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## **THE CONCEPTUAL MODEL OF THE INSTITUTIONAL STRUCTURE OF THE SOCIO-ECONOMIC SYSTEM OF THE POST-INDUSTRIAL SOCIETY**

**Abstract.** Article deals with problems of the formation and implementation of the conceptual model of the institutional structure of the socio-economic system of the post-industrial society. The essence of the institutional structure, its resilience to external economic environment, the role of government in its shaping and support are analyzed. The initial data for constructing the conceptual model of the institutional structure of the economic system is determined. Formation of model elements is necessary for the reforms and modernization of the economy, and the process of the strategic planning should be the implementation tool. The institutional paradigm and conceptual model of the institutional structure of the post-industrial society is proposed.

**Keywords:** institute, institutional structure, paradigm, concept, socio-economic system, implementation, institutional architectonics.

### **The Essence of the Institutional Structure.**

Every country in the world, as a rule, is in search of its unique institutional structure, which is meaningful to adapt to global processes and changes of modernity. It should be mentioned, that institutional structure is a set of institutions that defines the scope and limitations of economic behavior, provides a stable relationship between its elements (economic entities, government, households, communities and other organizations), which are formed in a certain system (Kapoguzov, 2012). In this case an institute can be considered as a mechanism of social control, which is the result of structural interaction between people and provides these interactions with some stable form, thereby reducing the significant uncertainty of the system (Alexandrov et al., 2008).

If the system is structurally stable in relation to the invasion of new elements, a new operating mode is not set, and the new the elements die. Nevertheless, if structural fluctuations successfully take root, the whole system is rebuilt with a new operating mode: its activity obeys a new “syntax” (Prigozhin, Stengers, 1986). That is why the experience of the implementation of market institutions into a functioning system of command and administrative management of the 90s of the last century, in most post-Soviet countries was not successful and demanded a considerable period of time.

Today, one of the main objectives of the countries with transitive economy is the study of mechanisms of institutional changes, finding ways to harmonize the different components of the institutional systems in time and space. If the institutional structure is built, leaning on basic institutions, gradually increasing and complicating its architectonics and modifying the very foundation, then we are dealing with institutional evolution, which is possible only within the boundaries of institutional flexibility and is determined by the degree of a possible change of one institution to another. Boundary violation of institutional elasticity of individual sub-systems of institutional structure leads to the institutional faults, and the system as a whole - to the institutional catastrophe (Gritsenko, 2008).

Institutional systems can be represented in the form of an inverted pyramid, the basis of which is value relations, enshrined in the public minds, and the top is formal and informal institutions. An empirical study of the structure of the institutional system, the institutional architectonics, institutional arrangement of modern socio-economic models, toolkit of economic institutions transformation allows to determine basic institutions and institutional forms that are correspond more closely to the national culture. They are the starting point in the definition of the foundation of social and economic model that best meets the economic characteristics of a certain country.

The objective difficulties of choosing the criterion of growth and system of socio-economic priorities were formed in all countries with transition economies.

Productive and socio-political, objective and subjective factors in the growth process act as both a cause and consequence of each other. Many social changes that accelerate or inhibit such growth may not get the full, and very often partial, display in quantitative terms due to their nature, which is beyond the scope of merely quantitative relations. For example, growth factors such as the political system in the country, the cultural level of the nation, its traditions and psychological state cannot be expressed in quantitative terms, but these factors are crucial for growth. The standard of living of the population can be considered as one of the criteria to achieve a certain level of development.

To support the market environment government creates a state institutional corset, which consists of special activities of the government (legislative, administrative, controlling, monitoring, protective), which correspond to the institutional instruments and statutory structures, that establish universal procedures for economic agents.

The function of producing public goods is immanent function of the government, which is associated with the implementation of public administration, and one of its benefits are the state (public) services. The amount of the production costs of these services depends on the institutional structure of production of state (public) services. Thus, the institutional structure is particular ordered set of institutions, creating a matrix of economic behavior that define the limits for economic entities formed within the boundaries of a particular coordinate system of economic activity.

#### **Post-Industrial Society: the Criteria of Transition.**

Traditional notions of social and economic reality are modified in the conditions of post-industrial society: share of the intellectual component in the cost of goods and services is growing, labor is becoming more creative, the growth of innovation, science, theoretical knowledge and information is increasing. Economic significance, rarity, scarcity, and complementarity substitutability allow us to consider knowledge not as an intellectual component of the labour resource, but as a separate resource. The development of services that are directly involved in the reproduction of knowledge, are based on them, are aimed at the growth of intellectual capital and satisfaction of growing wants of individuals in post-industrial society becomes a priority (Chuhno et al., 2010).

In the post-industrial society the production of knowledge-services involves researchers and highly qualified professionals, who may become owners of the knowledge-rent, which gives them some degree of independence from employers and makes them independent contractors of these relations. A characteristic feature of post-industrial society is not simply a build-up or the predominance of the services sector in GDP, and its new role in the socio-economic dynamics, its reliance on the resource of knowledge that enables knowledge-services act as a "locomotive" of scientific and technical progress in other areas of the economy and promote human development.

The criterion for the transition to a post-industrial society is saturated mass wants in material goods and the growth of intangible goods. The nature of personal consumption, its interaction with the wants and production changes, and the growth trend in intangible goods arises. In the post-industrial society the policy to achieve development goals should be set for the long term, which is accompanied by a profound change in mentality and national culture. The institutionalization of the process of economic development reflects the dynamic synthesis of traditions and innovations, old and new values, when it is important not to turn the traditional values in ideological dogma and the new value in the repressive norm relative to traditional values.

The processes of modernization of the economy are not limited to technical and technological innovations, and are accompanied by institutional changes in the socio-economic relations and systems management. Contradictions among long-term and short-term development vectors, which are determined by different social groups, are identified in the modernization process.

Formation of the conceptual model of the institutional structure of the economic system of post-industrial society requires an organic combination of innovative mechanisms and technological development and social policy. In turn, this requires the development of appropriate strategies and setting priorities, organizing different kinds of support (financial and intellectual security projects and programs, as well as their skilled expertise), determination of mechanisms and tools for its implementation (Table 1).

#### **The Paradigm of the Development of the Conceptual Model of Institutional Structure.**

We offer institutional paradigm of the economic system of the social state in the form of a sphere, which includes:

- the core (as an imperative) – human capital;

Tab. 1

**The input data for working out the conceptual model of the institutional structure  
of the economic system**

Means of implementation	Types of ensuring			
	program-target	organizational and economic	informational, forecasting and analytical	institutional
Mechanisms	scientific and technological foresight; social dialogue; state targeted programs	technology transfer; modernization; formation of development centers	forecasting; monitoring; expertise; informatization	public-private partnerships; government regulation; incentives; control
Tools	technology platforms; road maps; technological framework agreements; strategic planning	technoparks; clusters; business incubators	benchmarking; databases of technological advances; trendvotching	tenders; contracts; concessions; franchises; leasing; outsourcing
Outcomes	paradigm; concept; policy; strategic plans, programs and projects	investment climate; knowledge-intensive industry; innovation systems; technological infrastructure	information systems; assessment system of potential	innovative projects; financial support; corporate and cooperative framework of production

– the first layer – types of activities – government regulation, innovative activity, formation of social partnership;

– the second layer – the results of the above activities – a society of morality and culture, knowledge economy, generalized confidence in the activities of both the authorities and political institutions.

Human capital is chosen as an imperative because it is the main factor of economic growth and human development, as well as is unchanged in the institutional paradigm, and is a part of intellectual and social capital. The transition to the new economy – the knowledge economy, changes not only the features but also the human model of the economy as a whole. In general, the model of economic human should be based on three groups of factors: human goals, means to achieve them, and information on the processes by which money will lead to achieving the goal. General human model in the economy, regardless of the type of economy, should reflect the following main components: the goals, values, motives, wants, abilities, interests, directivity of activity. Model of “creative human” may be offered on the basis of certain characteristics of a new type of worker, which is formed in the new economy – the knowledge economy (Shimanovskaya-Dianich, 2012), and can be represented as a diagram in Figure 1.

Modernization of the economy, the transition to the knowledge economy is impossible without solving the two fundamental problems: the reform of the social sphere and the improvement of the mechanism of social management, which should include: public relations, administrative reforming, as well as regional and local government. In this case, the economic component of the social state should take the following measures: to ensure economic growth, to improve financial, credit, and investment accumulation of budgets, to guarantee the use of resources in general, and of human in particular, as well as the providing stimulated activities.

The author’s conceptual model of the institutional structure of a modern economic system of the post-industrial society, which is based on the knowledge economy, intellectual and social capital, the imperative for which, in accordance with the institutional paradigm is human capital, and includes formal and informal institutions is represented in Figure 2. Based on the model it is necessary to ensure the formation of its elements for reform and modernization of the economy in the country as a whole, and in its regions, and the strategic planning of regional development should be a tool for the implementation of this.

It should be noted that an important condition for the formation of social capital is the development of human potential, which enables self-organization of its residents through education, training, creative work. Social capital is built from the bottom up through the team-work of people, their training, education, freedom of association, stability and security in society. To generate a positive social capital is essential the preservation

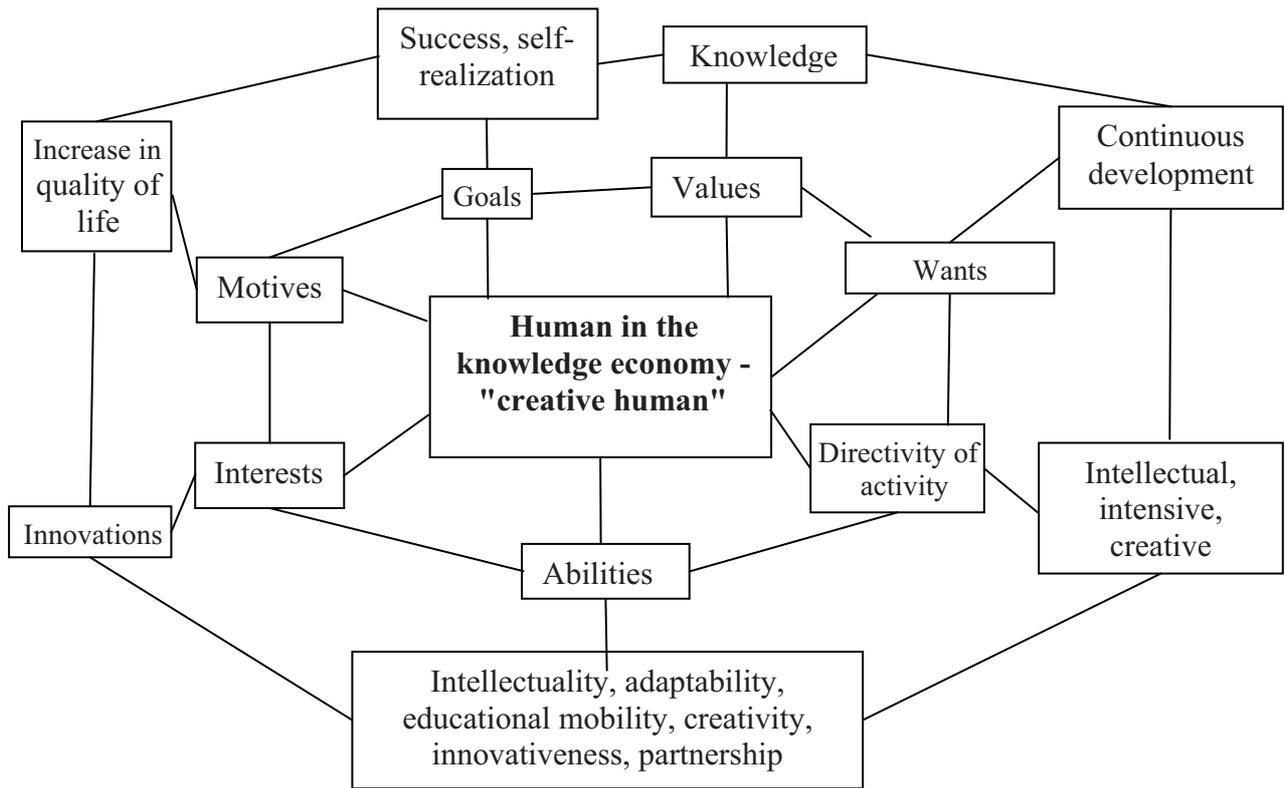


Fig. 1. Model of “creative human” in the knowledge economy

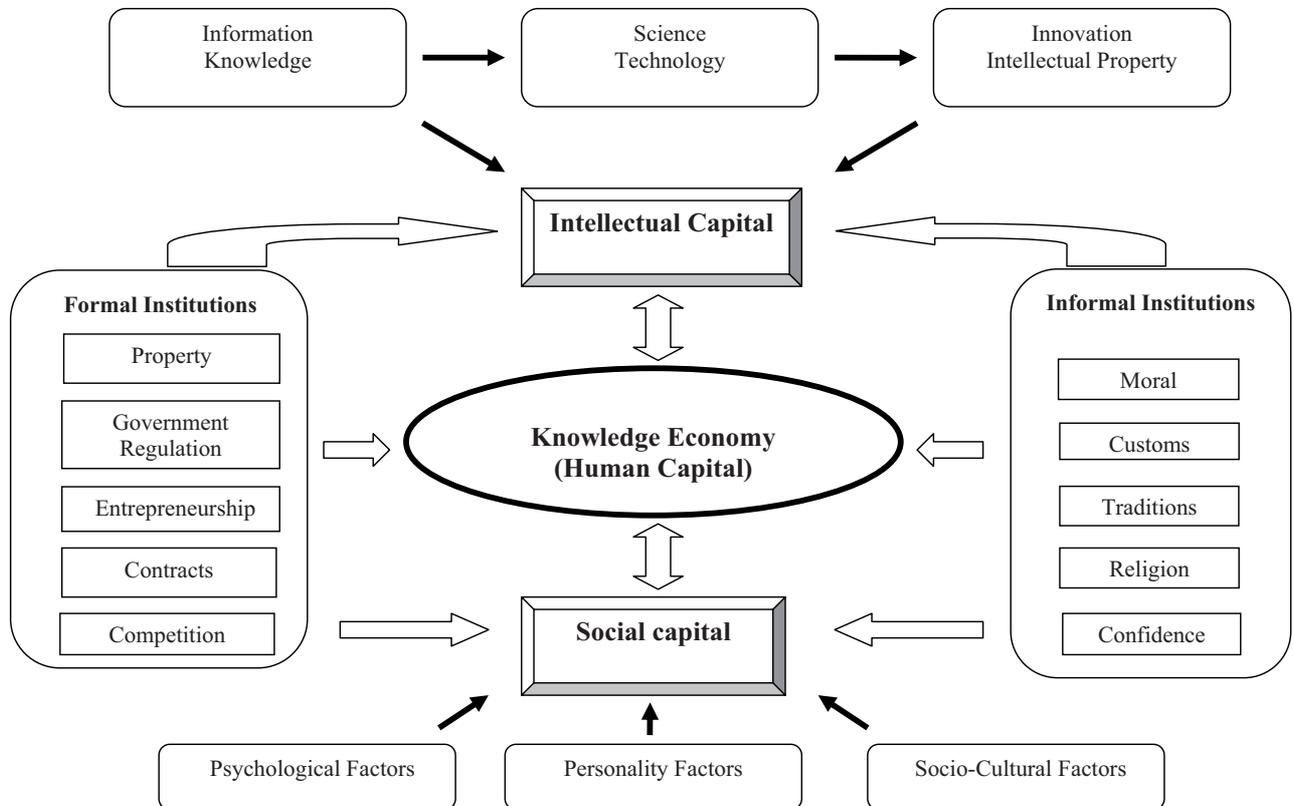


Fig. 2. Conceptual model of the institutional structure of the economic system of post-industrial society (authoring)

and development of the moral foundations of the region's population. Availability and accessibility of centers of spiritual and cultural development, sufficient amount of non-governmental organizations, citizens' associations, and religious communities should be indicators of the presence and the creation of new conditions for the development of positive social capital.

For the implementation of the conceptual model is reasonable to use the strategic planning of institutional changes, which should include analytical and forecasting activities, the definition of strategies and the development of measures for their implementation. Moreover, we should take into account reasonable levels of intervention in the old structure, as well as multiple organizational parameters, namely, structures and processes – smoothing rigid hierarchical orientation and creating additional benefits at the expense of horizontal linkages; modern manufacturing and information technology; organizational culture; human resources.

### Conclusions

Thus, adaptation to global processes and changes in the world requires each country to modernize the socio-economic system, which cannot be limited to technical and technological innovations, and should be accompanied by institutional changes in the socio-economic relations, and systems management. Searching of its unique institutional structure is not possible without the development of a conceptual model of the institutional structure of the socio-economic system of the post-industrial society. Organic association of mechanisms of innovative and technological development and social policy, the working out of appropriate strategies, defining priorities, mechanisms and instruments for their implementation are necessary to form a conceptual model of the institutional structure of the economic system of post-industrial society

We offer the structure of institutional paradigm of the economic system of the social state, which includes: the core (as an imperative) – human capital; the first layer – types of activities – government regulation, innovative activity, formation of social partnership; the second layer – the results of the above activities – a society of morality and culture, knowledge economy, generalized confidence in the activities of both the authorities and political institutions.

Based on the model of “creative human” the authors work out the conceptual model of the institutional structure of a modern economic system of the post-industrial society. It is based on the knowledge economy, intellectual and social capital, the imperative for which is human capital, and it includes formal and informal institutions. The formation of elements of this model is necessary for reform and modernization of the economy in the country as a whole, and in its regions, and the strategic planning of regional development should be a tool for the implementation of this.

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