values in accordance with target settings.

Development according to indicative parameters is a movement towards achieving equilibrium and the desired state of the cultural sphere when the interests of all participants in the process (including the state) and society are aligned.

The system of indicators must meet the following mandatory criteria and requirements. Firstly, it should be flexible and adaptive that would allow necessary adjustments to plans, refining goals, and conducting annual iterations. Secondly, the indicators should be comparable, clear, and measurable, with a close interconnection and interdependence among them. Thirdly, each group of indicators in the system should be assigned to specific departments or administrations, and the institutions conducting annual monitoring should provide suggestions for their adjustment or refinement in accordance with events and socio-cultural changes. Fourthly, the indicators should be achievable and feasible. Fifthly, the system of indicators must be adequate to the system of goals of indicative planning. The implementation of indicative plans is carried out through the system of indicators [80, p. 21].

An important element of the indicative planning system is the indicative plan itself. In our opinion, an indicative plan is a comprehensive action plan (program) that reflects the target orientations and parameters (indicators) of the socio-economic development of the territory, specifies approaches, mechanisms, and procedures for their achievement, and includes the volume of material and financial resources involved for their implementation. These plans are developed based on the alignment of interests of all parties and economic subjects. Indicative planning can take various forms. The first form, conjunctural, involves activities aimed at improving the economic situation and developing the economy through various measures of economic policy. The second form, structural, is considerably more effective as it is based on the alignment of existing interests and plans of the state, regions, various organizations, and enterprises. In this case, the development of regions, territories, and individual economic sectors plays a decisive role, and state authorities influence the implementation of indicative plans by providing preferential loans, tax benefits, and other support measures for organizations in the cultural sphere.

The strategic form of indicative planning envisages the most comprehensive alignment of the interests of all economic subjects. Here, indicative planning is long-term in nature and is part of the state's strategic policy. The planning process is aimed at implementing national programs and developing the economy by aligning the interests of the state and society regarding the directions of further socio-economic development. In this sense, the main function of the state is to inform the parties and orient them towards priority directions [53, p. 25].

One of the most important means by which the state influences the development of the cultural sphere is the use of the institute of social standards. Since a social standard is established based on the harmonization of interests of various parties and should reflect their social needs, this institute should be viewed as a means of aligning interests. A social standard creates the normative and legal basis for fulfilling the state's order for the production of socially significant goods and services a society demands. Accordingly, a legislative base is initially formed, and the presence of budgetary funding sources for the production of these goods and services is anticipated. It is also important to note that the social standard reflects notions of consumption norms, which ultimately can serve as a mechanism for shaping prices and a certain norm of funding.

Social standards are distinguished by types – minimum, average, rational, etc. Since resources in the economy are limited, the greatest attention is paid to minimum social standards. These standards can be established at the national and local levels, as well as for individual sectors. Thus, the most complete consideration of the interests of different groups of the population is possible. It is important that regional or municipal minimum standards can be established according to the specifics of the territory, but they cannot be lower than the higher-level standard [107, p. 32].

It is essential to recognize that the presence of a social standard as a means of reconciling economic interests of entities involved in state regulation of cultural sector development is also dictated by the necessity of meeting minimum social standards, regardless of potential limitations. Moreover, achieving the set objectives is impossible if there is non-compliance with at least one of the standards. Analyzing the effectiveness and quality of fulfilling obligations under social standards allows to identify necessary directions for fund allocation. In practice, the use of state (municipal) tasks leads to a mandatory valuation of all the necessary resources for their execution. This enables the efficient use of funds and the selection of optimal sources of coverage. However, it is crucial that funding be sufficient for the quality execution of the given task and social standard, and not merely serve as a declarative document [29, p. 62].

Another means of the state influence on the development of the cultural sector is social marketing, which can also be considered an effective tool for reconciling interests. In this context, the interests of state authorities, local self-governments, private investors, organizations, various companies, and research organizations are aligned to enhance the overall level and quality of life in society. Social marketing enables to analyze the market, identify consumer needs, market segmentation, and the formation of competitive advantages. It also creates new opportunities for private sector organizations.

In the last quarter of the 20th century, the term "marketing", which originated in entrepreneurship, was analogously extended to the implementation of projects by state, public, and commercial organizations aimed at improving population behavior to address social problems. The concept of "social marketing" was first used by the World Bank and the World Health Organization in the 1980s. Social marketing has evolved as a tool for positive behavioral change in the population and social transformation. It applies marketing principles and techniques to create, communicate, and deliver value in order to influence target audience behaviors that benefit society as a whole, not just the individual. This approach can be particularly effective in the cultural sector, where it can help align various stakeholders' interests around shared cultural and social goals.

Today, social marketing programs are being implemented in various countries around the world. These programs are determined by the differences in living standards in the developed countries and, correspondingly, by the nature of social problems unique to different nations. Nevertheless, it is possible to identify the main social issues solved by social marketing: public health improvement; injuries and mortality reduction; enhancing the environment; and supporting the development of specific communities [98, p. 159].

Despite the fact that social marketing is widely recognized globally as an effective social technology and has developed its own theory and history, there is no consensus among scientific research on marketing activities about what exactly constitutes social marketing. Within the scientific approach that equates commercial and social marketing, two directions can be identified.

Firstly, many marketers [41; 42] call social aspects of commercial (profitoriented) marketing as "social marketing", identifying it with a socially responsible or socio-ethical marketing. The strengthening of this trend is greatly facilitated by the fact that practical marketing today is impossible without sociological research of the population. Marketers carry out economic analysis based on special measurements of the preferences of target groups, choosing them in a broad social context. It is also necessary to consider the interests of various social groups when conducting marketing research. Marketing technologies in modern society cannot ignore the diversity of social interests of consumers, conditioned by the diverse value orientation. Producers of goods and services benefit from solving various social problems and thereby influencing social processes, adapting the behavior of the population to their commercial interests. However, as a result, they themselves adapt their activities to the emerging social demands in response. Through market exchange, a symbiosis of the producers' interests and a wider consumer is created, which economists perceive as social marketing.

Secondly, it is proposed to refer to marketing in the social sphere (healthcare,

education, culture) as social marketing. This last paradigm is prevalent only in post-Soviet countries and reflects their specific problems caused by the privatization of the social sphere and its transformation into social services.

The spread of social marketing programs is closely linked to the peculiarities of social policy in a country. Its projects are actively implemented where social protection is funded, primarily in European countries and the USA. Today in Ukraine, a model of social policy has formed where the state's participation has significantly decreased compared to the Soviet period and continues to diminish. Under these conditions, authentic social marketing in the form of state and local government programs to address specific issues of positive community development cannot become a prominent phenomenon.

In our opinion, it is essential to clearly distinguish between commercial and social marketing. The commonality in social and commercial marketing – the importance of the quality of the product (idea) being positioned and its value, the place of distribution - does not negate their fundamental difference. And this difference between commercial and social marketing is significant, while their similarity lies only in the implementation of anything. Both commercial and social marketing take into account social connections, but with different purposes. If social marketing studies the behavior of a social community to change it for the benefit of the entire society, commercial marketing studies the behavior of a certain population category and uses social knowledge to change the production of goods. Social marketing is not included in the entrepreneurial activity system. It is used only to solve social tasks, not commercial ones (to obtain or increase profit). Marketing methods are applied in the part of product promotion in both commercial and social marketing. In social marketing, that is "promoted" there are no goods and services, but various initiatives in the form of programs, material and psychological help, people's associations, information, etc. These programs represent a set of measures that express some idea beneficial to society.

In the technology of social marketing, there are elements identical to the stages of sociological research. In contrast to commercial marketing and by analogy to sociological research, the development of a social marketing program begins with the identification of a social problem. The problem must be formulated clearly and fully. Along with the contradiction that drives the study of the subject, it should also reflect the social good that the program aims to achieve.

One of the forms of state influence on the development of the cultural sphere is priority national projects. The very idea of their implementation is possible under special conditions: the availability of financial capabilities of the state to solve accumulated problems in the socio-cultural sphere, the implementation of administrative reform, and the introduction of budget planning.

State programs facilitate the alignment of interests, as they presuppose the interconnection of programs at both the state and local levels. The application and development of state programs currently remain one of the new directions. In this context, some aspects are not defined. Firstly, the mechanism for implementing the program has a significant flaw, as the process for selecting a responsible executor of the state program and assigning a subprogram to the program is not described. Secondly, there is an ongoing discussion about the appropriateness of using the provision of constitutional rights as the main goals in state programs and possibly including current expenses in these programs. For example, this pertains to the state program for the development of the pension system, which envisages payments of labor pensions or other state programs in the social sphere. Thirdly, the formation of state programs for municipalities is not described. Fourthly, the formation of state programs leads to an increase in the budget deficit.

It is particularly important when forming programs to articulate goals and objectives. Each of the existing programs today considers one of the most important problems of socio-economic development. A priority national project has a more complex structure. It is implemented at the expense of a complex of sectoral target programs, which include functional target programs [47].

However, despite the difficulties that arise, it is necessary to note that the process of program formation and the proposed requirements for them are universal. Initially, a draft program appears, which is then submitted for discussion and consideration. At this stage, the main opportunities, conditions, and limitations regarding the implementation of the measures included in the program are identified.

After coordinating the interests of various participating parties, the program is formalized. Each program contains goals and objectives that must meet the SMART criteria [103]. The implementation of the program's goals involves a set of various measures that contribute to the achievement of the defined goal and task. Each measure has its responsible executor, necessary resources, deadlines for execution, and expected results with quantitative assessments. The program should include quantitative and qualitative expressions of the final results, the presence of which defines the set tasks and objectives. The formulation of goals and tasks is also influenced by the interaction of each specific program with the other existing programs, priority national projects, and programs at other levels of the budgetary system.

There is a practice of project-based funding, where some tasks within the program are executed not by the employees of the department responsible for the program, but by other individuals or groups of people. Project work allows to consider complex tasks that require the presence of skilled workers from various fields, not just a specific department. In the socio-cultural sphere, approximately half of the total volume of budget financing is allocated not to specific objects, but within the framework of projects for temporary work groups. For example, in library projects, IT professionals, as well as chemists, biologists, and other workers dealing with storage technologies, conservation of library collections, and studying the impact of various factors on the preservation of existing funds were involved [54, p. 51].

It is evident that project financing is effective in areas that cannot be funded from current expenses. These include large-scale investment projects as well as events such as festivals, fairs, forums aimed at preserving a unified socio-cultural space, etc. Project financing allows organizations that are not in the budgetary sector to participate in such activities and receive funding. On the other hand, the use of project work allows for a transition to task-based financing, leading to the most complete alignment of the interests and capabilities of the client and the executor.

The idea of financing the performed work through state orders and based on state procurement is one of the most important means of aligning economic interests of entities in state regulation of cultural sector development.

As mentioned above, social standard reflects society's conception of the necessary level and quality of life. In this case, we are talking about a broad understanding of social standards, not just their minimum values. It is also necessary to determine the cost of providing each service in monetary terms. As the experience of economically developed countries shows, their long-term programs and strategies are based on the existence of social standards. In domestic concepts, they are not used as objectives [65]. Moreover, there is no legislation on social standards, which creates additional difficulties in implementing long-term social policy. According to A. Degtyaryov, the absence of social standards for the middle class makes it impossible to conduct effective, predictable, responsible social development policy [59, p. 55]. And this issue of state regulation has yet to be resolved.

The presence of state (municipal) orders is an element of result-oriented budgeting and allows to switch from estimated financing to state (municipal) order from itemized financing to state (municipal) orders for social services. Let's consider a series of concepts. Under itemized (budget-based) financing, the goals and effectiveness of expenditures are not defined. In this case, it is aimed at covering the costs of a state institution. Here, expenditures and planned activities are very loosely connected. Consequently, expenses for providing services and conducting works may not be included in the list of allocated funds. Moreover, the reallocation of funds is complicated and even impossible, even if it would better meet the population's needs for social services. The balances of funds are retracted, which does not create incentives for their efficient expenditure [15, p. 54].

Thus, the interests of different parties are not aligned, but only the perceptions of the authorities on how much and how funds should be spent to produce social services are considered. In this context, there are only administrative and legal mechanisms to control the volume and quality of social services provided to the population. In turn, the application of result-oriented budgeting represents a system of budget formation, execution, and budgetary control, which allows for tracing the connection between budget expenditures and achieved results. The advantages of this method are that it is aimed at solving the following tasks: - determining the priorities of budget expenditures, their justification, and implementation;

- establishing the relationship between the expected results of program implementation and the number of resources required for this;

- increasing the autonomy and responsibility of recipients of budget funds;

- creating incentives for state and municipal employees, as well as workers in budgetary and autonomous institutions, for effective work aimed at achieving a specific end result;

- enhancing the transparency of the activities of local self-government bodies, and consequently increasing the trust of the population and attracting investors.

When assessing a program as one of the key elements of result-oriented budgeting, it is important that not only economic efficiency is evaluated, but also the efficiency of resource allocation, which is related to the non-market nature of services [59, p. 41]. To assess the effectiveness of budget expenditures, it is necessary to use performance indicators: the accessibility of social services, the need for social services, the orientation of institutional structures towards the individual needs of citizens, and the adequacy of resources to perform professional functions. A quantitative criterion can be the economic efficiency of the work of budget institutions or other recipients of budget funds that carry out state procurement. Additionally, it is necessary to measure society's subjective evaluations of expenditure effectiveness. For this purpose, indicators should be used such as user satisfaction with the provided social services, the level of loyalty towards various social service institutions, and towards the system of social support and service as a whole. These data can be obtained through public opinion surveys [95, p. 25].

The transition to the predominant use of the program-target approach and accordingly, the tools of result-oriented budgeting imply the use of indicators such as economic and social effects, as well as efficiency and outcome. However, when defining the criteria for implementing state programs, it is necessary that these indicators correspond to the tasks of indicative planning, based on monitoring results. This would allow to compare the obtained results with the benchmark indicators (social standards). Then it would be possible to evaluate the change interval of a

specific indicator relative to the benchmark and the efficiency of expenditures, i.e., whether they contribute to achieving the chosen goals and priorities of social development.

Considering this, we can note that the use of the program-target approach as one of the methods of state regulation of the cultural sector contributes to the most complete alignment of interests of various parties and efficient use of funds. However, it raises serious discussions and questions regarding the specific mechanisms of its implementation. It is also important to note that existing performance indicators do not always qualitatively reflect the achievement of the tasks and goals of the programs. Moreover, social standards are not used as goals, although this would allow more fully considering the interests of society in the production of socially significant benefits.

Let us proceed to the consideration of such a means of state influence on the development of cultural industries as the mechanism of public-private partnership. This is the most advanced of all contemporary means of developing the cultural sector since it is based on the fundamental principle of aligning interests. It allows to match business and state interests, combining business interests and technologies. This is evident not only in the organization of companies of this type but also in the implementation of socially responsible policies by businesses. Furthermore, public-private partnership serves as an effective mechanism for the development of the social sphere, as it enables the development of socially significant projects, aligns the interests of society and business, and creates a greater amount of socially significant goods in conditions of insufficient state funding for their production.

According to the existing statistics, in the structure of public-private partnership projects, the social and cultural sector was not represented until 2011. This situation is not due to a lack of business interest in such projects but rather to the presence of numerous barriers.

Currently, there is an opinion that the most effective approach for the cultural sector involves the use of such types and forms of public-private partnership as classical concessions. Experience has already been accumulated in this direction, and the corresponding legislation exists. According to experts [72, p. 14], it is necessary

to apply a wider range of concession agreements.

It should be noted that the choice of a specific form of public-private partnership depends on the conditions of the project itself, its specific participants, the investment model, and other project-specific characteristics. Furthermore, one of the contemporary trends in the development of public-private partnerships in various cultural sectors involves expanding partnerships not only with the participation of the government and the private sector but also with various non-profit organizations [154, p. 12].

Application of the mechanism of public-private partnership in the sociocultural sphere has its own peculiarities. This is evident in the fact that effective implementation of this mechanism requires adherence to a range of conditions. It is important for the parties to understand each other's goals, which allows for a clear and non-contradictory formulation of objectives, sanctions, and mechanisms for resolving potential conflicts. One of the key conditions for public-private partnership is the development of various initiatives based on a broad competitive selection of projects for further investment. It is important to implement competitive mechanisms and improve pricing. Project insurance also needs to be developed [25, p. 21].

To promote the development of public-private partnerships in Ukraine, it is necessary to establish an administrative apparatus capable of implementing the state's goals in collaboration with business entities. Currently, the responsibility for conducting and preparing competitions lies with government authorities and local self-government bodies, which often have limited resources and are unable to invest in the creation and processing of new projects. Moreover, it is crucial to move away from models of interaction between the government and businesses based on personal and corrupt ties between government officials and business representatives [60, p. 105].

Formation of development institutions plays an important role in creating a mechanism of public-private partnership in the socio-cultural sphere. As international experience demonstrated, public-private partnerships face complex challenges that require the involvement of specialized institutions, resulting in what is known as institutional partnership. This partnership involves various non-profit organizations,

such as foundations, clusters, technology parks, and others [99, p. 302]. Therefore, for the successful implementation of public-private partnership projects in the sociocultural sphere, it is necessary to combine various forms, including concession arrangements, inclusion in state target programs, departmental programs, as well as the engagement of development institutions.

The success of implementing public-private partnerships depends on the availability and high level of development of state strategic planning. This is influenced by both the forms of public-private partnership that can be applied in the socio-cultural sphere and the nature of such partnerships. As practice has shown, the average project duration is 5-15 years, and it is evident that changes in political leadership can occur during this period. Since public-private partnerships are a crucial element of investment policy, a long-term policy is necessary to ensure that the commitments made at the beginning of a project are upheld and not altered. The state should assume certain risks as a participant in these agreements [51, p. 21]. For example, risks of premature project termination are associated with the utilization of constructed facilities, especially those related to social infrastructure. Additionally, there are high currency risks and risks associated with changes in project refinancing conditions that are beyond the control of private investors [60, p. 104]. The development of strategic planning allows for the long-term alignment of the strategic goals of the state and businesses based on a program that also describes the procedures for implementing specific projects.

As a result of the research, it has been determined that the alignment of the economic interests of subjects of state regulation in the development of the cultural sphere should be carried out using such methods and means as:

- program-target planning aimed at defining the goals of socio-economic development of the country, priorities of socio-economic policy, as well as the formation of a complex of measures with an indication of their sources of financing to achieve the specified goals and priorities;

- indicative planning, which, on the one hand, is close to the program-target approach because it is based on setting specific goals and the desire to achieve them, and on the other hand, it allows for freedom of action for economic agents, while the program-target method involves the presence of predefined measures, procedures, and their sequence to achieve the goal;

- social standard, established through the coordination of various parties' interests, must reflect their social needs. A social standard provides the normative and legal framework for fulfilling the state's mandate to produce essential socially significant and public goods for society;

- social marketing can also be considered an effective means of reconciling interests. In this case, the interests of government authorities, local self-government, private investors, organizations, various companies, and research institutions are aligned to enhance the overall standard of living and quality of life in society;

- the method of state procurement is based on the idea of funding work through open tenders for the acquisition of goods, services, and works;

- the method of public-private partnership is the most advanced among all modern methods of developing the cultural sphere because it is based on the fundamental principle of aligning interests. It allows for the alignment of business and state interests and technologies. This is evident not only in the organization of such companies but also in the implementation of socially responsible policies by businesses.

To effectively apply each of the described methods and means, it is necessary to establish appropriate institutional foundations, which include legislative framework and management structures. It is important that these institutional foundations are elaborated in detail rather than having a declarative nature.

### **Conclusions to CHAPTER 3**

1. Improvement of the economic mechanism for state regulation in the field of culture is proposed through the utilization of a strategy known as differential growth. The essence of this strategy lies in the production of new services while preserving opportunities within an already established market and technology. Specifically, it involves the provision of ancillary services to consumers of core services, aligning with a horizontal diversification strategy. Competence in the production of such services plays a crucial role in this context. It is important to note that in practice, there are often violations and obstacles in the implementation of strategic planning. These issues arise because the process of continuous advancement and implementation of strategic planning is not thoroughly developed. In order to prevent potential disruptions in the implementation process of strategic planning within the realm of state regulation in the cultural sector, a "directions of implementation" scheme is proposed. By "directions of implementation", we refer to a system of actions aimed at preventing and rectifying weaknesses in the organization of strategic planning for the development of the cultural sector.

2. It is proved that forecasting as a function of state regulation in the development of sectoral components and economic entities within the field of culture continues to serve its intended purpose of increasing the significance and accuracy while promoting cost optimization in resource consumption for each type of planning (current, prospective, and strategic).

It should be noted that the combination of technological procedures for strategic planning in the development of structural components of the cultural sector and forecasting is possible not only in conjunction with current and prospective planning, which jointly determine the maximum achievable economic, financial, and social results in the future time period but also with scenario forecasting for the development of the external and internal environment of the management object.

3. The establishment of intermediary organizational structures with a coordinating role can become a way to address economic, organizational, and social issues in the socio-cultural sphere. A programmatic and goal-oriented approach, along with project technology, can serve as the foundation, acting as an adaptive mechanism for cultural sector organizations to align with modern economic relations. The most crucial component of such a process involves the transition from predominantly administrative to economic methods of management and leadership at all levels.

4. One of the ways to achieve the defined goals and objectives could be the establishment of the Fund for Programs and Projects in the socio-cultural sphere in the Kharkiv region. Its main goal is to coordinate the activities of all elements of the

cultural sphere to meet the economic (project funding) and social needs of the population (provision of social-cultural services) in the Kharkiv region. Research conducted has confirmed the relevance of creating a regional Fund for programs and projects in the socio-cultural sphere. The justification for this perspective is based on the results of the analysis of the socio-economic state of the cultural sphere in the Kharkiv region and the changes associated with the development of market relations.

The mission of the regional Fund for Programs and Projects in the sociocultural sphere has been developed, including its main goals and directions of activity, a list of management tasks, organizational structure, matrix of distribution of duties of employees, staffing schedule, and regulations.

The model of the organizational structure of the Fund for Programs and Projects in the socio-cultural sphere defines a close interaction among various stakeholders in this field: representatives of government bodies, private businesses, private individuals, prominent figures in the arts, culture, and sports. It is characterized as a democratic, decentralized management system with a coordinating and regulating element of state regulation in the cultural sphere.

5. A model for harmonizing the interests of stakeholders in the state regulation of the cultural sphere has been proposed, in which the possibility of comprehensive use of methods and means for reconciling the interests of various parties is considered. These methods and means include program-target planning, indicative planning, social standards, social marketing, state procurement, and public-private partnerships.

In this case, particular importance is attached to reconciling the interests of subjects of state authorities and local self-government, as well as private investors, public and scientific organizations, subjects of natural monopolies, and state corporations. To effectively apply each of the described methods and means, it is necessary to establish the corresponding institutional foundations, which encompass legislative frameworks and management structures. It is crucial that these institutional foundations are elaborated in detail and not merely of a declarative nature.

### CONCLUSIONS

While working on the monograph, recommendations for improving the state regulation of cultural development in Ukraine were substantiated, which allowed to formulate the following conclusions and proposals:

1. The field of culture was examined as an object of state influence. The subjects and objects of state regulation in the cultural sphere were identified. The subjects include the state represented by authorities exercising governmental powers: the Verkhovna Rada of Ukraine, the President of Ukraine, the Cabinet of Ministers of Ukraine, and the Ministry of Culture of Ukraine; executive authorities and local self-government bodies. It was established that the subjects of state regulation in the cultural sphere are not only the state but also civil and scientific organizations, private business structures, subjects of natural monopolies, state corporations, in other words, society as a whole. The state acts as the primary subject due to its vested rights and powers, possessing special institutions, agencies, and services through which it conducts activities to influence the socio-cultural sphere.

The object of state regulation is the cultural sphere, which encompasses its elements and relationships, forming a multifaceted yet integrated complex that facilitates the production, distribution, and utilization of cultural products and services by society. In other words, the cultural sphere comprises a set of industries, sub-industries, and types of activities, the functional purpose of which is expressed in the production and delivery of services and spiritual goods to the population.

As a result of generalization, it is determined that the principles of state regulation of the sphere of culture are manifestations of objective, universal, and necessary patterns in the interactions between state authorities and society. The key principles of state regulation in the cultural sphere include democracy, legal regulation, comprehensiveness, objectivity, social orientation, accountability, and public visibility. These principles of state regulation in the cultural sphere are interconnected and, therefore, their comprehensive and systematic application in a mutually supportive manner is of paramount importance.

2. Main approaches to state regulation of cultural development in Ukraine have been identified:

- financial levers of influence on the cultural sphere are, on one hand, powerful, but on the other hand, narrowly focused methods for addressing various issues. State funding for cultural institutions is, if not the sole, then the predominant source of income for many organizations. The direct dependence on state funds, on one hand, poses a negative factor limiting decision-making freedom, but on the other hand, it enables the fulfillment of a social function and the dissemination of cultural products to a broad audience of consumers;

- according to the Constitution of Ukraine, censorship is prohibited, which means that the demonstration of various works of art and the expression of creative freedom cannot be directly prohibited from being shown. However, there are certain limitations imposed on this rule that allow for specific restrictions in certain situations. Besides official mechanisms, the cultural sphere, being an area predominantly driven by human relations, depends on individuals who exert influence in one way or another. Additionally, the state provides organizational support for certain types of culture and creativity that are of particular interest to the government;

- social mechanisms of influence and control over the cultural sphere by the state can include mechanisms for stimulating patronage and philanthropy, which to some extent relate to financial levers but are manifested primarily through the interaction between the state and society. Such mechanisms can encompass systems for training and retraining professionals in the field of culture. The formation of specific skills and competencies among future professionals in this sphere directly impacts the perception of the cultural sector.

3. The peculiarities of state regulation in the field of culture in Ukraine have been examined. The situation that has evolved in Ukraine calls for appropriate organizational and management structures and a significant reorientation of the activities of existing entities, including those in the cultural sphere. Among the fundamental aspects of building new structures, key elements can be highlighted, such as customer-focused orientation and market orientation for cultural services, the creation of dynamic target groups for operational management instead of departments, minimizing levels of management, and fostering a broad initiative and personal responsibility among management entities.

Effective resource allocation is hindered by information asymmetry, which affects the cultural and arts market. Perfect competition assumes that all participants in market transactions are fully informed about the properties of goods, the conditions of their production and consumption, as well as the state of the market. The more complex the exchange object, the more individualized its useful properties, and the longer the duration of its beneficial effect, the less realistic this assumption becomes. When it comes to services in education, healthcare, and culture, the completeness of information is much less likely than when buying and selling standardized industrial products with a limited set of objectively measurable useful qualities.

The state is the primary customer of cultural services, with a large portion of these services provided by state and municipal organizations. However, it is quite evident that in conditions of deficit, state and municipal budgets are unable to ensure the normal functioning of these sectors. Therefore, institutions are forced to develop economic mechanisms for their operation. These mechanisms include entrepreneurial activities, paid services, and independent structural divisions.

Normative requirements apply to the cultural sphere, established as a minimum by state standards and as a maximum by the subjective demands of citizens. This is because values regulators are integral components of social systems that cannot be viewed solely from a normative perspective.

The specificity of cultural development necessitates the development of management methods by providing the necessary conditions for the self-organization of entities. Self-organization involves expanding the system and is characterized by the assimilation of existing environmental structures, which are grown by the system according to a certain plan. The system is self-organized to the extent that it performs the function of generating information. This is a key aspect in management activities. It is important to assess the obtained information against a certain value scale.

4. The experience of state regulation of the cultural sphere abroad has been analyzed. Many countries have fairly effective systems of state regulation in the cultural sphere, and the use of foreign experience is of great interest to domestic practice. However, direct adoption of ready-made models of state regulation of the cultural sphere for Ukraine is impossible, at least due to the incomparable volumes of resources allocated for its financing.

It can be argued that state regulation of the process of cultural development in society is based not only on existing management resources, both spiritual and material, but also on the use of various management technologies and structures capable of directly influencing various segments (sectors) of cultural life. An important tool for the successful implementation of an integrated approach to state regulation in the cultural sphere, which represents a set of mechanisms, technologies, and methods of work, is cultural policy, where the ideas and priorities of purposeful cultural development of society are concentrated.

5. Improvement of the economic mechanism of state regulation in the cultural sphere is proposed through the use of a strategy of differentiated growth.

In order to prevent possible disruptions in the process of implementing strategic planning in the practice of state regulation of the cultural sphere, an "implementation directions" scheme is suggested. By "implementation directions", we mean a system of actions aimed at preventing and addressing "weak points" in the organization of strategic planning for the development of the cultural sphere.

It is demonstrated that forecasting, as a function of state regulation of the development of sectoral components and economic entities in the cultural sphere, maintains its intended purpose to increase the level of significance and accuracy, promote cost optimization for resource consumption in each type of planning (current, prospective, and strategic).

It should be noted that the combination of technological procedures for strategic planning of the development of structural components of the cultural sphere and forecasting is possible not only in interaction with current and prospective planning, which jointly determine the maximum economic, financial, and social results achievable in the prospective period but also with a scenario forecast of the development of the external and internal environment of the management object.

One of the ways to achieve the defined goals and objectives could be the establishment of the Fund for Programs and Projects in the socio-cultural sphere in the Kharkiv region. The mission of the regional Fund for Programs and Projects in the socio-cultural sphere has been developed, along with its main goals and directions of activity, a list of management tasks, organizational structure, a matrix of distribution of responsibilities of employees, staff schedule, and regulations. The organizational structure model of the Fund for Programs and Projects in the sociocultural sphere determines close interaction among various stakeholders in this sphere: representatives of government authorities, private businesses, private individuals, prominent figures in arts, culture, sports, and is characterized as a democratic, decentralized system of management that serves as a coordinating and regulating element of state regulation of cultural development.

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Monograph