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PUBLIC ADMINISTRATION FOR GOODS EXPORTS OF UKRAINE: CASE STUDY – CHERKASY OBLAST

Exports are incredibly significant for modern economies. Exports are a very important tool to spur economic growth in a country as well as the source of foreign currency earnings. The right public administration of the exporting activity is the one that contributes to the exports amount increase, entry of domestic producers into new markets, gaining more profits and strengthening the country's geo-economic and geopolitical influence. It is vitally important to implement the public administration tools to the exporting in such a way, that all its subjects are in the win-win situation. The institutions accountable for the exports public administration were researched in the article, paying attention at their goals, duties and the ways they help/govern Ukrainian exporters. Cherkasy oblast data on goods exports amount were taken to display the practical results for the work efficiency of the public administration institutions for the international trade of Ukraine in general and exports in particular. The data for the goods exports share of Cherkasy oblast in the total goods exports of Ukraine from the year 2004 to 2020 included as well as the data for the goods exports volume of Cherkasy oblast from the year 2004 to 2020 included were depicted and analysed in the article. The time frame under analysis is 17 years, from the year 2004 to 2020 included. The trend lines for the data sets under analysis were built with the help of the appropriate function, taking into account the R-squared coefficient values of exponential, linear, logarithmic, polynomial and power functions. The projections for the data sets being researched for the next two years were made and depicted in the article. The research results presented in the article can be interesting and used by the politicians, government officials of all the levels, not-for-profit institutions employees, representatives of the scientific community as well as decision makers.

Key words: public administration, international trade, exports, Interdepartmental Commission on International Trade, Council of Exporters and Investors, Export Credit Agency.

Formulation of the problem. Exports are incredibly important to modern economies because they offer people and firms many more markets for their goods. Exports can increase sales and profits if the goods create new markets or expand existing ones, and they may even present an opportunity to capture significant global market share [1]. Exporting offers plenty of benefits and opportunities, including: access to more consumers and businesses; diversifying market opportunities; expanding the lifecycle of mature products. As well as potential financing assistance from the government [2]. More than that, exports are extremely important for the exporting country, as the resources obtained in the trade transaction contribute to offset the cost of imports and boost the domestic economy, adding to the Gross Domestic Product (GDP). Therefore, exports benefit the country while promoting monetary movement and contrib-

uting to industrial growth, generating employment and income [3]. Taking into account everything stated above, the importance of exports for all the subjects of the goods and services markets, meaning local, regional, national, international and global ones, goes without saying. The more important is the issue of the right public administration of the exports on all the levels mentioned above. Saying the right public administration means the one that contributes to the exports amount increase, entry of domestic producers into new markets, gaining more profits and strengthening the country's geo-economic and geopolitical influence.

Analysis of recent research and publications. People traded from the times immemorial and everybody wanted to sell more and at a higher price to get more money (or its equivalents) to use it for one's own purposes. So, trade has become a part of our every day's life as individuals as well

as international trade has become an integral part of its functioning, being a means of foreign currency earning, geopolitical and geo-economic influence consolidation as well as a way to resolve political disputes. Therefore as ancient people wanted to sell more goods to get more money or its equivalents, as nowadays individual entrepreneurs/firms/countries do a lot of research to increase one's exports volume to get all the benefits mentioned above. Scientists/ researchers are the working hands to give answers to the questions like – what to do to increase exports amount, etc. in their reviews/articles/working papers. Though, there are a lot of publications concerning the exports issues, their precise analysis identified gaps needed to be filled. Among the researchers exploring the sphere of goods exports, one should mention the following ones: T.P. Shynkorenko, O.H. Bilotserkivets, N.H. Karpenko, H.O. Kulieshova, P.O. Kaftanova, M.M. Tepla, V.I. Yeleiko, R.D. Bodnar, S.V. Tiutiunyk, and others. The general tendency of the publications mentioned above is, that they can be divided into two groups – the first one is connected with public administration as it is and its application in the different spheres of a country's functioning and the second one contains the publications about different exports issues. So, the gap is, that there are very few research works concerned about the public administration of the exports in general and goods exports in particular.

Goals of the article. Taking into account everything stated above, the goals of the article are: to research the institutions accountable for the exports public administration, paying attention at their goals, duties and the ways they help/govern Ukrainian exporters; to analyse the data for the goods exports share of Cherkasy oblast in the total goods exports of Ukraine from the year 2004 to 2020 included; to analyse the data for the goods exports volume of Cherkasy oblast from the year 2004 to 2020 included; to build the trend lines for the data sets under analysis; to make projections for the data sets being researched for the next two years; to draw conclusions about the analyses results in connection with the functioning efficiency of the public administration for the goods exports of Ukraine.

Presentation of the main research material. Exports lead to domestic production. More than that, exports are a very important tool to spur economic growth in a country as well as the source of foreign currency earnings. That's why countries all over the world try to promote exports

[4]. Ukraine is not an exception here. As exports are vitally important for the Ukrainian economy, there are some institutions that not only govern but support the domestic exporters in their aspiration to enter new foreign markets and increase the exports amount.

The public administration of goods exports incorporates state, public and private institutions and organizations that administer all the issues connected with the said exports. A great amount of research works concerning the state administration bodies to govern the Ukrainian exports have been published. To state it short, among those one should mention the Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economy of Ukraine and other state bodies, which have some duties connected with the goods exporting like National Bank of Ukraine, Antimonopoly Committee and others. The body of state power, which carries out operational state regulation for international trade in general and exports in particular and should be spoken about, is Interdepartmental Commission on International Trade. The chairman of the Commission is the Minister of Economy of Ukraine. The Commission consists of the representatives for executive bodies of Ukraine. The personnel of the Commission is approved by the Cabinet of Ministers of Ukraine on the proposal of the Chairman of the Commission [5]. Decisions of the Commission are taken by a simple majority of votes, and in some cases provided by law, by two thirds (by a qualified majority) of the votes of its members. As a rule, decisions on the initiation of anti-dumping, special or anti-subsidy investigations and the application of measures are taken by a simple majority of votes. Whereas the decisions to refuse to initiate an investigation and to terminate the investigation without the application of measures (except for special ones) are met by two-thirds of the votes of its members (by a qualified majority) [5]. The official announcements about the decision of the Interdepartmental Commission on International Trade are made public on the official web page for the Ministry of Economy of Ukraine.

As public administration can't be considered a synonym to a state administration and is a notion, which comprises state administration in itself, another body should be talked about here. We are talking about Council of Exporters and Investors. On the one hand, this body was organized on the basis of the Ministry of Foreign Affairs of Ukraine. On the other hand, it can't be consid-

ered a state governing body as one of the key tasks of REI is to promote the participation of Ukrainian enterprises and companies in tenders and competitions, implementation of infrastructure and investment projects abroad, participation in exhibitions and forums, that promotes international production cooperation of domestic enterprises, increasing Ukrainian exports and promoting commercial interests of our companies in the world markets [6]. Within the framework of REI, national producers are constantly monitored and promptly informed about the potential opportunities for the expansion of Ukraine's presence in the world markets as well as the interest of foreign companies in their contacts establishment with domestic partners. In the practical work of REI the mechanism of the addresses processing of the domestic companies concerning the advancement of their production and search for partners in the foreign markets with the use of the available possibilities of economic departments as a part of foreign diplomatic missions is introduced [6].

To promote Ukrainian products abroad and help local producers enter foreign markets with the best initial conditions possible, Export Credit Agency, a private joint stock company, was created in 2017. According to the information available on the official web page of the Agency, it is a professional, open, customer-oriented, state-owned company that helps Ukrainian exporters to be competitive in the world market [7]. ECA was created for the purpose of the large-scale expansion for the goods, works and services of Ukrainian origin through

their insurance. ECA insures the export of all the goods, works and services of Ukrainian origin. The Agency also insures the export for the goods of the processing industry by groups according to the Ukrainian Classifier of Goods of Foreign Economic Activity [7]. In addition, ECA insures up to 80% value of the foreign trade agreement as well as foreign trade agreement/ export credit/bank guarantee in the amount of up to 200 mln UAH [7], giving the Ukrainian exporters means to export their goods/works/services mostly successful. These are only some of the state and non-state institutions governing/consulting/supporting the Ukrainian producers alongside their way to the foreign markets expansion. The remaining institutions will be talked about in another researches to make the picture for international trade public administration in general and that of the exports in particular the fullest possible.

As you have noticed, there are some state governing, state consulting and non-state institutions aiming at helping the local producers enter new foreign markets with the best initial circumstances possible making profits for themselves and increasing foreign currency inflow for the country's economy. But how one can evaluate the institutions work efficiency? This question is rather topical when talking about efficiency assessment of any public administration body. The best indicator of any efficiency assessment is the practical result of the amount and quality of the final product. Here it would be expected, that the dynamics of Ukraine's international trade amount would be displayed and ana-

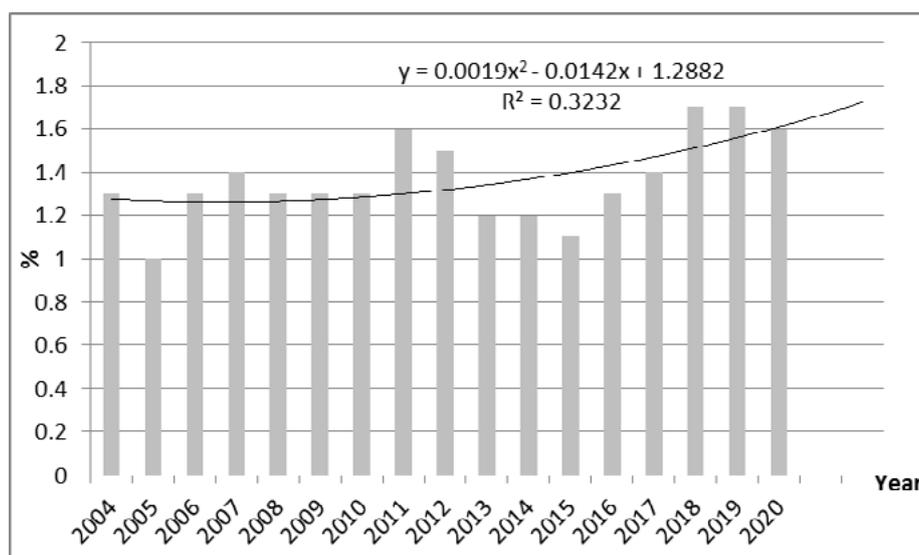


Figure 1. Share Dynamics of Cherkasy Oblast Goods Exports in Total Goods Exports Volume of Ukraine, %

Source: author's own elaboration on the basis of the data from [8]

lysed but what would be more interesting here is to see how the said public administration institutions influence the exports amount of a single oblast, and even more precise – not the whole exports but the goods exports only. Cherkasy oblast data were taken to display the practical results for the work efficiency of the public administration institutions for the international trade in general and exports in particular. Cherkasy oblast was taken as a case study as it is situated in the central part of Ukraine on the cross roads for the main routs of the European continent. In addition, there is a waterway in it, the Dnipro river, that make the oblast logistic net perfect for the goods transportation. Though, Cherkasy oblast occupies only the 18th place among the oblasts of Ukraine in terms of its territory, the fertile soils make one of the biggest grain suppliers of the country. Despite of all the competitiveness advantages for Cherkasy mentioned above, the oblast has never managed to make 2% of Ukraine's total goods exports. The dynamics for the share dynamics of Cherkasy oblast goods exports in the total goods exports volume of Ukraine is presented in Figure 1.

As you see from the figure given above, the share of Cherkasy oblast goods exports in the total goods exports of Ukraine has a changeable dynamics. It has two upwards segments – from the year 2005 to 2007 and from 2015 to 2018 included. The said dynamics is downward during three segments of time – from 2008 to 2010, from 2011 till 2005 and from 2019 to the end of the time frame under analysis. The smallest value of the said share can be observed in 2005 and the biggest

one – in 2018 and 2019. The trend line for the data depicted in Figure 1 was built with the help of polynomial function, taking into account the R-squared coefficient values of exponential, linear, logarithmic polynomial and power functions. Though, the said coefficient value is only one of the indicators to choose the function for trend and projection making, the more profound research will be done in the subsequent scientific works. As for the projection making, two periods were taken for it, meaning the projection of the trend line was made for the next two years. As it can be seen in the figure given above, the trend line is upward during two years taken for the projection. Let's not forget, that the shares of Cherkasy oblast goods exports in the total goods exports of Ukraine were depicted in Figure 1, so the upward trend does not necessarily mean the increase of the goods exports of the said oblast. On the contrary, the goods exports amount can be smaller, but with the decrease of the overall goods exports of Ukraine, the share of the oblast may be bigger. In order not to be unfounded, let's analyse the goods exports amount dynamics of Cherkasy oblast with the help of Figure 2.

Having observed the data presented in Figure 2, we see a similarity between the data in Figure 1 and those in Figure 2 – both are changeable. But the changeability of the data in Figure 2 is much sharper. The goods exports amount of Cherkasy oblast can be divided into four groups – three upward and one downward one. The upward groups are – from the year 2006 to 2008 included, from 2010 to 2011 included and from 2016 to 2019 included. The down-

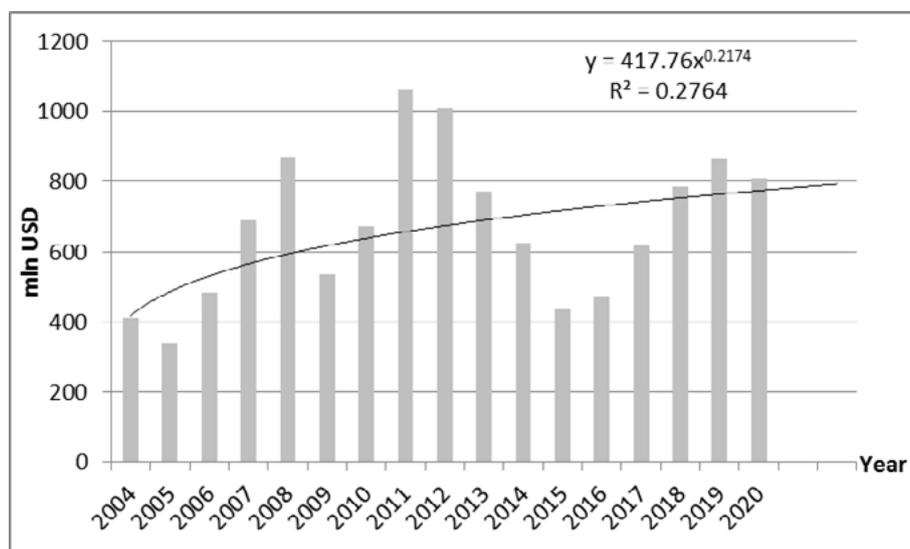


Figure 2. Goods Exports Dynamics of Cherkasy Oblast, mln USD

Source: author's own elaboration on the basis of the data from [8]

ward group is from 2012 till 2015 included. The biggest value for the goods exports amount of Cherkasy oblast can be observed in 2011 and the smallest one – in 2005. The trend line for the data depicted in Figure 2 was built with the help of the power function, taking into account the R-squared coefficient values of exponential, linear, logarithmic polynomial and power functions. Though the overall trend is upward through the time frame under analysis, let's pay attention at its line pointing the projection values in 2021 and 2022. According to the projection, the goods exports amount of Cherkasy oblast is supposed to be smaller in 2021 rising to about the level of the year of 2020 in 2022. As it was already stated, only two periods, in this case years, were taken to make the projection as there are too many challenges nowadays in all the spheres of human activity, so the projection made for a longer period of time would be less reliable.

Conclusions and suggestions. Exports of goods and services are seen as an engine of economic and social development... An increase in exports leads to an increase in the access to the currencies, which increases the national income, the turnover and the surpluses of the state. This leads to an improvement in the standard of living [2]. Despite all the advantages flowing from the exports amount increase for all the economy market subjects, there are some complexities that come from exporting. These include: more paperwork, potential added financial risk, cultural and language barriers, possible requirements that you modify your product packaging, among others [2]. Thereby, it is vitally important to implement the public administration tools to the exporting in such a way, that all the subjects mentioned above are in the win-win situation.

In Ukraine there is a bunch of state governing/state consulting/non-state bodies, that is public and private, institutions, which administer all the issues connected with international trade in general and exports in particular. Among those one should mention the Verkhovna Rada of Ukraine, Cabinet of Ministers of Ukraine, Ministry of Economy of Ukraine and other state bodies, which have some duties connected with the goods exporting like National Bank of Ukraine, Antimonopoly Committee and others. To make the picture of the public administration for exports in Ukraine the fullest possible, the aims, duties and spheres of activity of the Interdepartmental Commission on International Trade were analysed in the article. Though

it is a state body, it couldn't be called the governing one if we talk about the exporting process of the Ukrainian exporters and the goods being exported. Another body of exports public administration, which can't be considered a state governing body, though it was organized on the basis of the Ministry of Foreign Affairs of Ukraine, is Council of Exporters and Investors. The details of the said institution activity were discussed in the paper. The representative of the private institutions incorporated in the exports public administration is Export Credit Agency, a private joint stock company that helps Ukrainian exporters to be competitive in the world market.

It is hard to evaluate the efficiency of the public administration bodies. To do that in an unbiased and practical way, Cherkasy oblast data on goods exports amount were taken to display the practical results for the work efficiency of the public administration institutions for the international trade in general and exports in particular. The share dynamics of Cherkasy oblast goods exports in the total goods exports volume of Ukraine was depicted and analysed. The data mentioned previously can be divided into two upward and three downward segments. That means, the data analysed are rather changeable. The trend line, built with the help of the polynomial function, is upward during the time frame under analysis preserving its direction during two more periods taken for the projection. Another set of data analysed in the paper, is the goods exports amount dynamics of Cherkasy oblast. The visual presentation of the said data allows us see their extreme changeability. The goods exports amount of Cherkasy oblast can be divided into four groups – three upward and one downward one. The trend line for the data mentioned above was built with the help of the power function. Though the overall trend is upward through the time frame under analysis, according to the projection, the goods exports amount of Cherkasy oblast is supposed to be smaller in 2021 rising to about the level of the year of 2020 in 2022. The trend lines for both sets of data were built taking into consideration the R-squared values. The projections were made two periods only, in this case years, as there are too many challenges nowadays in all the spheres of human activity, so the projection made for a longer period of time would be less reliable. So, the changeability of both data sets doesn't speak in favour of the efficient public administration of the exports

in Ukraine if being judged by the goods exports amount dynamics of Cherkasy oblast. On the one hand, there are so many challenges in all the spheres of the human activity, that one cannot be 100%, that the turbulences in the economic or political life of our country led to the anxiety in the goods exports segment a single oblast. But one can stated for sure – such turbulences don't contribute to the calm and confident work of manufacturers and exporters and public administrators should do their best and even more to stabilize both political and economic life in our country to strengthen its positions in the foreign markets increasing the country's geo-economic and geopolitical influence.

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Кіфоренко О. В. Публічне управління експортом товарів з України: кейс-стаді – Черкаська область

Експорт надзвичайно важливий для сучасної економіки. Експорт є вельми вагомим інструментом стимулювання економічного зростання в країні, а також джерелом надходжень іноземної валюти. Правильним публічним управлінням експортною діяльністю є таке, котре сприяє збільшенню обсягів експорту, виходу вітчизняних виробників на нові ринки, одержанню більшого прибутку й посиленню геоекономічного та геополітичного впливу країни. Надзвичайно важливо застосовувати інструменти публічного управління до процесу експорту так, щоб усі його суб'єкти були в безпрограшній ситуації. У статті досліджено установи, які відповідають за публічне управління експортом, звернено увагу на їхні цілі, обов'язки та способи допомоги/управління українськими експортерами. Дані Черкаської області щодо обсягів експорту товарів узяті для відображення практичних результатів ефективності роботи органів публічного управління міжнародною торгівлею України в цілому й експорту зокрема. Дані щодо частки товарного експорту Черкаської області в загальному експорті товарів України з 2004 по 2020 рр. включно, а також дані щодо обсягу експорту товарів Черкаської області з 2004 по 2020 рр. включно відображені та проаналізовані в статті. Аналізований період становить 17 років, з 2004 по 2020 рік включно. Лінії тренду для аналізованих наборів даних збудовані за допомогою відповідної функції з урахуванням значень коефіцієнтів R^2 експоненційної, лінійної, логарифмічної, поліноміальної та степеневі функції. Зроблено прогнози досліджуваних наборів даних на наступні два роки. Результати досліджень, представлені в статті, можуть зацікавити й бути використані політиками, державними службовцями всіх рівнів, працівниками неприбуткових установ, представниками наукової спільноти, а також особами, які приймають рішення.

Ключові слова: публічне управління, міжнародна торгівля, експорт, Міжвідомча комісія з міжнародної торгівлі, Рада експортерів та інвесторів, Експортно-кредитне агентство.