

COMPONENTS OF SOCIAL AND ECONOMIC DEVELOPMENT
MECHANISM OF THE CITY

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The conditions of today are characterized by vague use of the results of research and development in the field of planning and effective management of territorial development. However, the establishment of local government increasingly requires the creation of scientific and methodological basis of the planned provision of a clear system of planned regulation of social and economic reform and development.

The transition to modern quality planned regulation of social and economic development involves changing the nature of planning – a means of administrative pressure on the tool scientifically substantiated balanced solutions to achieve the objectives of social and economic development of the territory, strengthen the strategic nature of planning and democratization of decision making process and planning documents.

Research on improving existing methodological principles of socio-economic development of the city as a complex entity dedicated work of G. Atamanchuk, V. Bakumenko, A. Hudskova, V. Dzyundzyuka, William King, D. Klylanda, V. Rohlyna A. Stepanenko, Y. Sharov and others. Analysis abovementioned literature made it possible to conclude that they related primarily to certain aspects of the state or municipal administration and do not give recommendations for the formation of a strategy for economic and social development of cities on the basis of an effective mechanism.

The functioning mechanism of modern social and economic development based on the principles of self-responsibility and self-financing. Adherence to the principle of self-responsibility means in particular adopting government decisions on the issues of development and social and economic policies in the territory. The principle of self-financing involves the formation of a municipal entity financial framework that will ensure practical implementation of the decisions taken to achieve these objectives [1]. Thus, the management of social and economic development of the city is focused on the impact of local government on all entities subject to full economic accountability partners for improving the level and quality of life.

At the city level strategic planning is the work of representative bodies, aimed at implementing the goals of management in order to balance industry and local interests in solving problems together social and economic reform for the development of the municipality and increase the level and quality of life. The subjects of the planned regulation appear in local governments. The object of planning is all sectors and spheres of the municipality, as well as economic and social processes taking place within its territory.

The main task of local government in the regulation of social and economic development of the area is to create a science-based system and short-term planning perspective. First of all it is necessary to substantiate the strategic choice of the city – a set of functions that they perform in the future. The combination of the aforementioned features will determine the path of development.

The problem of strategic choice city requires consideration of many factors. To improve the situation in the economic and social spheres, all decisions must be supported by integrated analysis and initial starting conditions of social and economic development, comprehensive marketing.

Analysis of the factors that contribute to the strategic choice of the city, in the current economic conditions greatly complicated by the lack of a theoretical framework adequate to the complexity of the problem in question.

Research of the economic strategy of the city reduced to three levels of review of the concept. The first level – «Economic Strategy» which examines how

documentary presented the idea of the desired future state of the city's economy and system of measures and resources used by the city for the approximation of the future. Second, the «Strategic Plan of Economic Development», consisting of its own policies and block documents from its implementation. This is a set of strategic programs and two-year action plan of local authorities aimed at implementing economic strategies, implementing the concept of economic policy. Third, the «Economic Strategy», understood as a system of strategic management of documents along with the organizational structures and procedures that define defined, reproducible scheme constantly developing economic strategy of the city [2].

Analysis of components of social and economic development of cities gives reason to believe that is composed of four main components: initial conditions and evaluation of the social and economic situation; strategic choice of the city; basic directions of urban social and economic policy; resources to implement strategic choice of the city and special mechanism.

The second part contains the prospects of socio-economic development: study of functions to be performed in the city in the future; main priorities and targets of its social and economic sphere, planning and management.

From the correctness and completeness of the aforementioned performance measures depend on decisions about how to develop specific areas of local development and their implementation (Fig. 1). Through analysis of the internal laws of the city need to find out the causes of urban settlement, its traditional functions, explore opportunities complex areas of specialization and economic relations of the city. The result of analysis is the identification and understanding of causality due to the real trajectory of socio-economic development. The next step is the estimation and analysis of initial conditions socioeconomic development of the city due to internal and local factors. At this stage, must be considered: quality of life; the size and efficiency of urban social and economic potential; economic and environmental situation in the city; status of local-self governments.

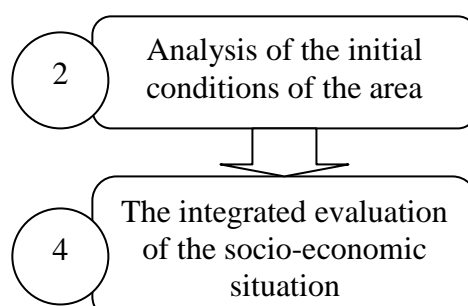


Fig. 1. Scheme of forecasting and analytical work for strategic choice of the city

When using sequential compression methodical receiving primary data characterizing the initial socio-economic situation in the city to build a pivot table that contains the basic factors of internal character that positively or negatively affect the situation in the various sectors of city life [3].

The main factors of local nature that determine the socio-economic development of the city include: quality of life; environmental situation; resource potential; the potential socio-economic development; potential readiness for socio-economic transformation in the city; city management.

The analysis of external factors that determine the future development of the city provides: identify interests that are formed in different levels of governance;

determine where a particular city in a system of territorial division of labor; study the impact of new geopolitical and geo-economic situation in the processes of development.

The next step is carried identification and systematization assumptions and limitations associated with changing the trajectory of a city that has developed, the formation of a new complex functions that the city will realize in the future. Revealing assumptions and limitations of perspective development of the city is the information base for generating variants of its strategic choice that is to implement the next step. The selected option (options) strategic choice city must meet the following requirements: ensure the development of the city economy to a level that allows the city to the authorities to fully implement the constitutional right to organize in local government; be cost-effective, that ensure the achievement of strategic goals in economic development at the lowest cost; minimize the risks associated with the implementation of its new strategic city of choice.

The impact of the strategic choice of the city largely influences the position of local governments, whose activities should be aimed at creating the necessary conditions and the implementation of specific measures to achieve the strategic goals and objectives of social and economic development.

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