INSTITUTIONAL STRUCTURE OF PUBLIC SERVICES MARKET

**Problem statement.** The public services market is a market variety that separated from the former single market of commodities and services. Sale items in that market are public services. In a modern market-economy state, the public services market operates within the framework of existent ownership relations, developing under the market laws. The condition of the public services market is formed of a large number of institutional elements that represent a system of institutions and organizations which ensures the totality of human activity, interaction of the state, individuals, and social groups aimed at a maximal satisfaction of people’s material and spiritual needs.

**Recent research and publication analysis.** Issues related to the specific features of the public services market are considered in the works by numerous domestic and foreign researchers, in particular those by J. M. Clark, R. Coase, F. List, S. Mediantseva, A. Pavlova, Ye. Soroko, A. Wagner, Z. Zainasheva.

**The paper objective** is to determine the general specificity of the public services market and its institutional structure.

**The paper main body.** The system features of the public services market are functionality, hierarchy, purposefulness, integrity, self-organization, durability, structure, and manageability. One of the key properties of the system is its dynamic nature. The public services market is: a market variety that separated from the former single market of commodities and services; an inadequately competitive market; a legal and regulated market that operates with the state participation and control; a market of different territorial levels; the one that falls into a category of consumer goods markets; an open market. Thus, the public services market exists in space (a territorial attribute), has a certain volume (quantitative expression in the form of commodities and services), and develops in time (its temporal dynamics is expedient to study in terms of the institutional
aspect). That is why research of the public services market should have vertical, horizontal, and interior (quantitative-qualitative) orientation.

A prerequisite for a normal market’s functioning is availability of an infrastructure – an assembly of branches, systems, organizations, people, due to which services are delivered/bought in the market.

The main elements of a modern market include: a legal system; an information system; a financial system; an organizational system represented by organizations and institutions providing services; a staffing system represented by people who are engaged in service delivery.

The public services market is characterized by a number of special features, missing in its individual components, and inherent in the public services market as a whole, namely:

1) one and the same subject of the public services market can take part in different simultaneous processes of the market self-organization, can be an element of the system that self-organizes and that of the external environment at the same time;

2) self-organization of the public services market emerges out of interaction not only among lower level subjects, but with the economic institutions as well. The main subjects of market relations here are as follows: public authorities, local government bodies, private enterprises and entrepreneurs, communal agencies, NGOs, households, individual observers.

Conclusions of the research and prospects of further scientific surveys.

The public services market is harmonically built in the general system of economy. In the same way as for a market variety, it is characterized by four specific flaws peculiar to the public services market, and namely: a possibility of its monopolization, asymmetry of information, external negative effects; enhanced impact of the state that acts as one of its subjects (public services providers), absence of a “proper” subject-provider of services.

The analysis of the public services market specificity allows us to conclude that during its operation it is impossible to rely only on the market mechanism, typical of the markets of individual goods in the market sector of the economy. This market bears specific features as to service production and delivery, prices, external effects, and impact of consumers on the service delivery process.