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Government and business: the search for new forms of cooperation

Abstract

The aim of the article is to analyse changes in the relationship between business and the state and their new mission - sustainable development. The authors believe that these questions should be included in research explorations as they see more and more problems with globalisation, the financial crisis, and the lack of a new role for business and the state in the social sphere and the definition of the spheres of influence of various market factors. The methods of analysis, comparison and an interdisciplinary approach were all applied. The article discusses the problems of a new social phenomenon: “market - the state - business”, the authors’ views on the contemporary role of each institution, their interaction in the process of ensuring sustainable development. Particular attention is paid to the new role of business in the social sphere. The authors argue that a new interpretation of the present role of the state is needed in order to secure sustainable development.

Keywords: sustainable development, social sector, private-public partnership

Państwo i biznes: w poszukiwaniu nowych form kooperacji

Streszczenia

Celem artykułu jest analiza zmian w relacjach między biznesem a państwem i ich nowej misji – zrównoważonego rozwoju. Autorzy uważają, że należy włączyć te pytania do badawczych poszukiwań, ponieważ zauważają coraz więcej problemów ze współpracą w sferze globalizacji, kryzysu finansowego, a także brak określenia nowej roli biznesu i państwa w sferze społecznej, definicji sfer wpływu różnych czynników rynkowych. Zastosowano metody analizy, porównania i interdyscyplinarnego podejścia. W artykule rozważono problemy nowej konfiguracji społecznego fenomenu: rynek – państwo – organizacje (biznes), przedstawiono autorskie spojrzenie na współczesną rolę każdej z instytucji, ich współdziałanie w procesie zapewnienia zrównoważonego rozwoju. Szczególną uwagę zwraca się na nową rolę biznesu w sferze społecznej. Autorzy przekonują, że nowej interpretacji wymaga współczesna rola i miejsce państwa w zabezpieczeniu zrównoważonego rozwoju.

Słowa kluczowe: rozwój zrównoważony, sektor społeczny, partnerstwo publiczno-prawne

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Introduction

Dynamic, multi-vector scale changes in all spheres of public life are the most defining features of the socio-economic development of the late twentieth and early twenty-first century. All this has given rise to higher requirements for economic science whose mission has been the study of the objective laws of the evolution of society and its economic systems (Kolot 2012, p. 15-34). Each stage of the economic system related to the revaluation of the role of the dominant resources, factors, institutions that operate within the realm of socio-economic development. Economic theory continues to explore the issues of today in the context of cooperation between two institutions: the market and the state. However, it is obvious that it is the formation of a new configuration of institutions that determines and will determine the future development of the new economy and post-industrial society.

One of the famous contemporary economists, co-author of the monograph “Politics in the age of austerity”, Colin Crouch, says that the conflict between the market and the state, which would seem to determine the nature of the political struggle in many countries, in fact diverts our attention from the existence of a third, powerful force that can significantly affect the market and the state - namely, corporations. Therefore, in reality, there are three instead of two actors. Policy at the beginning of the XXI century is no longer a confrontation between these powers, it was transformed into a mutually beneficial coexistence, thus embodying the trend of the last century - strengthening the role of corporations in politics and even strengthening their positions after global crises (Shefara, Shtrika 2015).

Engaging corporations in decision-making processes, according to the scientist, is not explained or justified by any of the existing economic theories; however, this process has become an integral part of our social life. If neo-liberalism, as a theory, insists on compliance with certain conditions in policy, among them there is a requirement of a clear distribution of the government and the market. However, if it turns out that the implementation of neo-liberal policies will inevitably lead to the appearance of a close relationship between private corporations and the government, the dominant political ideology will suffer irreparable harm (Kuiggin 2016).

Awareness of the essence of the new configuration of the social phenomenon of “market – the state – organisation (business)” is impossible without a modern vision of the role of each of these institutions and without an understanding of the new nature of their interaction in the process of sustainable development. Economic theories and trends which are now in the field of economics are different in many ways, their genesis explained by the nature of economic and social phenomena and processes. At the same time, among the major differences that represent a watershed between different economic theories - are different attitudes towards the state as an economic institution, different, often diametrically opposed explanations of the role, importance and functions of the state in a market economy. The range of opinions is from complete denial of the social and economic role of the state to the upholding of the primacy of it in sustainable development.

We are focusing attention on the fact that the objections of scientists regarding the participation of the state in performing the socio-economic development tasks often resemble, magic spells, rather than sound scientific judgments. Such judgements often deny the obvious popular reality that since certain forms of state influence in the public dimension justify themselves, they are appropriate and socially relevant.

The irreconcilable attitude of orthodox liberals, as well as many representatives of neo-classical currents, to the active participation of the state in economic life, in fact, fierce denial of such participation, which in practice has become apparent, can be attributed to the ideas, judgments, concepts which, in the terminology of the famous Australian scientist John Kuiggin, claim to be zombie ideas. The scientist says that before the global financial crisis of 2008 some ideas, such as the efficient market hypothesis or “large mitigation”, were very much alive. Their supporters have dominated mainstream economics. These ideas guided practitioners – sometimes unknowingly – whose decisions affected the financial system, which had no parallel in history. An intricate network of bonds amounting to tens of trillions of dollars has been woven from speculative or even fictitious investments. This resulted in the formation of a global economy in which households and entire countries cannot afford to live (Krauch 2013, p.11).

Since it is difficult to change ways of thinking, the zombie ideas, which led to the almost total collapse of the global financial system and the bankruptcy of thousands of companies, cost millions of workers their jobs, are still among us. Unfortunately, we have to agree with John Kuigginom that these ideas are guided by people who are responsible for the anti-crisis policy today and assess the effectiveness of policies (Krauch 2013, p.11).

Obviously, research indicates that economic science is seriously flawed. A huge financial crisis was unfolding in front of representatives of economic science, and yet most of them did not see anything unusual. Even after the crisis, no serious rethinking took place. Too many economists continue to operate as usual, as if nothing had happened. Some are already beginning to claim that nothing serious has really happened and the global economic crisis and its consequences are just a small cloud in the sky and no revision of the fundamental ideas are required (Krauch 2013, p.11).

Discussions on changing the role of the state in the modern economy

In today's globalizing world, changing under the influence of information and communication and other technologies of the 21st century, at the time of the adoption of new values state institutions have to change, transform their functions and tools of influence on economic and social development. At the same time, it should be emphasized that the formation of the new economy and post-industrial society has nothing to do with the precepts of the struggle with the state. In the context of globalization and the actions of a number of other factors, both external and internal, an increase in the complexity of the functions of the state rather than simplification has been observed. Simultaneously, the erasure of boundaries between internal and external policies needs to be updated and done so in partnership with the institutions of the economy and society. Once again, we draw attention to the fact that the modern role of the state cannot be a prisoner to the categories of: more, less, gain, loss and the like. It is lawful and justified to use new concepts in the format of interaction; complications and the new configuration of institutions; the transformation of functions, etc.

It would also be wise to listen to the judgement of the famous American sociologist and economist, Neil Fligstin who in the monograph "Architecture of markets: Economic Sociology of capitalist societies of the XXI century" (Fligstin 2013) notes the following: "The value of the state of modern markets really cannot be overstated. Without stable, non-rent-seeking states, modern production markets simply could not exist. All would be swallowed by war, looting and mercantilist aspirations, which would let businesses sink. For example, the patents issued by the state and controlled by courts, allow enterprises to obtain a legal monopoly on a certain product and reap the profits. Other laws restrict business opportunities for opportunistic behaviour and make a profit at others' expense. In all advanced industrial societies rules and laws exist not only to protect the manufacturers, but also to protect consumers from poor-quality goods and services, as well as workers from hazardous conditions of production" (Fligstin 2013, p. 24). In a globalizing world economy, instability, nonlinearity of development, the need for the acquisition of competitive advantages for the countries, the state is bound to interact actively with market institutions and to solve national economic and social problems which are all expanding. The state has initiated structural reforms, participated in the creation of public goods, become a referee, become a subject of social partnership and the legislator and guarantor of compliance with the rules of the game.

Long, bitter debate and controversy raging between orthodox and other liberal economic theories regarding the advisability of state intervention in the processes of economic development, which - according to A. Elyanov - unexpectedly turned out to be pointless. On this occasion, he writes that virtually all the decisions of the state in any country regarding the economic and social spheres, whether they are about taxes, fees, grants, exchange rates, interest on loans, the budget or the policy on education and training, science, health care, pensions software, etc. - have an impact on the course of its development. The problem is not really the issue of intervening or not, as this is almost impossible to avoid, but the purpose of the intervention, its instruments and effects. The state now, regardless of the level of development, cannot remain aloof from the problems that the country faces without the risk of its collapse and (or) loss of power (Elyanov 1998, p. 60-63). However, despite the obvious lack of alternatives and the state's participation in sustainable development (another thing - in what form

and scale) “enlightenment” of the representatives of orthodox liberal economic theories remains far beyond the reach.

Summarising the experience of the cooperation of the state and business in developed countries at the turn of the millennium; it is clear that new forms of interaction do not fit into the old philosophy of so-called government intervention into a market economy. Unlike traditional intervention and continuous administrative restrictions there appear the horizontal linkages and partnership forms of cooperation that do not correlate with the postulates of either Keynesianism, or libertarianism. The presence of the state as a subject of economic activity is not a sign of the suppression of economic freedom and (or) approval of the command economy, as well as the full liberalisation of economic life is not a testament to the approval of the principles of freedom and justice. In the world of modern values of economic activities, there must be a new way to read and clarify for ourselves and others what intervention is what partnership is; what economic freedom is, and what arbitrariness is; what the development of opportunities is and what severe paternalism is.

In our view, it makes no sense to talk about the limitation of economic freedom or the trampling of liberal values in conditions where the actions of state institutions are aimed at the institutional support of equal opportunities, the restriction of monopoly practices, unfair competition, the establishment of common rules of the “game”. At present, neither theory nor practice provides convincing evidence of the benefits of liberalism in its broadest sense. At the same time, we are direct witnesses to the “indomitable” liberalism that led to the financial and economic crisis in which thousands of businesses turned to state institutions for rescue. Public institutions helped by taking away money from those who, before the crisis, were the victims of liberal reforms.

We emphasise that this article deals not with the protection of the state as an institution of the modern economic system (although it needs this), but with the scientific interpretation of contemporary interaction between government and business based on the principles of partnership and equality. The issue of cooperation between the state and business to find effective methods is relatively narrow. At the same time, it is closely correlated with an urgent task of our time – sustainable development at the stage of the formation of the new economies and post-industrial societies. We must admit that the new forms of interaction between government and business, which have intensively been formed since the late XX –century, are quite diverse. They are not fully “formed” and continue their development according to rules which are often not logical and resemble “trial and error”. In these circumstances, there is a need for an updated scientific study of the interaction between government and business and a search for those methods that create conditions for sustainable development.

The "second breath" of capitalism

The original reasons for the spread of new forms of interaction between government and businesses are appropriate to consider in the context of the nature and essence of the phenomenon which can be called a “second breath of capitalism”, as well as changes in the role of institutions in the new economies. The question that has constantly been debated in academic and professional circles for decades: Which should be more important in sustainable socio-economic development – the state or business? Our reply to the question is as follows. There should be more of both the state and business, the art of administration of a national economy lies in finding and involving those forms of interaction between government and business that meet the conditions of a particular stage of the development of an economy and a society which should work towards sustainable development. Our vision is that “more state” does not mean the nationalisation of the economy and the creation of prerequisites for the active participation of the state, which opens up new opportunities for business development. Our concept of “more state” - is the potential involvement of the state in order to create favourable condi-

tions for improving competitiveness and the acquisition of undeniable competitive advantages for business and the national economy as a whole.

Despite the fact that the opponents' arguments regarding the active participation of the state in the development of the new economy and its functioning mechanisms often do not stand up to criticism, we do not think that we will be able to convince the majority of them. It is more appropriate to focus on the scientific substantiation of a new paradigm of interaction between government and business, which will be of use to young, creative, enthusiastic professionals with a modern economic thinking. We must strive to overcome the stereotypes of economic thinking and to develop a new philosophy of sustainable development. The first step in this direction should be awareness of modern trends of the new economy, the selection of those which are able to ensure sustainable development.

Impartial analysis indicates that the global financial crisis of 2008-2009 forced those countries with developed and transition economies to take the path of strengthening the role of the state as an economic institution on a national scale. Indeed, the main activities as a response to the challenges in practice become state interventionism in various forms and the creation of new state-owned enterprises (SOE) and enterprises with state support (state-supported enterprises – SSE).

The secretary of the international organisation ARSASD McCarthy at a US-Asian conference noted that state capitalism is at a new stage of development, it mobilizes the resources of the state, stimulates the creation of social ventures with foreign companies for the purpose of the transfer of knowledge and technology and has control over key enterprises, subsidising their development and expansion abroad (News Blaze, 2012).

Confirmation of the “second breath” of state capitalism can be found in data. In the list of the world's largest companies, no enterprises received state aid in 2004, and by 2011 that number had changed to 11. In this case, in terms of capitalisation, they were respectively in second (Petro China), fourth (Industrial & Commercial Bank of China), fifth (Petrobras, Brazil) and seventh (China Construction Bank) places (Mises 2009).

This change in the power of state-backed industries can also be seen in other sources, in particular “Forbes”. In 2012, among the top 20 global companies, according to “Forbes”, there were six public corporations, whereas in 2008 there was not even one. In the period from 2004 to 2008 among 2 thousand global corporations in the “Forbes” list there were included 117 state-owned enterprises from India, China, Brazil and other countries. At the same time, 239 corporations from Britain, Germany, the USA and Japan left the list.

What constituted a “second breath” of state capitalism is the tendency of the transnationalisation of public enterprises. State TNCs are companies that have a parent and foreign branches, in which the state has an interest (full, majority or a significant minority) regardless of whether the company is listed on the stock exchange or not. State control is considered to be at 10% or more of voting shares of the company, or if the state is its largest shareholder (Bell 1999, p. 30). According to available data, in 2010 there were 650 public TNCs worldwide, which had 8500 foreign affiliates. It is worth noting that 19 of them were included in the list of the 100 largest transnational corporations in the world.

It can be assumed that the scientific community does not know much about all contemporary forms of state influence on the economy, and even fewer have a thin, suspended, dosage mechanisms and tools for sustainable development with the use of state-building. Unfortunately, we can state that since the beginning of the 90s of the last century the national economic literature has been full of abstract quasi-liberal judgements that the state business loses to private business a priori. Analysis of foreign media suggests that the western economic theory contains no convincing evidence of “anchor” of the efficiency of economic activity when dealing with property. Moreover, fundamental research increasingly emphasises that, in the conditions when the control function is separated from property, between public and pri-

vate companies there is an intensive exchange of management personnel and state capitalism is better than before; it uses the latest management tools, and there are less obvious differences between indicators of the effectiveness of public and private companies. On the contrary, company efficiency is not determined by the form of ownership but by professional management, effective institutions of the environment, the development strategy of companies and the values that they profess.

In public debate, as a rule, opponents who profess liberal principles of economy and post-industrial societies are justifiably numerous. because people at all times, in all corners of the globe strive for freedom and personal independence. Of course, almost nobody likes the outside trying to adjust their behaviour or limit their actions. At the same time, we must realise that there is no real absolute freedom. Therefore, we must cultivate willingness to accept the legal restrictions that do not deny, but rather create the preconditions for the development of capabilities and the approval of the principles of justice.

These concepts are not limited to new trends in the field of interaction between government and business. There is every reason to believe that, in the last decade, the partnership of government and business in countries with market economies has gained such quality and value that it has been transformed into a key factor in the development of national economies. In view of this, the phenomenon of public-private partnership requires a comprehensive scientific study, firstly being a clarification of its nature and the root causes of its development.

US experience in the interaction of the state and business

Once again, it should be remembered we remind that in recent decades the interaction of state and business has been carried out in new forms, and new methods are applied resulting in the deepening of bilateral relations. In our opinion, to operate with concepts such as “strengthening the role of the state” and “weakening the role of the state” is becoming more difficult, because they less reflect the essence of the processes taking place in the “field” of the market economy. After all, in practice there has been approved another form of cooperation between the state and capital; there has a gain (in some areas) as well as decrease (in others) in the level of state’s in dealing with the most complex challenges of sustainable development. It is becoming more difficult to assess the current symbiosis of bilateral relations between the state and business by using long-standing acceptable criteria and approaches. Hence, it is necessary to learn other approaches and a new mindset. Taking into account the experience of the US in this regard, we note the following.

First of all, we focus attention on the fact that in recent decades the American traditional liberalisation of economic activity has begun to falter. Today, in conditions of transnationalisation of production and capital, the emergence of new technological structures and the emergence of new sectors of the economy, unprecedented scale of modernisation of production capacity, mass updates of technical and technological bases, etc., there is a problem of adaptation of the economy and society to the innovations that have become the norm of life.

So, the new economy and post-industrial societies, in the second decade of the XXI century, demonstrate the need for new forms of sustainable development. In order to minimise socio-economic costs of accelerating the adaptation of the population and the institutions of the economy to the current conditions the United States, had to strengthen the levers of state influence on economic and social development. So, since the 90s of the XX century, the state has actively contributed to raising the competitive advantages of the enterprises of new industries, ensuring the production of modern cars, computers, electronics, development of bio- and nanotechnology, and financial and information services. The priorities of state regulation in the US have been attributed to high-tech industries and industries to ensure the formation of human capital. This is a new vision of the role of the social functions of the state in areas in which the focus on market self-regulation is a threat to be on the sidelines of the global socio-economic development.

It should be noted that the system of public-private partnership that has developed in the United States, has a strong legal and regulatory framework. A feature of the US practice is a combination of federal legislation with the rules and standards adopted at the regional level. In this, the last one has priority in the regulation of public-private partnerships. At the national level there is, in particular, article 6305 USC on the order of application of cooperation agreements between the federal authorities and local authorities and other stakeholders and other interested organisations. The state of legal support at the regional level, regulating public-private partnership, can be characterised by the following data. Now, 33 US states have adopted legislation in the field of public-private partnership, and seven states have set up special bodies to manage the development of this socially important institution.

As noted above, in the economic literature there is a dominant view that market economies follow their most liberal traditions when state intervention in economic and social life is minimal. The data and judgements need to revise many so-called axioms because they reflect the practice of public participation in the economic development and the formation of public institutions, which existed until the 1990s. There is every reason to believe that there have been significant changes in the scale, forms, tools and state influence on economic and social development over the past two decades. It is especially vivid in the social and labour sphere.

We emphasise that the latest trends in the implementation of the social functions of the state require a detailed and unbiased analysis. This task is an urgent scientific generalisation of the key areas and forms of participation, on the one hand, the state in the social sphere, and on the other - forms of cooperation between the state and business in this field at the national level.

Again returning to the US example, we note that in the US in recent decades social priorities have been chiefly healthcare, education and the retraining of human resources. This is due to the fact that in these areas there is a formation and increment of human resources. At the same time, it increases the value of the latter in the total capital and competitive advantages move precisely towards economically active people. The US government is considering health care as a priority of human development and the competitiveness of the national economy, and is actively expanding its involvement in the financing of this socially important sector. Note that from 1960 to 2012 health care share of GDP increased from 5.2% to 17.9%, while target medical expenses exceed 2.8 trillion dollars. According to expert calculations, health care costs in the coming years will continue to grow in 2015 and reach 25% of GDP (Zimnenkov 2016, p. 4).

A typical trend in financing health services – the predominance of both absolute and relative indicators of business participation in this process has been observed for more than a decade. Thus, in the 1960s the combined share of private spending was $\frac{3}{4}$ of national health expenditures and, accordingly, $\frac{1}{4}$ of total expenditure accounted for the Federal Government, states and local governments. At the same time, there was a gradual increase in the participation of government, state and local authorities in the financing of health care. Thus, according to the available data in 2012, the private sector accounted for about 55% of all medical expenses. Accordingly, funding from other sources amounted to nearly 45%, including the share of the Federal Government – 28.6%, and the state governments and local authorities – 16.2%. Consequently, the financing load distribution of health care expenditure between the public and private sectors was almost equal.

Here are some examples of effective forms of public-private partnerships, which are used in the US in the field of public health. Thus, the “Buy-Own-Leaseback” (BOL) contract for example, provides the construction of health care facilities by private companies and sells them to the state, with further mandatory transfer of rights to their management by the same private companies. The “Agira” contract contains provisions by which a private company

retains ownership of the constructed object, say a hospital, and is the subject to an agreement with the state agency for public health services at government rates.

An example of an indirect influence of the state on the solution of problems of social character is the policy of stimulation carried out by state structures, the development of private health insurance. When operating according to US laws and regulations, components of the social package, such as pensions and health care provided to the employee by the employer, are exempt from taxes. It should be noted that the total amount of tax benefits for such components was 226 billion dollars in 2008. Confirmation of public-private partnership, the diversity of its forms (sometimes forced) is the fact that in 1986 the US Congress passed a law, according to which hospitals are required to provide urgent medical emergency care to all patients regardless of insurance policy (Kostyaev 2011, p. 47-60).

Increasing the role of business organizations in solving social problems

Signs of global changes taking place in the triad of “market – the state – organisation (business)” are the increasing the role of business organisations in solving social problems and the adoption of a new corporate power. To develop this thesis we add that the organisation is not just the economic integrity. A modern organisation is an integral part of a complex, interconnected and interdependent set of institutions. These have a significant impact on the organisation, acting as customers, suppliers, authorities, mediators, adjudicators, and the like. In this complex network of relationships economic, social, environmental and political interests, motivations and aspirations are intertwined.

We emphasise that the institutions – partners that surround the business organisations, as well as their employees, expect from them not only economically responsible actions, but also participation in solving social, environmental and other issues. Society is interested in the fact that each business structure should receive the status of the organisation focused on sustainable development. Science and practice are convinced that organisations that are able and willing to fulfil their moral and spiritual duties and regulations in economic, social, environmental areas that are vital to the evolution of the economy, and society can only rely on this.

A professor at Stanford University, and ex-president of the International Economic Association, Masahiko Aoki consistently debunks the preconceived idea of the organisation as an institution acting as an agent for its shareholders where the workers are simple tools to maximise the value of the shares. The book “Corporation in a growing diversity: knowledge, leadership and institutions” Masahiko Aoki (Aoky 2015) proves that modern corporations are associative cognitive systems in which “cognitive actions” are distributed among managers and employees, and shareholders provide “cognitive tools” and monitor their use in systems.

First of all, Masahiko Aoki interprets the essence of the modern corporation. The latter, in his opinion, is a voluntary stable association of individuals, which is involved in various types of targeted joint activities; this association is characterised by a unique identity, self-management and corporate culture (Aoky 2015, p.17). Of fundamental importance is the fact that business organisations which perform socially responsible activities are able to win “competition for loyalty”. The idea is that in the field of competition, one intensifies struggle for the purity of relations with a civil society, for consumers and for loyalty to the business organisation on behalf of the stakeholders.

Business leaders are convinced that business should take into account the rapidly growing demands from the actors and institutions of the socio-economic environment to ethical, environmental and social aspects of its activities. Note that, in this case, requirements are complicated and expanded for all components of the business activities of companies, including inadmissibility of the use of child labor and neglect of the fundamental rights of a worker. All this makes it necessary to perform socially responsible actions on the part of businesses, which, in turn, affects the increase in social resources.

The growing participation of organisations in solving social problems is also linked to a limited redistributive capacity of the state at the present stage, which is a consequence of a slowdown in economic development, changes in the age structure of the population in most developed countries in the direction of increasing the proportion of its older age groups, and consequently, the load on social welfare payments, overstating the actual capacity of the state to resolve social development problems.

Accordingly, in such an environment business turns into a major supplier of social services, including those that have traditionally been viewed as a sphere of government regulation. The above shows that corporate social activity has nothing to do with the perception of this institution as a single charity event, as the operations on the topic of the day. Modern philosophy in this area is as follows: corporate socially responsible activities are needed for most business organisations no less than the institutions of state and society.

Corporations taking the individual functions of the state directly concern the growing role of corporate power and strengthen the accountability of business organisations. Even ancient philosophers argued that greater freedom and more power should provide a lot of responsibility. Therefore, in general, the modern role and mission of business organisations should be viewed through the prism of socially responsible activities, the formation of a new corporate power and corporate citizenship. That is what was underlined by the founder and president of the World Economic Forum - Klaus Schwab. In his words, the traditional advantages of corporate social performance are no longer sufficient to optimise corporate behaviour and decision-making processes. New challenges make it necessary to comply with a set of five additional principles of interaction between the company and its stakeholders, primarily the shareholders: corporate governance, corporate philanthropy, corporate social entrepreneurship, global corporate citizenship and professional liability (Schwab 2015). At the same time K. Schwab suggests that compliance by corporations to the listed principles does not guarantee sustainable development. Business which, in essence and form, is becoming global must constantly improve interaction with environmental institutions and be prepared for new forms of partnership and networking.

Indeed, the world is moving in the direction of the network coordination of horizontal relations, operational and diverse partnerships with the same interests, regardless of the geographical location, the scope of the administrative authority, the scope and specifics of business activity. In such circumstances, economic science is designed to help institutions of the economy and of society, all subjects of social and economic, social and labor relations to acquire the concepts of the post-industrial system, to identify current trends and prospects of the interaction of carriers of individual and public interests, to explain the meaning of the new triad “market – the State - organization (business)” and its dominant development.

Conclusions

This study highlights that the relationship between the main institutions of the modern economic system is undergoing profound and multi-vector changes which do not have an unambiguous assessment. There is every reason to believe that today there is being established a new content and configuration of the triad of “market – the state –organization (business)”. In this triad the new role of business organisations in enhancing their contribution to meeting the objectives of sustainable economic and social development is vividly manifested. The opinions and concepts contained in this article indicate that it is business and its created organisations that should become the leading element in the mechanism of the coordination of individual and public interests and ensure sustainable development. Taking this into account we cannot but agree with the opinion of the well-known American sociologist Daniel Bell who claims that the a vision of the corporation only as an economic tool shows a complete lack of understanding of the value of social transformation over the last half-century (Bell 1999). The

study urges that a modern role and place of the state in ensuring sustainable development require new research.

A more detailed exposition of the authors' position on the new forms of market interaction of the state and business organisations is contained in a recent article by the authors (Kolot, Poplavska 2016, p. 6-29).

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