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# THE ESSENCE OF THE TRANSFORMATION OF SOCIO-ECONOMIC RELATIONS IN THE NATIONAL ECONOMY: THEORETICAL AND METHODOLOGICAL ASPECT

## ABSTRACT

The article is devoted to a thorough study of the theoretical and methodological foundations of the essence of the transformation of socio-economic relations of the national economy. Based on the study of scientific sources, a proper definition of the concept of "transformation of socio-economic relations" was formed. It is proposed to consider transformational processes from the point of view of their direct or indirect impact on other sectors and the economy in general. The need to understand and perceive the essence of transformation from the point of view of the transformation of socio-economic relations as such is well-founded. The article formulates the author's approaches to identifying the types of transformation of socio-economic relations, it's possible and confirmed forms of manifestation, basic characteristics and features. The author's understanding of the concept of transformation potential of socio-economic relations of the national economy and the transformation cycle is outlined. A vision of the intensity, efficiency and frequency of transformational changes and the limits of transformation was formed. Characterization of the period and stages of transformational changes that lead to socio-economic shocks and cause socio-economic instability, periods of fluctuations, including ups and downs, socio-economic crisis, transformational trap is made.

**Keywords:** transformation, transformational processes, socio-economic relations, national economy, classification signs

**JEL Classification:** E44, F36, G10, G18, G20

## INTRODUCTION

At the current stage, the development of economic systems, industries and sectors of the economy, the evolution of relations between economic subjects are accompanied by objective dynamic processes - transformations, the disclosure of the essence of which was reflected in the significant achievements of modern economic science. Idealizing the significance of this process as a change in the previously dominant sphere of activity and, at a particular stage of development, recognized as ineffective, the transformation involves the creation of a "new formation", the purpose of which is to provide an improved format for the implementation of all processes and ensure maximum productivity of activity.

Studying economic systems as a combination of all types of human activity and the basis of further development, scientists and researchers come to the conclusion that economic systems are constantly undergoing objective changes that manifest due to certain deviations from the "normal" state at this stage. Such variations include disturbance - short-term interruptions, temporary system disruption; perturbation – constant or repeated disagreements that ensure a decrease in activity or the onset of a crisis; deformation – regime change, loss of independence; transformation – long-term change, restructuring, conversion, system renewal, etc. [35].

The transformational processes of socio-economic relations are caused by society's need for necessary changes and can be multifaceted, which is accompanied by both positive changes and degradation of such relations. The study of the problems of the transfor-

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mation of socio-economic relations is determined by its importance in the national economy/economic system, ensuring the functioning of all spheres of life of any state, the development of globalization, and dependence on world economic and social crises.

However, the course of transformational processes is accompanied by numerous problems, which are caused both by the unreasonableness and inefficiency of the measures taken and by the logically incomplete definition of the theoretical and methodological foundations of such processes.

## LITERATURE REVIEW

The reference literature, which describes the origin of the category "transformation" (from the Latin "transformatio" - change), characterizes it as the process of transforming the structure, forms and methods, changing the target orientation of activities, essential properties of something, etc. [31]. In fact, the semantics of transformation is the development, and manifestation of dialectical changes in the forms and phases of the existence of any systems and their inherent structures [32, p. 136]. The scope of transformation is broad and includes a detailed description of various transformations in the economy, politics, society, philosophy, etc. The interpretation of the concept of "transformation" in economic literature boils down to the following content: in the Great Economic Encyclopedia, "transformation" is understood as "the interaction of various processes and phenomena in the sphere of economics, politics, and others, which as a result ensure the formation of a new quality of the social system as a whole" [33, c. 681]; in the Great Economic Dictionary, transformation is defined as "one of the operations of the organization process, which means reforming the main goal into a number of interconnected local goals and tasks that ensure the achievement of original results" [34, c. 1089]; in the Economic Encyclopedia is "the process of transforming one economic system into another, which is accompanied by the death of some elements, traits, properties and the appearance of others" [36, c. 687].

Examining transformational processes in the economy, Chernyuk L.H. states that the term "transformation" or "structural shifts" should be understood as the process of adaptation (quantitative and qualitative adaptation) of elements of economic systems at the macro-, meso-, and micro-levels and their interrelationships in accordance with the laws of functioning and development of the market economy, which ensures the formation of a qualitatively new structure. The author sees the essence of these processes as a transition from a historically proven and economically inefficient administrative-command model to a relatively effective liberal-capitalist, socially-oriented market model of organizing the economic life of society [28, p. 253].

Chepinoga V.G. notes that transformation is widely used in the context of changing the ratio of elements of command and market systems in favour of market elements, the results of which will be the formation of a mixed system with a predominance of market connections and market principles of economic regulation [20, p. 506]. In this definition, one can notice an emphasis on the formation of a mixed system, rather than a new one (in this context, a market one). The author specifies that the transformation process does not consist in the destruction of the old system and its replacement by a new one but in the replacement of the ratio of the main system-forming elements, which reduces the role of the elements of the command economy and expands the elements of the market economy [30, p. 506].

It is worth noting that foreign scientists and researchers such as Zeleni Milan, Berthold Herrendorf, Richard Rogerson, Ákos Valentiny, Brendan Grilli reveal the concept of transformation through significant irreversible shifts in economic activity, structural transformations in the spheres of economic activity.

Such domestic and foreign scientists as L. Alekseenko, M. Amanova, N. Andronova, J. Assa, O. Bilorus, R. Dore, G. Epstein, T. Yevdokymova, P. Yeschenko, Yu. Kovalenko, D. Kotz, G. Krippner, I. Kukukina, O. Myrhorodska, M. S. Radziewska, N. Samko, L. Steblyakova, L. Chernikova and others

However, the vast majority of scientific works are devoted only to certain aspects of the transformation and its role in the economy. Among researchers, there is no unequivocal vision of the essence of transformational processes of socio-economic relations of the national economy. Moreover, there are almost no clear definitions of this definition. At the same time, research remains logically incomplete: types of transformation of socio-economic relations, functions performed by it, principles of its organization, properties, structure, nature of contradictions; vectors, forms, regularities, tendencies and consequences of manifestation; limits and stages of passage.

## AIMS AND OBJECTIVES

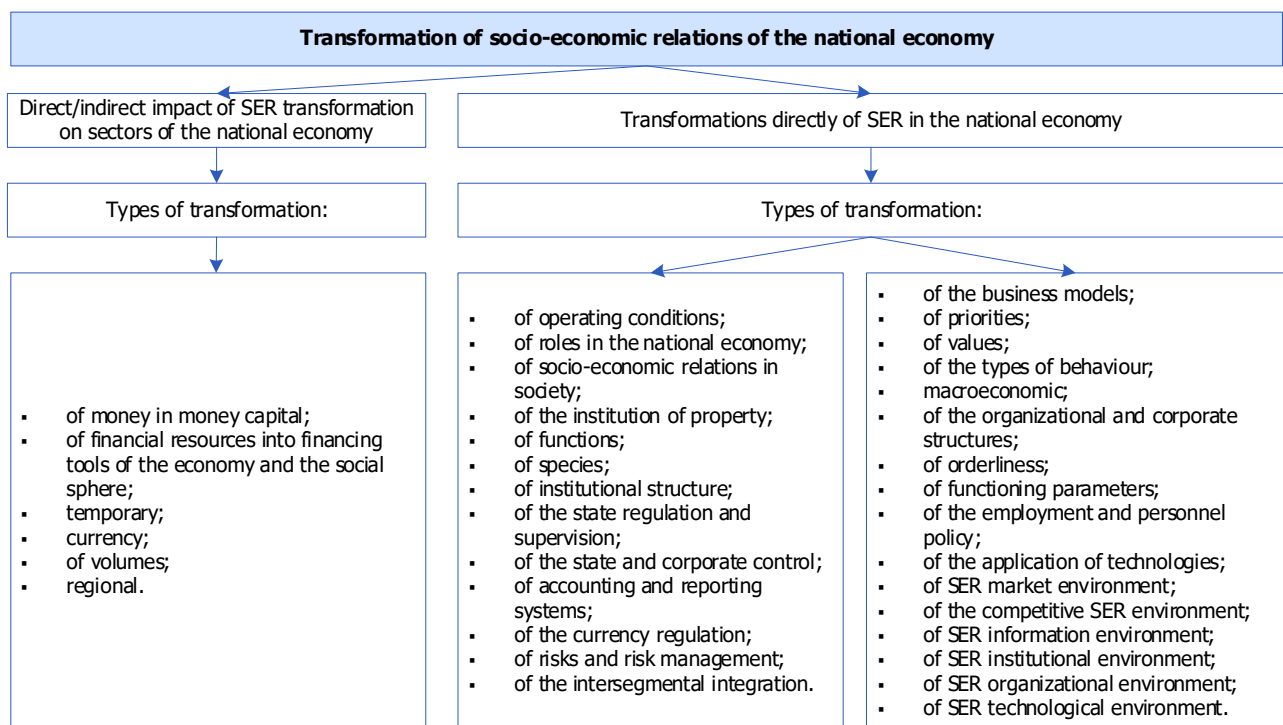
Therefore, the purpose of this article is to clarify the theoretical and methodological foundations of the transformation of socio-economic relations of the national economy.

## METHODS

The article uses general and specific methods of scientific knowledge. The study of the theoretical and methodological foundations of the transformational processes of SER of the national economy is based on the provisions of the theories: finance, systems, socio-economic transformation, economic development, financial management, firms, crises and disasters, and cycles. First of all, the authors used a systematic approach in the context of the theory of economic development. At the same time, the methods of system analysis, comparison, induction and deduction were additionally applied. Graphical interpretation and generalization methods were used to visualize and systematize the obtained results.

## RESULTS

The transformation of socio-economic relations (SER) of the national economy, in our opinion, should be considered both from the point of view of their direct or indirect transformational impact on other sectors and the economy in general and from the point of view of the transformation of SER as such (Figure 1).



**Figure 1. Types of SER transformation of the national economy.** (Source: built by the authors on the basis of [1, p. 134-135; 22] and their own work)

V. Reshetylo singles out the concept of "institutions of transformation", to which he refers: the institution of property, the institution of competition protection, the institution of contract law, financial institutions, institutions of entrepreneurship support, institutions of foreign economic activity, which are the basis of institutional reforms [2].

Transformations in the economic sphere in recent decades are called economic globalization, economic revolution, financialization [3-8], the economy of speculation and the reproduction of irrational production (bubble economics) [9]. As a result of these transformations, a new type of economy is being formed - financial economy, financonomics, and finconomics.

Transformations in the social sphere are usually accompanied by a change in the stratification of society, the formation of its new type - socionomics.

If the ideology of liberalism was the basis for the introduction of the term "financialization", then its restoration and widespread use took place in the conditions of the dominance of the ideology of neoliberalism [10, c.131].

Financial transformations are an inherent property of modern transformations in economic systems. Financial transformations in economic systems, resulting from the qualitative evolution and quantitative growth of capital, require an understanding of the essence of these phenomena from the standpoint of the methodology of researching transformational processes and taking into account financial accents objectively determined by the valuable nature of capital [11].

The macroeconomic consequences of the global financial crisis called into question the dominant theory of self-regulation of financial markets for decades, which justified the need to minimize government intervention in the functioning of financial systems. The point of view about the unconditional benefit of increasing the size of financial systems, which was the basis of the deregulation of the sphere of financial activity, gave way to ideas about the need for tighter state control in this sphere in order to ensure long-term macroeconomic stability [13].

In our opinion, the introduction of innovations, which is a process of modernization of activities, which consists in improving the quality of life, improving operations, services, business processes or creating new ones to meet the needs of the population, can be considered a type of SER transformation [14, p.70].

In our opinion, the transformation of the SER economy is:

- multidimensional and multilevel transition from one qualitative state of SER to another qualitative state;
- evolutionary transformation, long-term and purposeful quantitative and qualitative changes in the system of socio-economic relations regarding the accumulation of labor, financial, natural resources, etc.; property institutions and organizational and legal forms and principles of functioning of social and economic institutions, their size and structure; in the efficiency of distribution and use of available resources.

Modern scientific literature is represented by a number of research works related to the formation, transformation and strengthening of the structure of the world economic and social architecture, however, they are often unsystematic with a clear political colour [15].

Regarding the transformation of the SER of the world economy, it is appropriate to talk about the transformations: the structure of world financial flows, the SER of the national economy, interstate social and economic institutions and international organizations, and international social and economic centres.

At the same time, the main directions of influence of global transformation processes on the objective conditions of the formation of SER are the influence on [16]: the mechanism of functioning of socio-economic formations; money and money circulation; production process; social protection of the population; building up radical socio-cultural changes.

The transformation of the SER of the national economy is a multifaceted phenomenon. Thus, in our opinion, in this context it is necessary to talk about the transformation: the conditions of its functioning; the role of SER in the national economy; interests of SER subjects; institution of ownership; functions; species; institutional structure; state regulation and supervision; business models; priorities; values; types of behaviour; global financial capital; macroeconomic; organizational and corporate structures; orderliness; functioning parameters; employment and personnel policy; applied business technologies; intersegmental integration; state and corporate control; accounting and reporting systems; FS functioning assessment systems; currency regulation; risks and risk management; securing assets; market, a competitive, informational, institutional, organizational, technological environment of FS functioning.

In our opinion, the forms of manifestation of the specified types of SER transformation of the national economy are related to:

- the transformation of SER functioning conditions - change in functioning factors associated with the transition from industrial to post-industrial (information) society; development of new markets; strengthening the country's economic sovereignty; qualitative changes associated with the transition from a classical combination of functioning factors to their non-linear combination, integration of these factors and technologies, capital, information and intellectual resources; growth of capitalization of financial markets based on fundamental (instead of mainly speculative) factors, transition to business valuation at the level of new industrial economies; growth in view of the development of globalization of the global impact of globalization imperatives on the transformation of the SER of national economies and the transformation of global challenges into endogenous factors of their development; removal of restrictions on the movement of resources and provision of services between the countries of the world; overcoming excesses (destructions) in concentrations of property, assets, capitalization and liquidity; recognition of international standards, codes, best global business practices; reduction of reputational threats to the functioning and development of SER

institutes; worldview transformations of the organization of economic relations and the perception of broad sections of the population about the goals and consequences of transformational transformations of the SER of the national economy;

- the transformation of the role of SER in the national economy - expansion of the range of companies carrying out economic activities; growth of the share of borrowed resources in the consumption of households and activities of business entities; SER configuration change; the spread of the influence of financial markets on new socio-economic spheres; changing approaches to providing traditional and the availability of new ambassadors due to the appearance of new products; increasing dependence of the state of the national economy on stability; transformation of SER into the main source of modern socio-economic crises; growth in the scale of investment management; changing approaches to assessing the systemic significance of professional market participants;
- the transformation of the interests of SER subjects - replacing economic coercion with "self-coercion" of socio-economic institutions; changing the business model of institutions that focus on the interests of customers, rather than on offering new products; development of disintermediation, i.e. elimination of intermediaries from redistribution of capital, promotion of investment in savings [14, c.73];
- the transformation of the SER property institution - the transformation of the system of property relations, its elements and connections between them as a result of the influence of internal sources of development and the external environment; change in the ratio of basic forms and regimes of ownership; institutional changes in the SER of the economy; transformation of the issuer's obligation into the rights of the owner to receive value, interest or other property equivalents;
- the transformation of SER functions - accelerating the transformation of savings into investments, expanding the possibility of borrowing for business entities and households, improving the availability of financing; a gradual transition from the transformation of household deposits into loans to the formation of a resource base for granting loans due to securitization mechanisms and operations on financial markets with the participation of an alternative banking system (shadow banking system); removal of restrictions on the performance of exclusively intermediary functions, directing increasingly large amounts of resources available to financial institutions to speculative operations that do not contribute to the economic development of the country;
- the transformation between the natures SER - change in the liabilities of borrowers and assets of final creditors; increasing the opportunities of households and economic entities to attract funds from financial intermediaries that transform assets (asset transformers); transformation of the structure of demand for services and a change in the product range of economic institutions in the direction of high-tech services, which form a progressive structure of their consumption;
- the transformations of the institutional structure of SER - change, the transformation of institutions-norms and institutions-organizations, that is, their transition to a new state; mutual transplantation of SER institutes of the national economy; increasing the number and expanding the spectrum of conglomerates; entering the market of high-tech companies, telecommunications operators and specialized innovative companies;
- the transformation of state regulation and supervision - reduction of the regulatory burden; development of the "various-speed" model of regulation (different volumes and rigidity of regulation of various institutions and market segments depending on the nature of their risks and performed functions); inventory and reduction of excessive regulatory costs; exclusion of unjustified regulatory arbitration; expansion of the "perimeter" of regulation (transition to regulation and consolidated supervision of systemically significant financial institutions, inclusion in the scope of regulation of unlicensed financial intermediation) [17, c.406]; expanding the economic functions of the state, changing their nature and structure; taking into account the interaction of global, regional and national levels of SER functioning; redistribution of functions of regulators of segments of the socio-economic system; testing of SER institutes by the "top-down" method, i.e. conducting stress testing; the development of meaningful supervision, which involves the use of reasoned judgment, assessment of the quality of management; formation of mechanisms for effective exchange of information and coordination of actions of key participants in regulatory and supervisory processes;
- the transformation of business models - diversification of SER, transition to the structure of developed markets [17, c.406]; socio-economic turbulence [18, c.130], i.e. acceleration of movement of some components of SER and inhibition of others; consideration of business models as new units of analysis in financial management; creation of clusters; shifting emphasis from operations to services; uberization of the banking business (establishing direct contact (without intermediaries) of financial service providers with their buyers on global platforms such as the online taxi service "Über"); mutual penetration of insurance and stock markets due to the development of new financial instruments;

- the transformation of SER priorities - the transformation of the nature of the sector from product-oriented to client-oriented (adherence to the philosophy of partnership and social responsibility in relations with clients); the priority of securing growth with internal resources as opposed to external ones;
- the transformation of values in SER - revaluation/change of values, change of stereotypes, increasing significance of moral values; modification of individual and collective value systems; consideration of intellectual capital in management models of socio-economic institutions;
- the transformations of behaviour types in FS - the emergence of interactive consumption; servization (strengthening of the service component), softization (transformation of intangible resources into the most important factor of economic development), virtualization and aestheticization of consumption; increasing the diversification of consumer preferences and demand; reducing the costs of searching for information and increasing its volume available to the FS, and therefore the potential need for its use, since lower transaction costs allow us to satisfy the growing demand, among other things, due to the appearance of additional information. In the conditions of disproportionate growth of FS, such traditional elements of speculation as herd effects (that is, "rational adaptation to market development, even if the agent's information is "better" than that of other market participants" [19]) and "short-termism" begin to play a special role (short-term orientation of investors);
- the transformation of global capital - its implementation of a global spatial and organizational function, which has a transformative effect not only on the process of reproduction but also on its character [20];
- the macroeconomic transformations - absolutization and virtualization of value, the transformation of business activity and economic behaviour, change in the vector of development of national economic and social systems and displacement of the centre of socio-economic power [11];
- the organizational transformation SER - transformation of the structure of market participants (arrival of new and exit of old ones, change of their shares); increasing the share of intermediaries, regionalization of the functioning of economic and social institutions; development of microfinancing; creation of subsidiary structures with a financial activity profile by large transnational and multi-branch non-financial corporations;
- the transformation of corporate structures - change in the number of such structures and the functions performed by them; activation of merger and acquisition processes; sale of non-core and non-core assets; use of outsourcing; involvement of management companies; expansion of the range of services beyond the traditional offer; complication of the organizational structure; transformation of corporate strategies and corporate culture; modification of the traditional management model based on budgeting and the formation of a strategically oriented budgeting system based on the construction of a balanced system of indicators;
- the transformations of orderliness - change of SER institutions and relationships between them;
- the transformation of SER functioning parameters - replacement of the point of view about the unconditional benefit of SER with the vision of the need for stricter state control to ensure long-term macroeconomic stability; ahead of the rate of growth of volumes (income and capital) of the economic system compared to the real one; growth of the scope of activities within the existing specialization of social and economic institutions and diversification of their activities; receiving excess income from, which does not significantly affect economic development;
- the transformation of employment and personnel policy - reduction in the number of employees due to the expansion of the implementation of innovations and digital technologies; optimization of staffing; flexibilization of employment (emergence of new professions; increase in requirements for the content of labor activity and methods of its implementation and performance evaluation methods; increase in requirements for the professional level of employees;
- the transformation of applied business technologies - business expansion, use of its new channels; closer interaction with customers and a clear understanding of their benefits; reduction of operating costs while simultaneously increasing satisfaction of customer needs; increasing the competitiveness of brands due to the provision of new services; solving most tasks in the online mode by representatives of generation Z, for whom the digital approach has become a normal way of life; an increase in the number of digital banks and financial supermarkets that use modern technologies and are tightly integrated into the everyday life of people, who will use biometrics to control access to valuable information;
- the transformations of inter-segment integration - pooling of capital (participation in capital) of banks and insurance companies and mutual use of their information, technological, personnel, management and other resources in the implementation of joint functions; creation of financial supermarkets;

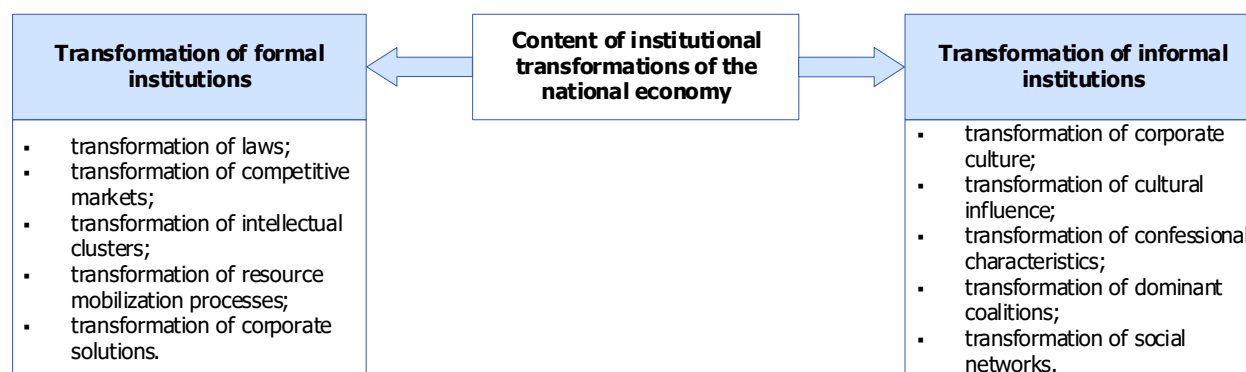
- the transformation of the accounting and reporting system in the FS - implementation of international standards, increasing the transparency of the functioning of the financial system in general and its institutions; additional interpretation of primary accounting information in accordance with the required standards; changing the generalized presentation of consolidated accounting information;
- the transformation of the functioning assessment system - revision of the national assessment system based on the need to improve the characteristics of the component subsystems of the national economy according to the Financial Sector Assessment Program (FSAP), which is implemented by the IMF and the World Bank once every five years; moving from performance indicators (KPIs) tied to static P&L forms to value-based and risk-based metrics such as value added (SVA) and risk-adjusted return on capital;
- the transformation of currency regulation - liberalization of exchange rates and currency circulation;
- the transformation of risks and risk management - a change in many possible "risk-return" combinations, which transforms the structure of assets in the economy in general; transformation of unattractive assets into high-rated investment instruments and risk distribution of individual investment projects among market participants; implementation of risk regulation mechanisms aimed at curbing extreme volatility, preventing overheating of financial markets, minimizing incentives for taking excessive risks; development of risk assessment infrastructure by increasing the availability and quality of relevant information for analysis; ensuring intertemporal risk sharing and cross-sectional risk diversification risk management; prevention of negative financial effects, blocking of channels of financial "infection";
- the asset collateral transformations - transformation of the primary yield of assets into the market yield of securitized investment packages; improvement of dispute resolution mechanisms;
- the transformation of the market, competitive, economic, informational, institutional, organizational, and technological environment of the FS functioning:
  - an outsourcing of individual elements of activity;
  - an integration into the Single European Payment Area (SEPA);
- the "platformization" of banking, when existing banks and startups strategically change, becoming banking platforms, like Amazon - the world's largest online trading platform;
- the transformation of competition from an economic phenomenon into a political one, when states provide privileges to their national monopolies; weakening of the oligopoly of the banking sector to reduce the concentration of risks by the largest banks, demonopolization of the financial system; increasing the role of economic and social integration in the formation of a competitive environment; superior ability to redistribute external and internal resources for socio-economic growth with minimal costs and risks, export services and products, use the national currency in international financial circulation; protection and strengthening of the competitive environment;
- the development of participative financing, which provides for the possibility of using the financial resources of the state, local communities, businesses and institutions of civil society; lending through an ATM (with the borrower's digital signature);
- the change of the sales system; growth of SER virtualization, development of electronic markets, markets of electronic financial services and electronic money; the transformation of telecommunications and information technologies into a factor in the creation of market infrastructure, the introduction of high-frequency trading - the main form of algorithmic trading in financial markets; increase in labor productivity;
- the convergence of social, economic and information spheres of activity of institutes, creation of a new informational socio-economic space;
- the expanding of the implementation of contactless (PayPass, payWave); mobile points of sale m-Pos (Square) and cloud (iTunes + map) technologies; applications of retail companies (Starbucks); P2P lending (peer-to-peer lending); crypto-currency;
- the market transformation of information about issuing companies, brokerage and investment companies into the prices of shares, bonds and derivative securities; expanding the use of the blockchain - a large database that contains all the transactions that have ever taken place and all the data of bitcoin wallets that have ever existed;
- the provision of the absolute imperative of the security of payments and transactions and the proportional adaptation of norms and regulations to the development of fintechs in order to guarantee the protection of clients and prevent the impact of negative consequences on financial stability;

- the transformation of state and corporate control - change of SER control priorities, development of control indicators to assess the trajectory of sustainable development of business and society in general. The theory of the transformation of corporate control is based on the hypothesis of "effectiveness of socio-economic relations", aimed at eliminating "deformation of interests and relations", increasing the effectiveness of growth of the company's value and stability of the trajectory of business development, the potential of social investments for the region and society in general [22].

At the same time, the nature of many constituent elements of globalization is also being transformed [23, c.5]: financial flows that qualify as direct investments within the framework of acquisition or participation in bank capital, i.e. operations that do not increase debt; capital export becomes a form of participation and not a form of financial demands; the process of financial consolidation acquires further forms due to expansion in new markets, and the latter turn into a systemic element of the global network of cross-ownership of assets and liabilities, etc. Such a transformation creates a number of positive moments.

Transformational processes in the global financial space determine the basic trend of the development of the world market and the vector of macroeconomic transformations in national economic complexes, which necessitates a new institutional solution to the evolutionary problems of socio-economic development. On the one hand, these processes contribute to the wide use of previously unavailable opportunities for the national economy, and on the other hand, the transformational paradigm inevitably requires significant regulation of domestic socio-economic policy. In this connection, the importance of exogenous and endogenous factors that determine the conditions for the functioning of the national socio-economic system and are determinants of its competitiveness is increasing [24].

Using an institutional approach to the analysis of objects of transformation, two groups of institutional transformations can be distinguished, the transformation of formal institutions and the transformation of informal institutions (Figure 2).



**Figure 2. Content of institutional transformations.** (Source: [22])

Along with clarifying the essence of transformational processes of the SER of the national economy, the classification of their varieties becomes important, since their clear definition contributes to the adoption of reasonable management decisions when developing scenarios for the necessary transformation.

Characteristics of classification features and types of transformation of SER of the national economy are presented in Table 1.

**Table 1. Classification of types of SER transformation of the national economy.** (Source: compiled by the authors based on studies [15-18, 22])

Classification sign	Types of transformation
The level at which changes occur	megatransformation, metatransformation, macrotransformation, meso-transformation, microtransformation
Type	of conditions of functioning, of the role in the national economy, of interests, of institution of ownership, of functions, of institutional structure, of the business models, of priorities, of values, of the global capital, of the organizational and corporate structures, of parameters of functioning, of the employment, of applied technologies; of competitive environment, of the state and corporate control, of the intersegmental integration, of accounting and reporting system, of currency regulation, of securing assets, of the state and corporate control; of market, competitive, informational, institutional, organizational, technological environment
Prerequisites	caused by internal factors, caused by external factors



Classification sign	Types of transformation
Resources involved	intensive, extensive
The results obtained	quantitative, qualitative, mixed nature
Manifestation	temporal, spatial, structural
Vectority	permanent (within the selected transformation vector), discrete (changing the transformation vector)
Transferability	one-time, dynamic
Speed of transformations	fast, accelerated, slow
The pace and scale of changes	episodic, continuous; evolutionary, modernization, revolutionary; spontaneous
Time of changes	retrospective, current, prospective; long-term, short-term
Consequences	progressive (positive), regressive (negative)
Orientation	aimed at achieving quantitative goals; aimed at achieving qualitative goals
Predictability	predicted, unpredicted
The nature of changes	constructive (contributes to the growth of the resulting indicators of the economy), conservative (consolidates previous changes), destructive (contributes to decline), stagnant
Use of opportunities	related to ensuring full/effective use of available opportunities; related to capacity building; related to the creation of qualitatively new opportunities
Type of economy	industrial, post-industrial, digital
Degree of cyclicity	reversible (cyclic), irreversible
Urgency	the one that has no basis; the one that ripens; ripe; inevitable
Reality	real, simulated
Similarity	of the same type, specific
Mandatory	mandatory, optional
Management functions	of analysis, planning, organization, motivation, control
Communication with other sectors of the economy	intrasystem, system, intersystem, integration
Type of institutes	formal institutions, informal institutions
The degree of displacement	cardinal, essential (substantial, deep), moderate, insignificant
Degree of spread	local, sphere, full-scale (comprehensive); institutional, infrastructural, organizational, functional, institutional-functional, process
Management level	global, interstate, national, regional, industry
The form of transformations	traditional, innovative, unprecedented
Type of institutes	existing institutions, newly created institutions
Nature	progressive, forced, radical, fundamental, gradual, cumulative
Factors	resource, factor, resource-factor
Controllability	managed, unmanaged
Level of manifestation	single-level, multi-level
Impact on objects and subjects	direct, indirect
Expectation	expected, unexpected
Return to the previous state	reversible, irreversible
Effectiveness of implementation	effective, ineffective

The development of institutions causes the transformation of SER subjects. Speaking about the principles of the development of institutions, it is necessary to achieve their complementarity. When introducing new institutional forms, one cannot fail to take into account their inevitable impact on already existing institutions and the danger of institutional gaps with their inherent rejection, distortion of new rules and conservation of half-hearted reforms. Therefore, thorough reforms cannot be carried out in one, relatively narrow area. It is necessary to take into account the time of adaptation of the new institute [25].

The deepening of the theoretical and methodological foundations of transformational processes involves focusing attention on the concept of "transformational motive", which determines the goals that arise in the process of change (the more correctly society understands the goals and tasks of transformation, the less probable deviations in the process of change), ensures transformational changes, is born exclusively in the socio-economic system itself.

Accurate determination of the essence of the transformational processes of the SER of the national economy will also be facilitated by a clear definition of their transformational potential. In our opinion, the transformative potential of CEP should be understood as:

- measure of SER's ability to ensure achievement of the set transformational goal, and implementation of the program of transformational changes;
- a set of material, financial, labour, intellectual and informational resources, functional spheres of activity, driving forces causing qualitative changes in the functioning and socio-economic development of society;
- the speed or difficulty of adaptation (formation of the adaptation reserve) of SER to the necessary changes, which is determined by the degree of its achieved functional capacity;
- SER's ability to withstand potentially possible deformations and negative transformational challenges.

Based on the analysis of the mentioned elements, it is possible to find out the readiness and capacity of SER for strategic transformations.

At the same time, one should distinguish the transformational potential of basic, financial, intellectual and human capital, market infrastructure; production, social, investment, innovative, entrepreneurial, technological, marketing, managerial and consumer, as well as general, realized and unrealized, actual and strategic transformation potentials of SER of the national economy.

The transformational potential of SER is largely determined by the purposefulness and coherence of its interacting segments, as well as the rationality of its structure.

At the same time, one should also take into account the marginal rate of transformation between different financial assets and the time of transactions required for consumption, which in the optimal equilibrium is equal to the alternative yield of the corresponding financial instrument.

The transformation of SER, in the presence of internal contradictions, includes a multiplicity of tendencies, alternatives, and perspectives that compete with each other.

Determining its boundaries and stages contributes to a deeper disclosure of the essence of the SER transformation. In particular, the opinion is expressed that the meaningful conclusion and moment (time period) of the completion of the actual transformation is the achievement of the state of the economy and society, which would satisfy such criteria as the achievement of the internal balance of economic and social processes; ensuring sustainable economic growth; normalization of capital formation processes; formation of a consistent system of institutions that regulate social and economic processes [26, p.9].

The limit of SER transformation, in our opinion, is the achievement of their optimal share in the national economy, the interval of the degree of its qualitative certainty, as well as the degree of self-sufficiency of SER and all their components.

The literature refers to the existence of the following four main stages of the transformation cycle [27]: immediate transformation, inter-formation (the stage of an unstable and uncertain state), into-formation (the period of acquiring new stability, a new form), and post-transformation state.

In turn, the transformational processes of SER of the national economy, in our opinion, can be divided into the following transformational stages: relative equilibrium of SER; SER imbalance, exhaustion of internal development potential; structuring associated with the replacement of dysfunctional mechanisms of SER manifestation, directing the transformational potential released at the same time to the formation and development of new mechanisms; achieving a qualitatively new state of SER.

Moreover, the transformation can be carried out at different rates, with different visions of the state's participation in the transformations. Therefore, it is legitimate to talk about transformational transitions, that is, the change of phases of relative equilibrium of the sector and phases of replacement, or transformation of the sector, expressed in time indicators.

At the same time, in our opinion, given the possibility of ineffective/ineffective transformational changes, we should also talk about a significant difference between the set goals and the actual result, transformational instability, transformational decline, or even transformational crisis.

Moreover, transformational instability is caused by uneven regression of the old and progress of the new systems.

At the same time, it should be borne in mind that the quick and decisive withdrawal at the formal level of the existing theoretical postulates and other determinants that coordinate the socio-economic behavior of individuals, without putting forward a new and adequate scale of values for society, causes a transformational trap.

The subject-object structure of the institutional mechanism of the SER transformation of the national economy is a combination of: the subject of transformation management - the state in the form of national and regional authorities, local authorities; of the object of transformation - SER as a system and their separate components; methods of transformation - specific methods, techniques and tools of institutional influence on SER, reverse object-subject relationships that allow monitoring the effectiveness of the measures taken.

Of great importance in determining the essence of the SER transformation of the national economy is the clarification of the principles of such a transformation as generalized guidelines, following which transformational changes occur in the SER.

## DISCUSSION

The conducted research allows us to revise a number of definitions of the term "transformation" in view of the results obtained empirically. Thus, in the above L.G. Chernyuk the definition of "transformation" [29] emphasizes the fact that transformation is a process focused on the transition from a previously ineffective to an effectively oriented system of organizing socio-economic relations, with which we absolutely agree. However, one cannot agree with the author's opinion that the transformation acquires the manifestation of quantitative and qualitative adaptation. A feature of adaptation processes is adaptation to the changing conditions of the external environment, which excludes fundamental changes in the internal structure of the system and connections of structural elements, therefore it is not correct to reveal the essence of transformation exclusively through the prism of adaptation.

Regarding the definition of the transformation process formed by V.G. Chepinoga, we agree that this opinion of the author is based on the fact that de facto market systems do not exist in their pure form. As we can see, there are certain disagreements in the opinions of scientists regarding the goal and expected result of the transformation, in particular, two directions are noticeable [30]:

- transformation is a process aimed at an irreversible transition from a previously ineffective and unsustainable system to a new, effectively directed one;
- transformation is a process aimed at the formation of a mixed form of two systems, one of which has a number of elements that are gradually dying out, the second - elements aimed at improving the system and bringing it to a qualitatively new level.

In our research, we are inclined to the opinion that transformation is a process whose purpose is the formation of a completely new system of relations, connections and structure, with the absolute exclusion of the possibility of returning to the previous system. Its result will be an increase in efficiency and productivity. At the final stage, the transformation will lead to the full-fledged formation of a new system, its structure, connections and relations.

It should be noted that transformation is inextricably linked to development processes. From this position, we support the opinion of V. M. Geits, that socio-economic development is an infinite and non-discrete (that is, a wave, not a quantum) sequence of transitions from one state of equilibrium to a new qualitative level. At the same time, the process of socio-economic development is continuous in time thanks to innovation chains that lead to changes [28, p.22]. At the current stage, it is innovations that are the main strategic orientation of the development of the economy and determine the implementation of the transformation of the economic system in the direction of the maximum achievement of its innovativeness.

## CONCLUSIONS

Thus, clarifying the nature of the transformational processes of SER of the national economy involves determining the essence and varieties of transformation/transformational processes and the vectors and forms of their manifestation, their regularities and peculiarities; factors causing transformational processes; the transformational potential of SER; transformational cycle, the intensity of transformational changes and limits of transformation, its period and stages, transformational transitions; transformational shocks, transformational instability, transformational decline, transformational crisis, transformational trap. Therefore, the discussed problem needs further thorough research.

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## СУТНІСТЬ ТРАНСФОРМАЦІЇ СОЦІАЛЬНО-ЕКОНОМІЧНИХ ВІДНОСИН У НАЦІОНАЛЬНІЙ ЕКОНОМІЦІ: ТЕОРЕТИКО-МЕТОДОЛОГІЧНИЙ АСПЕКТ

Стаття присвячена ґрунтовному дослідженню теоретико-методологічних засад сутності трансформації соціально-економічних відносин національної економіки. На підставі опрацювання наукових джерел сформульовано власне визначення поняття «трансформація соціально-економічних відносин». Запропоновано розглядати трансформаційні процеси з точки зору їхнього прямого чи опосередкованого впливу на інші сектори та економіку загалом. Обґрунтована необхідність розуміння та сприйняття сутності трансформації з точки зору трансформації соціально-економічних відносин як таких. У статті сформульовані авторські підходи до виокремлення видів трансформації соціально-економічних відносин, її можливих і підтверджених форм прояву, базових характерних ознак і особливостей. Окреслено авторське розуміння поняття трансформаційного потенціалу соціально-економічних відносин національної економіки й трансформаційного циклу. Сформовано бачення інтенсивності, ефективності та частоти трансформаційних змін і меж трансформації. Складена характеристика періоду й стадій трансформаційних змін, які призводять до соціально-економічних шоків та спричиняють соціально-економічну нестабільність, періоди коливань, у тому числі піднесення і спадів, соціально-економічної кризи, трансформаційної пастки.

**Ключові слова:** трансформація, трансформаційні процеси, соціально-економічні відносини, національна економіка, ознаки класифікації

**JEL Класифікація:** E44, F36, G10, G18, G20