

Ensuring economic security as a systemic condition for the formation of competitive positions in the economy of the regions

The paper pays special attention to the basic provisions of the new state regional policy paradigm in Ukraine, which should take into account the modern peculiarities of current reforms in the sphere of authorities' decentralization. Innovations of this policy are characterized in terms of its priorities and strategic goals of State Regional Development Strategy as well as its implementation instruments for the nearest future. The system of state regional policy's principles in terms of economic security maintenance as the system condition of competitive positions forming for the economy of Ukrainian regions is outlined. The list of activities to be undertaken in the sphere of legislative ground improvement and economic security strengthening is drawn. Priority directions of regional authorities' activity directed at attraction and exploitation of modern set of instruments of management influence are suggested.

Keywords: state regional policy, competitive ability, regions' economic security, principles, strategic goals, set of instruments.

Problem statement. One of the prerequisites for increasing competitiveness and ensuring economic security of the region and the fundamental principle of regional development management is decentralization. According to researchers, the dynamism of the regions development as a result of deliberate decentralization of state management can potentially improve the process of renewal of social relations in general and economic relations in particular [1].

At the bottom of the reforming of the regional development policy in Ukraine lies a new paradigm of the development and implementation of the state regional policy, which includes:

- transition from the regional policy of the «single center» to the policy of incorporating the multi-hierarchical interests of economic entities at the regional level and other regional players, awareness of the «multicenter» nature of the regional administration, taking into account the principles of vertical and horizontal coordination of the administrative measures referring to the stimulation of the regional development;
- gradual abandonment of the policy of redistribution of resources, «equalization» and desire to achieve minimization of socio-economic disparities of the regional development into the policy of creating equal opportunities and favorable institutional conditions for the integrated development of Ukrainian regions, increasing their competitiveness;
- transition from using direct instruments for stimulating development of the regions (subsidies, granting tax privileges) to complex regulatory influence, using hybrid instruments and mechanisms for stimulating regional development (including involvement of the potential of public-private partnership, creation of regional clusters, engagement of the benefits of interregional, cross-border cooperation, development of the European regions);
- improvement of the system of medium and long-term strategic planning of the regional development on the basis of coordination of sectoral, spatial and managerial approach, which forms the foundation for the creation and implementation of a new state regional policy in Ukraine.

Innovations in the process of development and implementation of the state regional policy in Ukraine caused comprehensive utilization of the potential of institutional mechanisms for stimulating regional development, including: development and adoption of an updated State Strategy of Regional Development for the period until

2020, the activities of the State Fund of Regional Development, the coordination capacity of the Council of Regions and Interdepartmental Coordinating Committee on the Regional Development.

Analysis of recent research. The State Strategy of the Regional Development for the period until 2015 (adopted in 2006) (SSRD-2015) did not consider the post-crisis challenges and the latest trends in the modernization of the regional development in the context of Ukraine's European integration. The traditional instruments and mechanisms for stimulating regional development identified in the SSRD-2015 as a rule tended to address chronic problems of socioeconomic and spatial development of the regions, did not promote the creation of effective incentives for self-development and intensification of the local economic initiatives. The SSRD-2015 did not identify vectors of strategic development of the regions, their coordination with the vectors of the civilizational choice of Ukraine was absent, including – with the strategic priorities of the regional development of the EU countries [3].

The State Strategy of Regional Development for the period until 2020 (SSRD-2020) (approved by the Decree of the Cabinet of Ministers of Ukraine d/d November 21, 2013) creates an institutional basis for the dynamic and balanced development of Ukraine and its regions in ensuring their social and economic unity, increasing standards of living of the population and obtaining high-quality public and social services by the citizens of Ukraine irrespective of their place of residence [4].

SSRD-2020 takes into account the dynamics and basic trends of socioeconomic, spatial and managerial development of Ukrainian regions, prospects for their modification, defines the basic goals and strategic priorities of regional development in Ukraine, mechanisms and indicators of their successful implementation for the period until 2020. In general, SSRD-2020 forms an effective institutional framework for stimulating regional development, alignment of the strategic priorities of Ukraine's regional development with the strategic priorities of the EU countries regional development as a factor for accelerating European integration.

Major research findings. In the process of determining strategic priorities of the regional development of the SSRD-2020 should be considered basic conditions that form a capable institutional framework for the implementation of the state regional policy in Ukraine:

- coordination of interests – assistance in harmonizing interests of the state, region, local community in the process of implementation of the state regional policy, development of regional strategies, promotion of integrated development of the territories;
- decentralization of powers – ensuring decentralization of the state administration by regional development in accordance with the principles of subsidiarity, improving administrative and financial capacity of territorial communities;
- effective management at the local, regional level (including efficient use of resources) – considering institutional peculiarities, a unique resource potential of the territories, promoting preservation and enhancement of the cultural and historical, ethnic, natural and resource heritage of the region in the process of strategic planning and definition of strategic priorities and goals of the regional development;
- competitiveness – promoting formation of competitive regional socioeconomic complexes, including through the establishment of intersectoral cooperation, vertical and horizontal cooperation, formation of regional, interregional cluster associations (including on the basis of public-private partnership);
- integration (consolidation) of efforts – assistance in optimizing allocation of productive forces, the development of interregional cooperation as a basis for the formation of a large integrated internal regional market;
- institutional support for regional development, including through the promotion of development of various forms of self-organization of the population, the

establishment of effective cooperation on the line «government – business structures – community», involvement of various forms of social activity, development of civil society and achievement of social consensus as a basic precondition for the effective solution of complex problems of the regional development.

Owing to the adoption of the SSRD-2020, an integrated approach to the formation and implementation of the state regional policy in the medium and long term has been launched in Ukraine. The basis of this approach is the synergy of three components:

- sectoral (branch) approach, including strengthening competitiveness of the regions on the basis of optimization and diversification of the regional economy structure;
- territorial (spatial) development through the achievement of a uniform and balanced development of the territories, including at the level of «city – suburban territory – rural territory», strengthening of the potential of peripheral territories, carrying out of administrative-territorial reform in Ukraine, etc.;
- reforming managerial component of the regional development, including creation of a unified system of the strategic planning and forecasting of the regional development, optimization of the system of the territorial organization of power, formation of an effective and transparent mechanism for financial support for the regional development, guaranteeing financial capacity of local budgets and local communities [2].

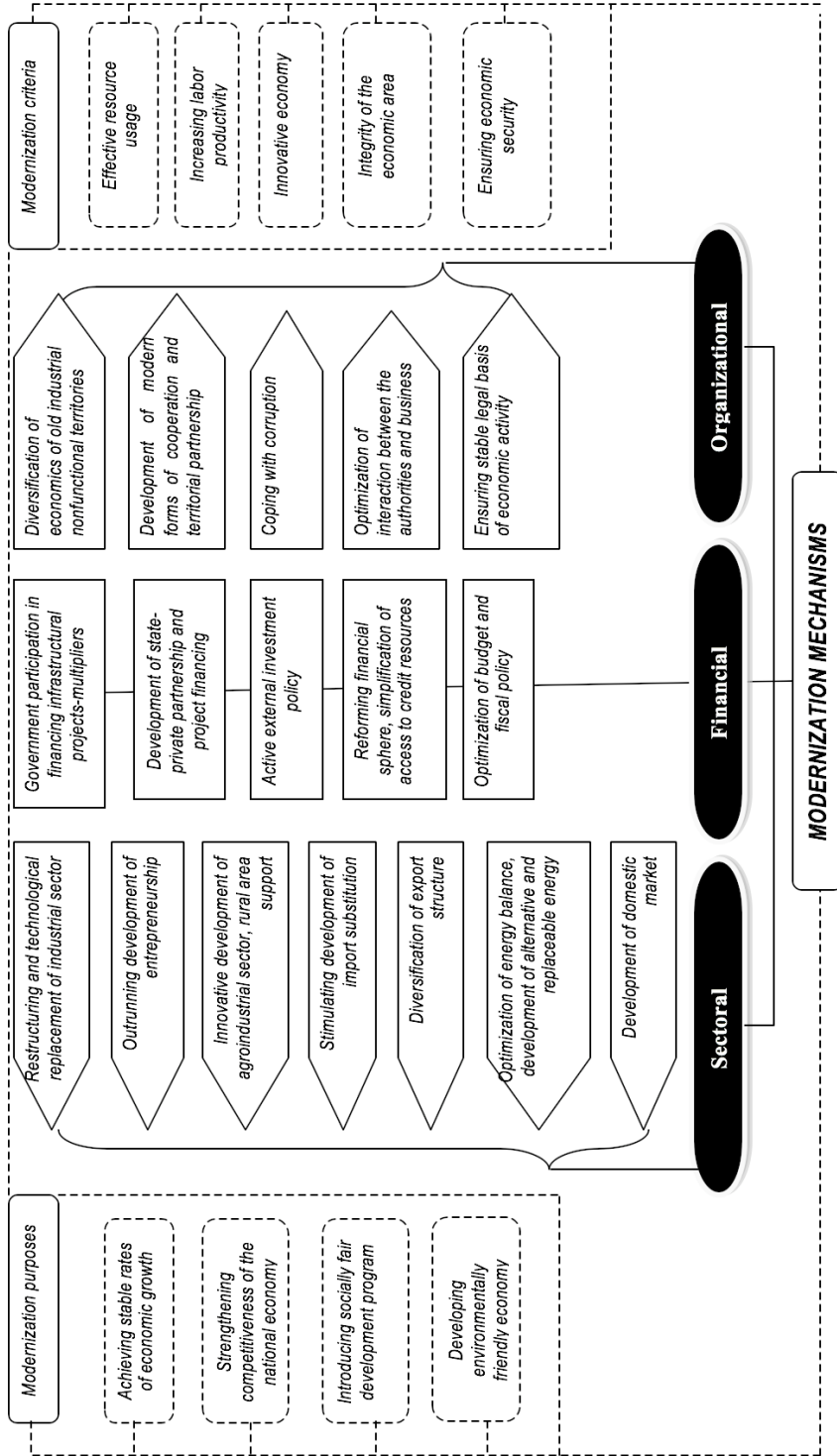
The adoption of the SSRD-2020 was a successful example of the introduction of the effective coordination mechanisms in Ukraine in harmonizing processes of development and implementation of the state regional policy. A significant role in this process is played by the Interdepartmental Coordinating Committee on the Regional Development (hereinafter – the Interdepartmental Commission) established by the Decree of the Cabinet of Ministers of Ukraine d/d September 5, 2012 No. 827, whose work is aimed at ensuring coordinated actions of central and local executive authorities in the course of the adoption and implementation of decisions on issues of the state regional policy, socioeconomic development of the regions, separate territories.

The EU Program «Support for the Regional Development Policy in Ukraine» provides significant institutional support in the field of development and implementation of the state regional policy in Ukraine. The agreement on financing the Program «Support for the Regional Development Policy in Ukraine» between the Government of Ukraine and the European Union was signed in accordance with the Decree of the Cabinet of Ministers of Ukraine d/d November 21, 2012 No. 1014-p and entered into force on December 19, 2012 (Program estimates – EUR 20 million) [5, 6].

The EU's institutional assistance under the Agreement is provided to Ukraine in two directions:

- coordination and development of institutional capacity: creation of a body (Coordination Council), which will coordinate the regional development management system; building institutional capacity of representatives of Ukrainian executive authorities, local authorities, non-governmental institutions and academic institutions through the creation of professional networks and system of trainings on regional development issues (EU technical assistance project «Support for the Regional Development Policy in Ukraine» (budget – EUR 5.3 million));
- support for the financing of the regional policy in Ukraine, in particular, implementation of the projects aimed at fulfilling regional and local development programs in regions, selected according to the specified criteria that meet the best regional development policy standards (indicative budget – EUR 14 million).

A radical review of relations between the state and regions in the process of decentralization will require the coordination of the goals of the regional development with the priorities of reforms at the state level. In summary, the objectives of the



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Figure 1. Integration of the regional development policy into the strategy of modernizing managerial and economic relations in Ukraine

regional development should be closely integrated into the general reform strategy (Figure 1).

Modernization of the state policy of the regional development must form an effective institutional basis for improving the competitiveness of the regions, achieving balanced regional development, helping to accelerate the European integration movement of Ukraine, and become the foundation based on which Ukraine will move through the «European regions» way.

Implementation of the Association Agreement between Ukraine and the European Union puts forward a number of challenges to Ukraine and regions of Ukraine regarding the implementation of a set of systemic reforms both in the area of institutional, infrastructural, and in the sphere of socio-economic development of the country and its regions. An integral part of these processes is:

- implementing structural reforms (in the field of energy, agriculture (lifting the moratorium on land sales); reforming the housing and utilities sector; reforming the budget sphere (education, science, health care, etc.);
- creating conditions for ensuring efficient economic and trade relations aimed at gradual integration of Ukraine into the EU internal market, including through the free trade area;
- ensuring mutual access to the markets of goods and services (Ukraine and EU member states);
- liberalizing movement of capital, resources and labor;
- integrating into the European and international transport system, establishment of efficient operation of the transport infrastructure, sphere of services.

In addition, institutional reforms are also gaining importance, including: promoting the development of competitive relations and demonopolization, introducing norms and principles of antitrust laws (including in the field of the activities of natural monopolies); ensuring consumer rights protection; raising standards in the field of occupational safety (both within the national labor market and in the context of legal provision of labor migration); promoting development and strengthening of environmental activities, development of the information market and protection of copyright; introducing effective social dialogue, establishing effective social protection and strengthening its targeting, ensuring gender equality, etc.

In the area of improving legal framework and institutional mechanisms for stimulating regional development in Ukraine, the following measures, which will positively influence the improvement of the state regional policy, will be activated in the near future:

- introduction of innovative mechanisms for diversification of regional development financing, including at the expense of the State Fund for the Regional Development, the use of the potential of international technical assistance and European Structural Funds, engagement of the potential of public-private partnership, etc.;
- involvement of mechanisms for implementing regional development projects through the State Fund for the Regional Development (including through the establishment of a system for transparent selection and evaluation of regional development projects requiring state support);
- improvement of the work of the State Fund for the Regional Development in Ukraine, including in the direction of raising the target direction of the Fund's finances for financing regional development projects that will have a multiplicative effect of stimulating regional development in the medium and long term;
- attracting potential of the national projects to stimulate formation of the «growth points» and «areas of economic development» at the local and regional level;
- analysis of the implementation status, review of existing state target programs (including sectoral ones) in Ukraine, implementation of which is aimed at

- developing regions, taking measures for concentration of resources, timely and full implementation of the programs;
- inventory of the state target programs of socio-economic development of the regions;
 - attracting potential of international technical assistance to create an effective institutional environment for stimulating regional development, including expansion of cooperation between Ukraine and the EU in the field of implementation of the EU Program «Support for the Regional Development Policy in Ukraine».

Conclusions. Based on the above measures, it seems appropriate to define the following principles of the state regional policy of ensuring economic security as a systemic condition for the formation of competitive positions of the economy of the regions of Ukraine:

1. Principle of strategic planning, in particular for the purpose of developing logical and hierarchically competent system and the structure of the state, regional and local strategies and programs of economic security and sustainable socioeconomic development of the state territories.

2. The principle of innovation, the observance of which will contribute to the development and implementation of the projects and programs that provide effective innovations, which is more promising in comparison with the implementation of each and the same ineffective program tasks each year.

3. The principle of institutional accumulation of financial and resource support. It is about the institutionalization of specific structures with a transparent management of funds and resources, involved and distributed through them in support of important and promising regional development projects.

4. Principle of a project-based approach. According to this principle, local communities and authorities will only support those activities that are clearly planned and formalized within the framework of a project, which has been discussed by the public, calculated by the scientists and supported by business units.

5. Principle of integration of the national and regional development projects. It means that implementation of the projects, which combines possibilities of the national and regional projects, is more effective. This creates a synergy effect that gives a higher result, and can also often save resources, when such projects have tangible or even common target benchmarks.

6. The principle of inventory and control. All measures implemented by the government and have allocated finances or other resources must be subject to mandatory transparent control, not only for the rationality and confirmation of the targeted use of the funds and means, but also for efficiency.

7. Principle of international co-operation. Significant potential of economic security and socioeconomic development of Ukrainian territories lies in use of advantages and opportunities from cross-border and interregional cooperation and this should be used.

Priority directions of strengthening competitiveness in view of the need to ensure economic security of the regions at the present stage are as follows.

1. Stabilization of the economy and social sphere:

- promoting modernization and reconstruction of industrial capacities, introducing innovative, scientific and technical developments and measures on energy saving;
- increasing the competitiveness of agro-industrial production by increasing the volume of capital investments, further spreading of the forms of public-private partnership in the agro-sector;
- establishing competitive regional food markets through the development of food processing enterprises;
- further work on creating a coherent and effective system for supporting small and medium-sized businesses in the regions through the implementation of the

regional small business development programs that will help to solve the key business problems and improve resource, information and financial and credit support of entrepreneurs;

- expanding interregional cooperation and strengthening investment component of the cooperation.

2. Development and diversification of agrarian and agro-industrial production:

- supporting the practice of social partnership with agrarian business to attract extra budgetary funds for the implementation of programs for the development of cultural and educational services, the development of engineering networks for energy and gas supply, transport and information communications in rural areas, etc.;
- creating a base of investment projects for attracting new production technologies in order to increase productivity, first of all, of farming households of the regions;
- facilitating the access of producers of agricultural products to the state support programs for agrarians;
- introducing incentive measures for farming households in the regions that implement environmentally friendly technologies for the production of agrarian products, modernize existing irrigation and drainage systems;
- establishing close cooperation between agricultural producers, representatives of research institutions, regional machine-building complex to determine existing possibilities for the improvement of melioration systems with the implementation of water and energy saving technologies;
- increasing employment of youth in rural areas through cooperation of employment centers and employers with district state administrations, rural and settlement councils to promote creation of new jobs.

3. Infrastructure development and approximation of its quality to EU standards:

- assisting in the development of transport and transit connection;
- stimulating the use of local alternative energy sources;
- introducing modern energy-saving technologies in the production and housing utility services;
- facilitating the expansion of contacts between the residents of the bordering areas.

4. Distribution of ideas of public-private partnership according to the European model:

- creating coordination bodies from the representatives of the state, business and civil society to monitor success of the implementation of public-private partnership projects and provide assistance in this direction;
- developing a complex of organization and institutional and economic mechanisms for stimulating development of public-private partnership;
- engaging in the development of public-private partnership projects of civil society organizations, media representatives and active citizens;
- developing measures for the improvement of professional skills and motivation of employees of local bodies of executive power and local self-government bodies, involved into the realization of public-private partnership projects;
- conducting an information campaign among the business representatives on informing about the advantages of public-private partnership and creating a positive image of the state as a reliable partner.

5. Activation of cooperation within the framework of Euroregions as a factor of competitiveness increase:

- developing transport infrastructure in the direction of activation of transit opportunities both within the Euroregions, and in relation to the expansion of international communication;

- arranging border checkpoints in order to simplify the procedure for crossing the border for residents of bordering areas and to improve the sales of products within the Euroregions;
- deepening of interregional cooperation, simplification of product sales through the creation of a single common market for the participants of the Euroregions, the strengthening of cooperation and, thus, the combination of efforts in the competitive struggle for the international markets for products;
- ensuring food security through the establishment of agrarian cooperation within the Euroregions;
- improving ecological status of the Euroregion territories by means of engaging environmental «green» investments into the projects.

We believe that, in line with these strategic directions, regional authorities should draw on and use appropriate tools. Its basic elements are: (1) regional economic policy instruments aimed at stimulating development of small and medium-sized enterprises, production with high added value, industries of the real sector of the regional economy, creation of local integrated systems and formation of investment-attractive regional economic structures; (2) economic and resource potential and business potential in the types of economic activity (and business units that make them up), which have the most favorable preconditions for the development and formation of powerful competitive advantages; (3) institutional environment with the developed institutional infrastructure and favorable institutional and legal support for economic activity; (4) platforms for the integration of public-private initiatives; (5) vertical and horizontal integrations of the regional economic systems; (6) cross-border and interregional cooperation.

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Білик Р. Р., Шульц С. Л. Зміцнення економічної безпеки як системна умова формування конкурентних позицій в економіці регіонів.

У статті зазначається, що невирішеність низки проблем соціально-економічного розвитку регіонів обумовлює необхідність змін у підходах до розробки та реалізації нової державної регіональної політики, яка базуватиметься на європейських традиціях і партнерстві між державою, регіонами та територіальними громадами. Акцентовано увагу на засадничих положеннях нової парадигми державної регіональної політики в Україні, яка має враховувати сучасні реформи у сфері децентралізації влади та «мультицентристську» сутність регіонального управління, а також будуватись на принципах вертикальної та горизонтальної координації управлінських впливів щодо вирішення проблем регіонального розвитку. Вказано, що сучасний підхід до реалізації державної регіональної політики потребує вдосконалення її нормативно-законодавчого та інституційного забезпечення, чіткого розподілу функцій і вироблення узгоджених механізмів функціонування інституцій управління регіональним розвитком. Обґрунтовано, що дієдатне інституційне підґрунтя державної регіональної політики та залучення різноманітних форм громадської активності. Зазначено, що кардинальний перегляд відносин держави і регіонів у процесі децентралізації потребуватиме узгодження цілей регіонального розвитку з пріоритетами реформ на державному рівні. У загальному підсумку цілі регіонального розвитку мають бути тісно інтегровані у загальну стратегію реформ. Врешилі реформи у сфері управління регіональним розвитком мають забезпечити перехід від застосування прямих інструментів стимулювання розвитку регіонів до комплексного регуляторного впливу. Визначено перелік заходів у сфері вдосконалення правового підґрунтя та зміцнення економічної безпеки регіонів. Окреслено пріоритетні напрями діяльності регіональних органів влади щодо залучення сучасного інструментарію управлінського впливу, забезпечення інституційної та ресурсної скоординованості реалізації регіональних стратегій і проектів регіонального та місцевого розвитку.

Ключові слова: державна регіональна політика, конкурентоспроможність, економічна безпека регіонів, принципи, стратегічні цілі, інструментарій.

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