

THE PHENOMENON OF OUTSOURCING: IMPORTANCE OF ITS USAGE FOR STIMULATING THE NATIONAL ECONOMY

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Abstract. *This article focuses on an analysis of the legal and economic nature of outsourcing, the definition of its characteristics, and the separation criteria for differentiating the various types of outsourcing. In this work, the author analyses the opinions of different scientists on possible methods of definition for outsourcing and offers her own. In addition, a proposal for considering outsourcing as an object of state industrial policy is provided as a means of developing the national economy, as well as attracting innovation and access to the latest technologies and developments through the receipt of orders from TNCs and the further expansion of the production function, which is considered new in Ukraine. Economic-legal means of state policy are proposed to stimulate the use of outsourcing and attract foreign innovation, including public-private partnerships, the provision of customs privileges and the creation of free trade zones for the development and adoption of special legislation.*

Keywords: *economic policy, definition, outsourcing relations, legal forms of outsourcing, public-private partnership, legal regime for foreign investments, transnational corporations.*

Introduction

The current stage of Ukraine's economic development is characterised by tardiness, deficiency of technology, access to the international market, as well as the problem of attracting investment of an innovative nature. Ukrainian enterprises seek to use various methods to reduce spending and improve competitiveness. Nonetheless, withstanding competition is extremely difficult, considering that a major segment of the market belongs to foreign transnational corporations (TNCs). In this regard, outsourcing is one of the most commonly used means of conducting business for both European and US companies. However, the difficulties faced by Ukrainian enterprises reside in the absence of special legislation in Ukraine, a distrust of outsourcing, and the underdevelopment of economic relations and cooperation with foreign companies.

The purpose of this article is to analyse the nature of outsourcing and its features, and criteria for classifying outsourcing into different types to prove that outsourcing can be an effective method for attracting foreign innovation to boost Ukraine's economy. In addition, the article aims towards a definition of outsourcing as an object of state industrial policy, as well as a determination of the possible economic and legal means of public policy to stimulate the use of outsourcing and its application as a method for strengthening the national economy. In economics-related literature, outsourcing is characterised as a real phenomenon of economic life and science. In economic and legal literature, this topic is not actually disclosed. At the same time, outsourcing is becoming an important object of public policy in Ukraine as an instrument for solving many problems. There are therefore selective related tasks and tasks of a stimulating nature for creating a legal regime to spur Ukrainian manufacturers and foreign investors. The outsourcing of economic tasks in this way falls into the economic-legal context. This will be the subject of analysis in this article, as well as of subsequent research.

In the course of this research, methods such as systemic-functional analysis were used in the evaluation of types of outsourcing, their influence on economic processes and the possible results for the economy. Secondly, the formal-logical method was used in the analysis of normative legal acts regulating the legal regime for foreign investments, as well as forms of public-private partnership. The method of analogous analysis is used in studies of the anthology of outsourcing phenomena. In addition, means such as technical and dialectical methods of analysis and synthesis were used.

Statement of basic data

One of today's characteristics of economic global development is globalisation, which can be defined as the long-term process of strengthening cooperation and integration between national economies caused by rapid growth in the number of international transactions and the internalisation of capital. On the one hand, globalisation can help to deal with worldwide human concerns such as the greenhouse effect, land degradation, the production of energy and food resources, unemployment, and the development of production through the exchange of knowledge and technological advances. But on the

other hand, globalisation creates unfavourable conditions for enterprises, as domestic companies enter an international market characterised by a very high level of competition, which Ukrainian companies are not always able to withstand, especially if the country does not have its own powerful TNCs. In light of this, Ukrainian companies may be well-advised to search for new and effective means of attracting foreign investment, with a view to stimulating opportunities for the creation of their own TNCs and their further development in the international arena.

According to the UN, TNCs are enterprises involved in the production of goods or services, or that control this outside the country in which they are based.¹ According to Part 1 Article 2 of the Convention relating to Transnational Corporations, which was ratified by Ukraine's Verkhovna Rada on 13 July 1999, the parties recognise a legal entity (or a set of legal entities) as a "transnational corporation" if it has separate property under ownership, economic control or operational management in the territories of two or more parties; is formed by the legal entities of two or more parties; and is registered as a corporation in accordance with this Convention. However, this definition can hardly be called perfect, given that it reflects the economic perspective, but leaves out the legal side of things. In our opinion, the definition of TNCs should also include features such as those that relate to the global market, as well as the share of TNCs in the market, asset value, and the strategic development of the company on a global or regional scale. TNCs increasingly influence the politics and economics of the countries where they carry out economic activities, which has given impetus to active cooperation between countries on the establishment of rules and regulations that will directly affect these companies' activities. Additional factors that have accelerated the resolution of this issue are, firstly, that a single country is unable to independently regulate the power and behaviour of TNCs; and secondly, that TNCs themselves recognise the benefits of a single regulation that will help to avoid many of the complexities that create diversity between national requirements. However, it is important that, even though such rules are aimed at regulating the activities of TNCs, countries should make it impossible for TNCs themselves to participate in the development of the rules.² Also, the trading activities of a TNC's filiations are characterised by "asymmetric integration", because they produce products for the domestic market and to some degree the regional market, while final products are delivered from developed countries (and a large portion of these trade flows are intrafirm).³

Given that competition in the international market is increasingly difficult to sustain, TNCs are trying to find and introduce new means of doing business through their activities to optimise costs and extend their presence in the territory of other states. In particular, such means can firstly involve the creation of subsidiaries in the territory of another state that will become part of the holding; and secondly, an alternative way of developing TNCs'

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- 1 The influence of TNCs on the economies of developing countries, 2005. International business. Dryden Press: 31 p.
 - 2 Jonathan I. Charney J., 1983. Transnational Corporations and Developing Public International Law. *Duke Law Journal*: 748–788 p.
 - 3 Daniel Chudnovsky D., 2004. Transnational corporations' strategies and foreign trade patterns in MERCOSUR countries in the 1990s. *Cambridge Journal of Economics*: 635–652 p.

activities is the establishment of filiations. It should, however, be noted that the creation of both filiations and subsidiaries requires significant expenses, something that TNCs are keen to reduce. Outsourcing is therefore being increasingly used as a relatively new method for cost optimisation, and researchers have many opinions on how to understand this phenomenon – several of which can be examined here. Firstly, outsourcing is not recognised as an independent economic phenomenon and is identified with a contract of work and labour.⁴ Galjamov A. also connects outsourcing and the contract of work and labour, on the basis of which one company transfers a certain amount of work for fulfilment to another.⁵ According to Kalendzhjan S. outsourcing is the sale of one's own capacities to implement business processes, with a transition to the acquisition of relevant products or services on the side.⁶ We think, however, that such a definition is not perfect, because it does not fully illustrate the essence of outsourcing. In addition, there are criteria under which it is possible to distinguish an outsourcing contract from a purchase and sales agreement or a service agreement. Efimova S., Rytik S., Konik N., Peshkova T., have defined outsourcing as the dispersal of the main functions performed in a firm. In this way, the company retains the functions that it performs best, and distributes the rest to outsourcers.⁷ On the one hand, this definition reflects the essence of outsourcing, in comparison with the above, because outsourcing is considered precisely as an element of the strategy for increasing the competitiveness of an enterprise and the effectiveness of its management. However, outsourcing cannot be understood as just the transfer of basic functions to another company. In the case of tactical outsourcing, for example, a company's auxiliary and service functions are transferred. John Heywood understands outsourcing as transferring internal divisions or divisions of the enterprise and all related assets into the organisation of the service provider, which proposes to provide a service for a certain time at a specified price.⁸ Here it is necessary to comment that outsourcing is not always connected with the transfer of internal divisions to the performing company, and the researcher does not specify the criteria for differentiating the outsourcing contract and other similar contracts – such as contracts for services and the performance of work.

We propose the definition of outsourcing as a form of economic cooperation that consists in the transfer by the customer company of the main or servicing functions to another entity (outsourcer) – as a rule on a contractual and long-term basis – and used by the customer company for the purpose of cost minimisation, improvement of management efficiencies, and a high-quality end result.

It is worth noting that the fragmentation of the production process is a characteristic feature of TNCs' activities. This involves the distribution of the process into separate

4 Sajfiyeva S. N. Bykadorov M. A., 2006. Teoreticheskie osnovy i jevoljucija razvitiya autsorsinga. Zhurnal jekonomicheskoy teorii (3): 12–14 p.

5 Galjamov A., 2006. Outsorsing pri organizacii podrjadnyh rabot v stroitel'nyh kompanijah: Avto-ref. na soisk. uch. step: 34 p.

6 Kalendzhjan S. O., 2003. Outsorsing i delegirovanie polnomochij v dejatel'nosti kompanij: 128 p.

7 Efimova S, Rytik S., Konik N., Peshkova T., 2006. Outsorsing. Zhurnal «Upravlenie personalom»: 420 p.

8 Hejvud Dzh. B., 2002. Outsorsing: v poiskah konkurentnyh preimushhestv. Izdatel'skij dom «Vil'jams»: 164 p.

stages to obtain advantages from the international division of labour, the advantages of which are associated with cheap labour, low taxes and the level of professionalism of workers in a particular country. As a result of such fragmentation, so-called chains of TNCs are created. These are akin to a system of enterprises, each of which executes its part of the production function, thus resulting in an intermediate product created for a further production stage and ultimately reception of the final product ready for sale. Depending on the distribution of market forces and the direction of knowledge and information, as well as the roles of TNCs and independent suppliers, the chains distinguished in the literature are divided into the categories “producer-driven” and “buyer-driven”. The first type is most common in areas such as engineering, the pharmaceutical industry and electronics, in which there is a long production process. Companies such as Apple, Sony and Volkswagen can be considered examples of such enterprises. The second type refers, as a rule, to enterprises that carry out retail activities, such as the company Nike.

One aspect of considering outsourcing from the perspective of strengthening and promoting the development of the national economy is the inclusion of domestic enterprises in the chains of TNCs, the effectiveness of which depends on appropriate state policy and legal regulation by the state. According to N. Reznikova and A. Ivashchenko, the model of Ukraine’s economic growth, which is oriented to the chain, would create great opportunities for stimulating social and economic development. Flows of investment, goods, services and knowledge, which are an integral part of such chains, would open the way to “industrial retooling”.⁹ Not least, local Ukrainian companies, through access to foreign intermediate goods, could create new industries that determine the country’s international specialisation.¹⁰ “Producer-driven” chains are therefore more interesting for analysis, because aside from investment, innovation benefits can be available during the transfer of TNCs’ functions or business processes through outsourcing, involving the transfer of the latest technologies and developments.

Moving directly on to an analysis of outsourcing, it should be noted that it is appropriate to consider outsourcing from both an economic and legal perspective. If we consider outsourcing from an economic point of view, then it can be defined as a form of economic cooperation between the outsourcer and the customer company that involves the auxiliary production function of outsourcers. In addition, when analysing the signs of relations, we can conclude that they are characterised by economic dependence, because investments are made precisely by the customer company. Secondly, such relationships can be characterised as relationships of power, in that the outsourcer is the executor of the business process or function transferred by the customer company and its activities must comply with the requirements and standards of the customer company, for which it is responsible.

9 Reznikova N.V., 2005. Perspektivi uchasti Ukraïni v global'nih lancjugah stvorennya vartosti jak zasib pidvishhennja konkurentospromozhnosti v umovah transnacionalizacii virobnicjih. Investicii: praktika ta dosvid. (16): 22–26 p.

10 Memedovic O., 2011. Mapping Global Value Chains: Intermediate Goods Trade and Structural Change in the World Economy. UNIDO Working Paper 05/2010: 50 p.

Meanwhile, outsourcing can also be viewed as a legal phenomenon. From this perspective, we understand outsourcing as an independent type of economic and legal relationship. In support of this, a number of characteristics can be cited. Firstly, outsourcing relationships are inherently durable, because they are not usually limited to performing a task or providing a certain service in contrast to another business contract (such as a supply contract, service agreement, or performance of work and labour). Secondly, an indispensable sign of such a relationship is the integration of business processes or functions performed by the customer company independently and those that have been passed on to the outsourcer. Thirdly, there is a different end result to that of a similar legal contract, such as a supply contract. This can be explained by the fact that an outsourcing contract is aimed at achieving benefits such as increasing the value of the end product and minimising costs, whereas a supply contract is only aimed at obtaining a separate product from the supplier. Fourthly, there is a different nature of cooperation between parties involved in such a contract. Here, we are talking about the transfer by the customer company to the outsourcer of its standards, developments and technologies to achieve better results from the outsourcer's performance of transferred functions or business processes. In the case of a supply contract, the essence of cooperation is only in the transfer of an advance or the provision of other financial assistance. The fifth characteristic is the distribution of functional influence on the business processes of the customer company, whereas in the case of the supply contract, the supplier is affected only by the security of performance of the individual.¹¹ Sixthly, there is a difference between the ultimate goal of an outsourcing contract and that of a one-off contract. Outsourcing relationships have a long-term nature, with an ultimate goal of increasing competitiveness and optimising costs, and are not formed through implementation of a one-time contract. This can be explained by the fact that the purpose of an outsourcing contract is to participate in the production activities of the counterparty as a component of creating a certain final product. Moreover, at certain stages, such participation can be of a non-profit nature, because the main positive aspect is access to the customer company's latest technologies.

The next important facet that we believe should be determined with respect to the legal nature of outsourcing is its delineation into internal and external forms. Internal outsourcing takes place when functions are carried out either within the company by a department specially created for this purpose, or are transferred to a subsidiary company created by the parent company. The main thing is that internal outsourcing is based on corporate relations. In the case of external outsourcing, a third-party company is involved. Given that we consider outsourcing a means of strengthening and developing the national economy, it would be advisable to consider external outsourcing, especially when the foreign partner is the customer company – TNC.

When examining outsourcing relationships that arise between Ukrainian companies, which, as a rule, outsourcers, and TNCs, it is important to analyse the legal nature of each participant, given that the subject composition will be of great importance in the development and implementation of state policy on the regulation of outsourcing

11 *Supra note 10.*

relations. Firstly, it should be noted that the TNC itself and its production company can act as a customer company – a so-called “sub-holding company”. But more important to address, from the point of view of choosing the legal means of regulation by the state, is who owns the company that acts as outsourcer. With regard to this, there are three common situations – when the outsourcer is a domestic enterprise, a foreign enterprise created by the TNC itself (in fact, a subsidiary company), or an enterprise with foreign investments in which the TNC is one of the participants. A positive moment that the state receives from such relationships is that the outsourcer receives the task from TNCs, and this is accompanied by the transfer of the latest technologies and specialist knowledge that can later be used by companies to develop their own technologies. It also partially addresses the problem of unemployment, with the need arising for employment in connection with staffing requirements. Typical in these relationships is the volume of production, which is global in nature because it becomes an element of the mass production of TNCs. However, the government may face a problem in protecting the interests of the domestic commodity producer, since expanding its presence in the state of TNCs; it increases its participation in the national market, which leads to domestic companies struggling to withstand competition.

Today, it is difficult to find a definitive opinion on the classification of outsourcing into certain types in the literature. However, the most common opinion is the criterion towards the separation of the three main types of outsourcing, depending on the type of activity transferred in outsourcing. We can thus distinguish production outsourcing, in which production functions are transferred such as the manufacture of batteries for a company engaged in the production of cars, the outsourcing of business processes, in which as a rule, not the main functions are transferred (for example, accounting and legal services), and IT outsourcing, which covers the implementation of software and technical support (such as website development and software development).¹²

In turn, IT outsourcing can be divided into **professional**, when the outsourcer has better specialists than in the customer company; **engineering and manufacturing**, when the outsourcer has the necessary technical and professional components; and **financial-administrative** when the outsourcer manages some projects, accelerates their implementation and reduces cost price.¹³

In the literature, there are also distinctions made between outsourcing depending on the forms of transaction. In this way, outsourcing can be divided into full, partial, combined (general), intermediate and transformational.¹⁴ Full outsourcing involves the customer company transferring the entire function to the outsourcer. With partial outsourcing, only parts of the functions and processes are transferred to the outsourcer, while the rest are performed by the customer. The form of interaction of the customer with several outsourcers is called combined outsourcing. With intermediate outsourcing,

12 Ligonenko L. O., 2005. Outsorsing jak instrument optimizacii ta pidvishhennja effektivnosti biznesu. Aktual'ni problemi ekonomiki: 115 – 125 p.

13 Kucin E. M., 2001. Teoretichni ta prikladni aspekti outsorsingu. Visnik Hmel'nic'kogo nacional'nogo universitetu. (1): 213–217 p.

14 Mikalo O. I., 2010. Analiz ta klasifikacija form outsorsingu. Ekonomichnij prostir. (37): 216–222 p.

secondary functions are transferred to the outsourcer to attract the customer's specialists to perform the company's basic functions and business processes. The final type of outsourcing is not sufficiently developed, which is reflected in the considerable risk for the customer. Transformational outsourcing involves the reorganisation of the outsourcing company and the creation of facets such as a new knowledge base and employee skills.¹⁵ In addition, depending on the importance and significance of functions and business processes transferred to the outsourcer, it is possible to distinguish strategic and tactical types of outsourcing. In the first case, the main functions of the company are transferred, and in the second, auxiliary and servicing functions. There is also one more classification determined by the location of the state of the outsourcing company, in this case dividing outsourcing into insourcing, offshoring, offshore and onshore outsourcing. Equally important is the distribution of outsourcing into contractual, investment and investment-innovative categories, a division based on what lies at the heart of the transfer of functions in outsourcing. Contractual outsourcing involves the transfer of functions without an innovative aspect. When we talk about investment outsourcing, it becomes necessary to consider two variants. The first is the creation of an own enterprise in Ukraine by the customer company, which, as a rule, is a foreign company. In other words, there are direct investments. The second variant may occur in the case of the transfer of equipment, scientific and technical developments, and specialist knowledge by the customer company to the Ukrainian company for the performance of outsourced functions in accordance with the standards of the customer company. The investment-innovative approach combines the creation of an own enterprise in Ukraine by a foreign company with the transfer of scientific developments to conduct outsourced functions.

All of the above speaks about the importance of Ukrainian companies using outsourcing to develop a national company, with the creation of opportunities for entry into TNC chains and international expansion. With respect to this, the sphere of outsourcing relations should become an object of the state's structural-industrial policy. Accordingly, it is possible to name the tasks that a state should set themselves to effectively regulate outsourcing relations and stimulate the transfer of outsourcing to Ukrainian companies by foreign enterprises. Firstly, as stated, TNCs put under threat the competitiveness of domestic companies by expanding their presence in the country, so it is important for the state to make the delineation between the interests of TNCs and national companies. Here we mean the definition of a list of prospective macroeconomic interests and, in addition, a list of possible consequences of TNCs' influence and methods for offsetting them through legal means. Secondly, outsourcing relations should become an object of national industrial policy and be accompanied by an adequate legal tool for achieving goals. Thirdly, the state should differentiate activities into those that provide a benefit to Ukraine and promote their development to help strengthen the national economy, and limit those that turn the state into an object of economic exploitation. Fourthly, the state should develop special legislation that will make it easier to use

15 Partin G. O., 2011. Osnovni vidi autsorsingu ta ih zastosuvannja v upravlinni dijaj'nistju pidpriemstva. Suchasni problemi ekonomiki i menedzhmentu: tezi dopovidej mizhnarodnoj naukovo-praktichnoj konferencii, L'viv: 637–638 p.

outsourcing and reduce companies' distrust in using outsourcing in their activities. Fifthly, a goal that the state should set for itself, as well as Ukrainian companies that act as outsourcers in relationships with TNCs, is to expand production functions and the volume of activities transferred to the outsourcer, and also to become part of the TNC production process. The result that national outsourcing companies should strive for is to learn how to independently produce everything necessary to be able to create their own finished products, allowing it to be an independent commodity in the world market and as separate industrial units, and even more so the final products for consumption.

This is impossible without a clear definition of the legal and legislative policies implemented through the system of economic and legal means of regulation to influence the state's outsourcing relations.

It should be noted that Ukraine is a country with great industrial potential, but with a need for a transition to new technological structures. Outsourcing for us is therefore also interesting not only as a type of industrial cooperation, but also as a means for increasing the technological level of the production base. However, by taking into account the imperfection of Ukrainian legislation in relation to regulating the protection of intellectual property rights, as well as foreign investments, it is difficult to attract foreign TNCs that are ready to enter into an outsourcing relationship that involves innovative facets of a Ukrainian company. The view that there is a need to increase the attraction for investment has also been expressed by Petro Poroshenko, the President of Ukraine, in particular regarding cooperation with Japan. In the President's report from 2017, it is indicated that the priority for our country in cooperation with Japan is the comprehensive development of relations that would include close political dialogue, active trade and economic cooperation, with a preference for attracting investments and technologies to the economy of Ukraine in the context of the key interstate agreement on promotion and mutual protection of investments. Several new Ukrainian-Japanese large-scale projects are expected to be implemented in the territory of Ukraine.

An effective economic and legal mechanism to promote the use of industrial outsourcing could also be public-private partnership, the subjects of which can be the state, TNCs and Ukrainian enterprises.

According to Part 1 of Article 1 of the Law of Ukraine "On public-private partnership", public-private partnership - cooperation between the state of Ukraine, the Autonomous Republic of Crimea, territorial communities represented by relevant state bodies and local governments (state partners) and legal entities, except state and municipal enterprises, or individual entrepreneurs (private partners), which is carried out on the basis of a contract in the manner prescribed by this law and other legislative acts, and meets the criteria for public-private partnership, is defined by this law. In the same law, types of state support are provided such as state guarantees, financing from state or local budgets and other sources in accordance with national and local programmes, payments to the private partner with regard to other payments stipulated in the contract concluded within the framework of public-private partnerships, in particular fees for the readiness (availability) of the object of the public-private partnerships in operation (use), acquisition by the state partner of a definite volume of goods (work, services) produced

(used, provided) by a private partner under a contract concluded within the framework of public-private partnership, and the like. But this law does not actually achieve the power goal, because it has a general character and is not adapted to regulate relations, such as in the implementation of innovative projects in the sphere of areas such as weapons production. With regard to this, there is a need to adopt a number of laws for regulating public-private partnerships in various spheres of the economy, including outsourcing relations, especially those containing a powerful investment and innovation component.

Given that the Ukrainian economy is in a difficult situation, and taking into account the higher needs in foreign investment, especially of an innovative nature, it is necessary to create a regulatory environment that stimulates the attraction of investments in the process of outsourcing.

In particular, we can talk about the targeted stimulation of the activity of a certain enterprise. In our opinion, the essence of such a partnership can be reduced to the state concluding an agreement with TNCs, the fulfilment of which is assigned to the Ukrainian company. As a result, the state grants privileges for such a company, leading to a more rapid and effective implementation of the contract (such as manufacturing products that are soon transferred to TNCs).

The possibility of granting privileges to certain enterprises is stipulated in the Law of Ukraine "On the regime of foreign investment" – in particular, in Part 2 of Article 7 – and determined that a privileged regime for investment and other economic activities may be established for individual entrepreneurs who carry out projects involving foreign investment that are implemented in accordance with state development programmes in the priority sectors of the economy, social sphere and territories.

In addition, cooperation with states on the establishment of customs privileges, the mutual determination of duty-free transportation of certain goods of importance for the country, and the establishment of free trade zones may be important elements of state policy for stimulating foreign investment. It is necessary to develop laws for the mutual protection of investments to create conditions for attracting investment, particularly that of an innovative type.

The active introduction of outsourcing should be accompanied by the creation of packages of international agreements. In addition, the state should be ready to consider the issue of granting privileges in a separate order to companies, especially TNCs whose activities have potential for the development of the national economy and bringing innovation to Ukraine.

Conclusions

1. Outsourcing is a form of economic cooperation that consists of the transfer of the main or service functions of a customer company to another entity (outsourcer), usually on a contractual basis, and is used by the customer company to optimise costs and improve the quality of the end result.
2. Outsourcing can be characterised by features such as the long-term integration of business processes or functions performed by the customer company

- independently and those that are passed to the outsourcer, the difference in end result compared with similar legal agreements, the different nature of cooperation between the parties to the contract, the distribution of functional impacts on the customer company's business processes, and the distinction of the ultimate goal of the outsourcing contract from a single contract.
3. The main criteria for differentiation and types of outsourcing can be categorised with reference to the importance of the functions transferred (strategic and tactical); the location of the customer company and outsourcer (insourcing, offshoring, offshore outsourcing and onshore outsourcing); the type of activity (production outsourcing, outsourcing of business processes, IT outsourcing and outsourcing of knowledge); what lies at the heart of the transfer of functions (investment, contractual and innovative); or whether there is an opportunity to sell the product in the outsourcer that was produced as a result of carrying out the functions that were passed to outsourcing (open and closed).
 4. Outsourcing should be an object of the industrial, structural and industrial policy of the state, with the aim of effectively regulating outsourcing relations and stimulating the attraction of foreign investment of an innovative nature. In addition, outsourcing is a means of incorporating enterprises into the production chains of TNCs, which in turn allows innovation to be attracted to the country.
 5. From the perspective of economic and legal policy, there are two challenges: the challenge of selection (the need to select the types of outsourcing that will result in an increase in production and enhance the technological base) and the need to formulate priority legal methods for outsourcing. The second case involves the formation of a special regime that can consist of various combinations of economic and legal methods, including privileges, guarantees in the form of state aid and other means of assistance.
 6. Economic and legal mechanisms that could promote the development of outsourcing relations with a foreign element, namely TNCs include public-private partnerships, targeted stimulation for enterprise activities, tax or customs privileges, the creation of free trade zones, and the development and improvement of existing legislation on the mutual protection of investments.

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VEIKLOS RANGOS FENOMENAS: JOS ĮTAKA NACIONALINĖS EKONOMIKOS PAGYVINIMUI

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***Santrauka.** Straipsnyje apžvelgiama teisinė ir ekonominė veiklos rangos prigimtis, apibūdinami jos bruožai ir išgryninami atskirų veiklos rangos tipų identifikavimo kriterijai. Taip pat darbe apžvelgiami įvairių tyrėjų siūlyti veiklos rangos apibūdinimo metodai ir pateikiamas naujas pasiūlymas. Siūloma interpretuoti veiklos rangą valstybės pramoniniam strateginiam planavimui vystant šalies ūkį, inovacijų skatinimui ir naujausios technologinės pažangos diegimui vykdant tarptautinių korporacijų pateikiamus užsakyms, tolesnę produkcijos, Ukrainoje priskiriamos naujai pramoninei veiklai, plėtrą.*

Pateikiami siūlymai diegti naują ekonominę-teisinių priemonių derinį siekiant paskatinti veiklos rangą ir užsienio inovacijų, tarp jų viešojo ir privataus sektorių bendradarbiavimo, diegimą, muitų lengvatų teikimą, laisvos prekybos zonų veiklą apibrėžiančių įstatymų formavimą ir taikymą.

Reikšminiai žodžiai: ekonomikos strategija, apibrėžimas, veiklos rangos santykiai, teisinės veiklos rangos formos, viešojo ir privataus sektorių partnerystė, teisinis užsienio investavimo reguliavimas, tarptautinės korporacijos.

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