

SECTION 3 LOCAL GOVERNMENT

DEFINING THE STRATEGIC PRIORITIES OF REGIONAL DEVELOPMENT IN UKRAINE

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The article is an analysis of approaches in the scientific literature and regulatory documents to determine strategic priorities of regional development as an important component of regional policy, whereby determining the most appropriate modern conditions principles justification strategic priorities of regional development in Ukraine. In the article the scientific approaches to determining the strategic priorities of regional development, whereby revealed no consensus on this issue in the modern world. The author analyzes the main strategic documents at various levels of regional development and has revealed the discrepancy in the priorities of regional development, resulting in justification of the necessity of new approaches to determining the strategic priorities of regional development in the modern world.

Key words: regional development, strategic priorities, regional policy, the principles of justification.

The problem is presented in general terms and its connection with important scientific and practical tasks. The change in the situation in Ukraine under the influence of external and internal factors makes significant adjustments to the processes of regional development, while at the same time creating certain challenges for the realization of the tasks of the state regional policy. The transfer of core competences relating to regional and local government development, which should take place as a result of the decentralization of power, calls for increased attention to regional policy issues, in particular, to the scientific substantiation of the definition of strategic priorities of regional development of Ukraine.

Regional development in Ukraine is gaining new emphasis in modern times, which is primarily due to the signing of the Association Agreement between Ukraine and the European Union. In Art. 446, chapter 27 states that “The Parties shall promote mutual understanding and bilateral co-operation in the field of regional policy on the methods for the formation and implementation of regional policies, in particular, multi-level governance and partnership, with special emphasis on the development of backward territories and territorial cooperation, while creating channels of communication and by intensifying the exchange of information between national, regional and local authorities, socio-economic entities and representatives of civil society lity” [11]. The situation leads to the need to update the regional development strategies as fundamental documents, which determine the prospects for the development of regions of Ukraine. An important part of regional strategies are the development priorities that determine the directions of the socio-economic development of the region for the medium term: “Regional development strategies should

be in line with the provisions of the State Strategy of Ukraine’s Regional Development and identify ... trends and key issues of socio-economic development ... regions, cities of Kyiv and Sevastopol; strategic goals, priorities of development of the region for the relevant period” [7, art. 90].

An analysis of recent research and publications in which the solution to this problem was initiated and based on the author. The problem of realization of the state regional policy is the subject of the research of such famous domestic scientists as T. Bezvernjuk, M. Dolishniy, V. Keretsman, S. Melnyk, D. Stechenko, O. Topchiev and others. The following scientists, such as Z. Varnal, V. Heyets, Y. Zhalilo, B. Danylyshyn, D. Lukianenko, B. Gubsky, A. Moky, and others, studied the issues of differentiation of regional development. In their works fundamental and applied principles of studying the disproportions of territorial development, development and implementation of regional policy of the state.

Identification of previously unsettled parts of the general problem addressed in the article. Despite a large number of works devoted to the formation and implementation of regional policy, there is no consensus on the definition of strategic priorities for regional development in modern conditions.

The purpose of the article is to analyze the approaches in the scientific literature and regulatory documents to the definition of strategic priorities for the development of regions as an important component of regional policy, on the basis of which the definition of the most appropriate modern conditions of the principles of justification of the strategic priorities of regional development of Ukraine.

Presenting main material. Scientific approaches to the definition of strategic prior-

ities of regional development differ. Thus, in the monograph "State Regional Policy of Ukraine: Peculiarities and Strategic Priorities" [3, p. 20], the following strategic priorities of the regional policy of Ukraine are defined at the present stage:

- the achievement of national unity and social consensus in the socio-humanitarian and socio-political environment of the regions of Ukraine;

- Search for an optimal model for the distribution of functions and powers at different levels of power;

- strengthening the material and financial bases of local self-government and strengthening the social dimension of fiscal policy at the local level;

- the formation of the innovation-investment model of development as the basis for the competitiveness of the regions;

- modernization of industrial and social infrastructure of the regions;

- use of new, more effective forms of interregional internal and external interaction.

In the report "On the Internal and External Situation of Ukraine in 2015» [1, p. 201], priority priorities for Ukraine in the field of regional policy are indicated:

1. Ensuring the competitiveness of communities able to participate on an equal footing with European integration processes at the local level, take an active part in entry into European markets of goods, resources, capital, labor force.

2. Implementation of complex reforms in the basic sectors of the national economy; modernization of industrial production and energy sector; development of a competitive market for services. In this context, an effective combination of sectoral and territorial incentives for socio-economic development, taking into account the specialization of territories and the prospects for diversifying their economies, is needed.

As analyzed by a team of scholars [8], in Ukraine the regional development planning system is represented by strategic and program documents of four levels: state, regional, subregional and basic. At the national level, strategic development priorities for all regions of Ukraine are defined in the State Strategy for Regional Development for the period up to 2020, which was approved by the Resolution of the Cabinet of Ministers of Ukraine No. 385 dated August 6, 2014 [4], which amended the State Regional Development Strategy for the period up to 2015.

Regional strategies for socio-economic development should be in line with the provisions of the State Strategy for Regional Development of Ukraine. At the level of all regions of Ukraine, adopted their own development strategies.

The next level of regional strategy is subregional. [10, p. 81]. The basic level of strategic planning is presented by the strategies of individual cities, districts and villages. The main problem of this level lies in the lack of strategies for the development of most villages in Ukraine, and the development of strategies for the development of territorial communities at the basic level does not involve the community and business.

In connection with the adoption of the new State Strategy for Regional Development, there is a need to update existing regional socio-economic development strategies and develop effective mechanisms for the practical implementation of the principles of self-development of regions [8].

Having analyzed the strategies of regional development at different levels, we find out that the national priorities are [4]:

1. Increasing the competitiveness of the regions.

2. Territorial socio-economic integration and spatial development.

3. Effective management in the field of regional development.

Priorities for the regional development of the southern regions include [8]:

1. Ensuring the comprehensive development of social policy.

2. Preservation and use of natural resources in the context of sustainable development.

3. Development of types of economic activity of the region.

4. Improvement of regional management systems, innovation and investment activities.

5. A cost-effective agro-industrial complex on the basis of sustainability.

6. Development of transport-logistic and seafarer complex.

7. Creating conditions for attracting investments.

8. Recreation and tourism.

Delivered on July 1, 2015 during the Focus on Odessa. Odessa Donor & Investor Dialogue", with the involvement of international organizations and the steps necessary for the economic breakthrough of the region, the priorities of the region's development are:

- development of sea and river ports;

- creation of a new customs center and the center for providing administrative services;

- development of communities with special attention to Ukrainian Bessarabia;

- attraction of investments in agriculture of the region (introduction of soil certification, soil quality improvement, and the restoration of land reclamation and irrigation systems);

- improving the quality of medical services, etc.

At the subregional level, emphasis is placed on creating comfortable living conditions; creation

of conditions for the development of small and medium business.

Thus [8], the analysis revealed that in the region as a priority sectors distinguish the agro-industrial complex, transport and logistics, tourism and recreation, as well as the development of innovations.

The priority of social development is present in the strategy of the regional level, and at the sub-regional level, the priority of human development, which is aimed at improving the professional qualities of people and their cultural development. At the regional level, priority is given to the development of industries, and in the subregional sector, the development of small and medium-sized businesses, and specific mechanisms and tools for creating a supportive business environment. One of the main problems of innovation development is the imperfection of regional innovation and investment management systems. Instead, sub-regional strategies offer specific infrastructure development projects for innovation.

The comparative analysis [8] revealed the general problems of strategic planning of regional development. The tasks outlined in the state strategic and program documents are quite declarative. The strategic objectives, priorities, and the sequence of their implementation are lacking in clear causal consistency, as well as mechanisms and tools for achieving the identified objectives, which creates the need for separate detailed documents, which include medium and short-term national programs of government activities, annual plans for implementation State strategy, long-term regional development strategies and regional development agreements. In addition, despite the fact that all Ukrainian regions have regional strategies, they are approved at different times, vary in degree of detail, differ in structure. Plans for the implementation of regional strategies either absent at all, or the nature of the document has little to do with the strategy itself. The parameters of monitoring the implementation of strategies are weakly correlated with their goals or are the nature of indicators in hryvnias, which is little suitable tool for control through inflationary processes.

In the process of identifying regional development priorities, it is advisable to focus on European practice. EU countries in the field of regional development implement the priorities related to environmental protection, the development of secure energy, the development of transport networks, the improvement of the quality of life, the formation of a knowledge economy. At first glance, such priorities seem to be somewhat generalized and patterned; at the same time, in each specific strategy, these priorities are for-

mulated taking into account local specificities and geared towards addressing specific tasks of regional development.

In particular, from the Cohesion Fund in 2007–2013, the following priorities are financed [12]: the development of the trans-European transport network; protection of the environment, including financing of projects in the areas of energy supply and transport that are environmentally safe (energy efficiency, renewable energy use, rail transport development, support for intermodal transport, public transport development, etc.). The priorities for regional development identified for funding in 2007–2013 from the European Regional Development Fund are the following [14]:

- within the Convergence objective: support for sustainable integrated economic development – modernization and diversification of regional economic infrastructure, especially in research and technological development (R & TD), innovation and entrepreneurship, information society, environment, risk prevention, tourism, investment in culture, investment in transport, energy provision, investment in education, health investments and social infrastructure, direct aid for investing in the development of medium and small enterprises;

- within the framework of the Regional Competitiveness and Employment objective: innovation and knowledge economy, countering the risks of environmental degradation, transport accessibility and telecommunication services;

- Within the framework of the “European Territorial Cooperation” objective: development of economic, social and environmental activities in the field of environmental protection; the establishment and development of transport cooperation; supporting local and regional authorities in shaping the research network and in enhancing the exchange of experience in the development and implementation of regional policy.

The experience of the EU states shows that the priorities of regional development should be based on an innovative model of development, which means the formation and development of those sectors that can provide long-term economic growth at the local level, solve the urgent issues of regional development. Innovative orientation of regional development will mean the use of innovative bases of activity by business entities, development of innovative productions. Innovation should also be incorporated into the priorities of regional development in Ukraine.

Conclusions

In order to update priorities in the regional strategy it is expedient:

- apply a combination of sectoral, spatial and managerial approaches to prioritization, allowing

rational use of scarce resources, minimizing their loss; will promote the use of existing local capacity, increase the initiative of local authorities in the formation and implementation of priorities and in general, will lead to the formation of a positive synergistic effect in the process of implementing the strategy priorities;

– to determine the priority of regional development on the basis of the following consecutive actions: formulating the problems of regional development, assigning them a rank or place of significance, moving from the description of problems to determining the priority of their solution, with the parallel allocation of priorities by value. With this, it is possible to achieve the clarity and logic of the priorities, the structuring of their system and the balance between the problem and the importance of the priority;

– to orientate itself to the European practice of defining priorities by standardizing / unifying approaches to document regional policy with EU documents (including creatively drawing on the experience of EU countries in developing strategic documents for regional development).

It is necessary to analyze and evaluate the effectiveness of such an important regional development mechanism as the international regional cooperation in the context of the implementation of the European integration course of the state. International regional cooperation should become a significant factor in stimulating the socio-economic development of the regions, expanding the potential for activating new forms and directions of mutual cooperation, involving regions and economic entities of the region in realization of joint projects and receiving financial support of such projects by the European Union.

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