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## **PROFESSIONALISM OF PUBLIC SERVICE AS ONE OF THE KEY MOMENTS OF DEVELOPMENT OF INVESTMENT ACTIVITY IN THE CONDITIONS OF EURO INTEGRATION**

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### **ПРОФЕСІОНАЛІЗМ ДЕРЖАВНОГО СЛУЖБОВЦЯ ЯК ОДИН З КЛЮЧОВИХ МОМЕНТІВ РОЗВИТКУ ІНВЕСТИЦІЙНОЇ ДІЯЛЬНОСТІ В УМОВАХ ЄВРОІНТЕГРАЦІЇ**

*The article reveals the essence and features of professionalism of civil servants as one of the key aspects of the development of investment activity in the conditions of European integration. In this article are presented positive and negative influences on investment activity of the country. It has been proved that the improvement of new approaches to the formation of a professional civil service can improve the investment climate in the state. New approaches to the professionalisation of the civil service, its stimulation and motivation, effective personnel policy, which will provide improvement of the system of personnel selection and use of personnel potential, as well as new methods of unification and modernization of evaluation of professional qualities of civil servants and efficiency of state authorities' activity, are offered.*

*У статті розкрито сутність та особливості професіоналізму державного службовця як одного з ключових аспектів розвитку інвестиційної діяльності в умовах євроінтеграції. Наведено його позитивні та негативні впливи на інвестиційну діяльність країни. Доведено, що удосконалення нових підходів до формування професійної державної служби покращить інвестиційний клімат в державі. Запропоновано нові підходи до професіоналізації державної служби, її стимулювання та мотивації, ефективну кадрову політику, яка забезпечить вдосконалення системи добору кадрів та використання кадрового потенціалу, а також нові методи уніфікації та модернізації оцінки професійних якостей державних службовців та ефективності діяльності органів державної влади.*

**Key words:** *professionalism, civil servant, euointegration, investment activity, economic development.*

**Ключові слова:** професіоналізм, державний службовець, євроінтеграція, інвестиційна діяльність, економічний розвиток.

**Problem statement.** The current stage of development of our society, its strategic eurointegration course requires regular improvement of the efficiency of management in all spheres of state activity, improvement of new approaches to the formation of a professional civil service. The inconsistency of the level of professionalism of civil servants with the needs of the development of a democratic state and society as a whole often generates dysfunction, reduces the efficiency of the civil service, makes it necessary to determine the mechanisms and ways of its formation. Under such circumstances, an important factor in improving the civil service system is its filling with professionally trained personnel.

Investment activity is one of the leading places in the development of any country, which determines the relevance of our research.

Investment activity is one of the key factor in the competitiveness of the state. The investment activity is a fundamental factor in the growth of the economy, to accumulate temporarily free financial resources and direct them to the implementation of various projects for the purpose of obtaining future economic benefits. The investment situation in Ukraine at the current stage of its economic and social development is extremely unstable and is characterized by a lack of proper investment due to the formation of an unfavorable investment climate in the country.

The professionalism of civil servants is a precondition for a successful investment activity, as it provides the opportunity to combine two approaches: the professionalism of the personnel, which requires a high level of training, including higher and special education and continuous retraining throughout the entire civil service (competitiveness) and improvement of the system that is being achieved with strict control of the public for the work of an official, which gives them the opportunity to be mobile enough and responsible for the work done. The results of the training of civil servants are an important prerequisite for reforms in the economic sphere, that is, successful economic, in particular investment activity.

**Analysis of recent research and publications.** Native and foreign scholars devote considerable attention to the study and analysis of the professionalism of civil servants as one of the key elements of the economical development and problems in the field of the investment activity. In particular, the theoretical essence of the professionalism of a civil servant was generally researched by many scholars such as N.R. Нижник, I.I. Ninyuk, SD Dubenko, V.M. Oloiko, R.A. Rachinsky. Despite the large number of developments in this area, the issues still remain unresolved and relevant. In our opinion, theoretical studies of categorical apparatus will be more useful if they are supported by a practical analysis of the current state of investment activity in Ukraine and the search for ways to improve it in the presence of qualified personnel potential of the civil service.

**The purpose** of the article is to analyze the current state of investment activity in Ukraine and identify the main problems of its realization, search for ways to increase the intensification of investment processes in the national economy with the help of qualified specialists in the field of civil service.

**The main material.** The professionalism of a civil servant is intended to ensure the high-quality performance of official duties, the stability of the civil service, the ability to solve complex tasks and the the possibility of readiness to improve their qualifications. However, the nature and content of the performance of official duties by civil servants requires from them not only possession of basic organizational and managerial abilities, competence and initiative in solving the tasks, but also the presence of high human qualities: decency, self-demanding, modesty and self-criticism, a sense of responsibility for the assigned task, anxieties about state, public interests.

Analysis of the level of education of civil servants in Ukraine allows to assume that their educational needs require further development of the system of vocational training. The tendency of the level of education of civil servants can be found in Table 1 [1].

**Table 1.**

**Level of education of civil servants (as of 01.01.2017 year.)**

Total number of civil servants, persons	Got education					
	incomplete, basic higher	full higher	degree		academic status	
	%	%	all, persons	of them are doctors of sciences, persons	all, persons	of them professors, persons
268 104	15,9	82,9	1869	217	485	138

*Source: calculated by the author based on the source [1]*

Along with the main positive achievements, such as deep analytical skills, planning and forecasting skills, the ability to think systematically, be creative, proactive, and attentive to detail, educational needs require further

development of the system of vocational training. The system of retraining and advanced training of civil servants has significant disadvantages:

1. The new democratic socio-political system in the conditions of globalization processes does not provide training of professionals in the field of public administration and local government, it is not aimed at forming a civil servant of a new formation and does not fulfill the educational function.

2. The system did not become an integral part of public administration and local self-government, the civil service institution and service in local self-government bodies, does not ensure the effectiveness of their activities through the development of intellectual potential of employees, does not cover all employees, especially training before taking part in the competition for the post and after appointment to the post (only 20% of employees undergo some training within the statutory five years). [2, pp. 281-301]

3. The content, organization and forms of professional training of employees does not relevant to the modern paradigm of state administration and local self-government - the provision of constitutionally and legally defined services to a person, citizen and population with the necessary quality in terms and timing, needs of public authorities and local governments, they lack the practical orientation. Modern information and communication technologies are not used enough.

4. The scientific-pedagogical and scientific workers are separated from the activities of state authorities and local government bodies, do not carry out expert and analytical support of their activities, do not have experience of practical activity in these bodies.

5. The system is not provided with the necessary legislative framework, democratic standards of daily professional activity of civil servants, effective mechanisms for studying needs and assessing the quality of professional activities and training, appropriate resource support, including financial.

6. The structure of higher and postgraduate education of employees does not relevant to the content of public administration activities system, which defined by the UN, the EU, many leading countries and recognized in Ukraine. A number of important specialties are absent, there are a lack of state standards for vocational training; the possibilities of expanding retraining in specialization focused on public administration have not been used. Professional qualification programs require substantial improvement and diversification.

The experience of developed democratic, legal states with a stable, with their national traditions and experience of the state (public, civilian) service shows that the professionalism of civil servants can lead the state to economic growth.

The first of the declared objectives of the PalilZ (created on the basis of the merger of the State Agency for Foreign Investments and the Polish Information Agency as the main body for working with foreign investors in 2003) is to create a positive image of the country and to bring Poland to the so-called "proprietary countries" (Branded countries) on within ten years. This approach suggests that innovative technology is being used in Poland to attract foreign investors.

On the basis of its own experience, China has come to the conclusion that attraction of foreign capital is the best way to gain access to the modern world technologies that come to the country together with the equipment of enterprises, especially those, which created exclusively at the expense of foreign investors. The process of attracting technology-oriented investments instead of investing with mainly oriented on the expansion of traditional exports has been consistently implemented since the early 90's of the last century.

The reform of the civil service requires strengthening of the requirements for the professionalism of civil servants and the effectiveness of their training, in particular, an effective system of continuing vocational training. The realization of this goal is impossible without taking into account and introducing into the domestic practice of foreign experience that actualizes the study of this problem. [3, pp. 81-86]

It should be noted that foreign experience has developed three concepts of training qualified personnel in the civil service:

1) the concept of specialized training, which focused on the present or in the near future; it relates to the relevant workplace. Such training is effective during a short period of time, but from the standpoint of an individual civil servant contributes to preserving the workplace for him, and also increases his self-esteem;

2) the concept of multidisciplinary learning is economically efficient, since it increases the internal organizational and non-organizational mobility of the employee. However, the latter circumstance is a risk to the organization, where the civil servant works, because he has the opportunity to choose, therefore, he is less tied to his workplace;

3) the concept of person-oriented learning, is aimed at the development of human qualities, which laid down by nature or acquired in practical activities. This concept concerns civil servants, who are prone to scientific research and have the talent of a leader or teacher.

The purposeful training of skilled public administration personnel involves the close link and coordination of these learning concepts.

The qualification of investment activity civil servants should be carried out in academic institutions of the Ministry of Education and Science of Ukraine and postgraduate education establishments in accordance with the relevant educational and professional training programs. The educational plans should be approved by the specially authorized central executive body in the field of investment and innovation activities. Also, professional development should not be carried out just before another certification, or in other cases specified by law, but not less than once every two years. This is due to the fact that the realities require a proactive character of the professional development of

specialists, taking into account the the state development prospect, development vector on the investment and innovation potential.

Today, it is the civil servant who can influence the development of the country as a whole, as well as control certain directions of its development and improvement. State regulation of investment activity is carried out by state structures in order to implement economic, scientific and technical and social policies.

The state investments management is carried out by the republican and local authorities of the state and the administration. Public administration of investment activity can be defined as subordinate, legally-executive, executive and administrative activity of the relevant executive authorities in order to implement the management functions entrusted to them, which are necessary in the process of managing economic development of the country. [4, pp 71-77]

The general functions of investment activities management include: providing of information, management, forecasting, planning, organization, coordination, control.

- Providing of information is one of the functions that allows an employee to have an idea of the nature and status of the object of management, to make the necessary decisions on time in order to achieve the objectives of management. As a result, no managing authority can manage without adequate information. This function involves collecting, fixation, processing, analyzing information and transferring it to other authorities.

- It is necessary to create registers of investment projects, information banks on the volume, types, forms and objects of investment in the process of carrying out a management function in the implementation of public investment management,. It is necessary to have data banks about potential investors and those who are already investing, including data on interim results of investment projects.

- Forecasting is important in determining the possible consequences of foreign investment in the country in general and for investment at the level of individual industries, territories, enterprises.

- It should be noted that planning function in the process of public investment activity management can be carried out in determining the volume of attraction of foreign investments for a certain period of time, establishing a priority list of foreign investment areas and objects, determining the volume of investment in specific sectors of the economy, other investment objects and other investment options.

- Organization is a function by which the system that manages and the system under management is formed. This function can be considered in two aspects: firstly, as the activity on the construction and improvement of a system structure, and secondly, as the activity to manage the management decisions within the framework of the functioning of a defined and sufficiently stable system. Due to this function, the subjects of state investment activity management are created, liquidated and reorganized, their functions, rights and obligations are determined and implemented, their structure is determined, etc.

- Management is characterized as a function by which the activity and behavior of the controlled object is directed in order to achieve the planned results. A direct link between the subject and the object of management is carried out through management.

- Coordination is a function that allows to coordinate the actions of various bodies, enterprises and organizations in order to achieve any common goals, for example attraction and usage of foreign investment in Ukraine.

- Control is one of the common functions of investment activities management. It determines the degree of compliance of the investment functioning process of objects with the management decisions, reveals the results of the public authorities influence on the investment process and deviations from management decisions in this area.

After analyzing the special functions of public management of investment activity, they can be divided into two groups: investments attraction functions and investments usage functions.

Public investment management should be based on the following specific principles:

- the principle of mutual responsibility of investors and the state;
- the principle of observance of the fundamental rights and freedoms of investors;
- the principle of legal responsibility of investors for violating the requirements of Ukrainian legislation or international treaties;

- the principle of a consistent decentralization of the investment process and the expansion of mixed financing of investment projects;

- the principle of attracting foreign investment mainly for the implementation of state priority programs (projects) aimed at restructuring the economy and giving preference to the completion of previously started construction, technical re-equipment and reconstruction of existing enterprises;

- the principle of improving the legislation on investment activities.

In order to ensure these principles and functions, a public servant should be highly qualified and professional.

World practice shows that today foreign investment forms only a small part of total capital investments in the national economy. They have the impact only after the activation of national capital, acting as an auxiliary part of the accelerator of internal transformation. The analysis of the situation in Hungary, Poland and the Czech Republic shows that the investments inflow in these countries greatly influences the improvement of the socio-economic situation [5].

To follow the trend of changes in investment indicators and the intensity of using investments in the domestic economy, we can see tables 2, 3.

Table 2.

## Indicators of investing in the Ukrainian economy

Indexes	Years					
	2012	2013	2014	2015	2016	2017
Capital investment in economy, million UAH	272074	192878	189061	259932	293692	267728
Capital investment indexes in economy, %	97,4	58,5	103,4	118,8	108,5	88,9
Economy investment level, % of GDP	28,7	21,1	17,5	20,0	20,8	18,4
Level of scientific and technological revolution financing at the expense of all sources, % to GDP	0,90	0,95	0,90	0,79	0,80	0,81
GDP in actual prices, million UAH	948056	913345	1082569	1302079	1411238	1454931

Source: calculated by the author based on the source [6]

Table 3.

## Investment intensity in Ukraine, UAH billions

Years	The investments volume in the production of agricultural products, $x_t$	Production volume of agricultural products output, $y_t$	Average productivity of investments (investment efficiency), $A_{1t}$	Marginal productivity of production, $df(x_t)/dx_1 = a_{1A_{1t}}$	Capital-output ratio of products, $A_{2t}$
2012	19,09	261,8	13,7140	3,8029	0,2630
2013	18,64	307,1	16,4753	4,5686	0,2189
2014	18,39	371,2	20,1849	5,5973	0,1787
2015	27,08	544,2	20,0960	5,5726	0,1795
2016*	17,02	485,4	28,5193	7,9084	0,1265

\* figures for January-June 2016 p.

Source: calculated by the author based on the source [6]

The analysis of performance indicators has shown that the performance of investment activity has improved slightly in recent years, and today it remains low in the country. It indicates to a certain extent a lack of efficiency and quality of civil servants work that are employed in this area. This is due to the fact that the state personnel policy is not always effective and does not contribute to the increase of the professionalism level among civil servants. In addition, the system of evaluation of the civil servants activities is in most cases a formal procedure that employee is not responsible for. [7, P. 32]

**Conclusions and suggestions.** . In order to stimulate the inflow of investments into the country's economy and intensify investment activity, it is necessary to reform the national civil service system in accordance with the up-to-date requirements, to improve the system of training, retraining and professional development of employees that are engaged in the investment sphere of the state, and to bring the national legal and organizational framework to the European standards in order to increase the capacity of mechanisms that ensure the favorable investment climate and the formation of a basis for conservation and enhancement of national economy competitiveness. Solving these topical issues will allow Ukraine to improve the investment climate, accelerate the pace of economic growth and reach a new level of development. In developing the principles for the development of vocational training, retraining and advanced training of civil servants it is impossible to confine ourselves to solving current problems only. In order to increase professionalism it is also recommended to develop and implement an effective system of civil servants stimulation and motivation and to unify and modernize approaches to the employee professional qualities assessment.

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