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**ADVANTAGES OF A REGIONAL DEVELOPMENT STRATEGY OVER A  
COUNTRY DEVELOPMENT STRATEGY IN CONDITIONS OF POWER  
DECENTRALIZATION**

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**Annotation:** The article substantiates the possible advantages of a development strategy of the territory of a region over the development strategy of an entire territory of a country in the conditions of decentralization of power. The development trends of the process of decentralization of state power and the growth of the capabilities of local governments to develop an effective strategy for the development of a region are analyzed in the article. An approach to the development of an economic development strategy is proposed in the article.

**Keywords:** Strategy, development, region, country, territory, decentralization of power.

Strategic planning is the process of developing a long-term plan for the development of an object by formulating management goals and objectives, analyzing internal problems and the external environment of activity, determining the advantages and disadvantages of an object, choosing development scenarios, forecasting of socio-economic development of the area of activity of an object.

The purpose of a strategy of development of the territory is to find possible ways to improve the efficiency of the functioning of a territory and increase the level of socio-economic development of a country or a region.

Making a strategic plan for the development of a region today is an important scientific and practical task that can be solved by joint efforts of representatives of local governments of a region and prominent scientists in the field of regional management.

An objective of writing this article is to substantiate the advantages of developing a regional development strategy over a development strategy for a territory of entire country.

To achieve this objective, the following tasks are supposed to be solved:

analysis of trends in the development of the process of decentralization of state power and the growth of opportunities for local governments to develop an effective strategy for the development of a region;

analysis of the possible advantages of a regional development strategy over the development strategy of a territory of entire country.

Traditionally, long-term strategic plans for the development of a territory were drawn up for the entire territory of Ukraine. This was due to such factors as: a high level of concentration of power in the central government bodies enshrined in legal basis; lack of sufficient available resources of local governments for the integrated development of a region's territory.

The development of a strategy for the development of a region became possible and expedient after a number of changes that were made to the legislation of Ukraine aimed at decentralizing power and granting greater powers to local governments. This set of activities included:

- strengthening the role of local government;
- the right of local governments to dispose of land resources of a region;
- empowering local governments with sufficient authority and resources;
- taking into account historical, economic, environmental and cultural characteristics during planning the development of a region's territory;
- delegation of the maximum possible number of powers to local governments.

To implement this set of measures, it was necessary to make a number of changes to the Constitution of Ukraine; carry out administrative reform; amend the Tax and Budget Codes of Ukraine.

A number of changes to the Constitution of Ukraine should have been carried out in order to effectively implement the decentralization reform, to avoid contradictions between the Constitution, on the one hand, and the laws and regulations adopted as part of the reform, on the other, as well as to further implement the European Charter of Local Self-Government [1].

The administrative reform provided for the introduction of changes in the administrative-territorial structure of Ukraine by enlarging such administrative-territorial units as districts, and opening on the territory of these administrative-territorial units centres for the provision of administrative services, operating on the principle of "single window".

Amendments to the Tax [2] and Budget [3] Codes of Ukraine provided local governments with the necessary opportunities and resources to implement the developed strategic plans aimed at developing the region's economy and increasing its economic independence.

The above measures allowed local self-government of regions not only develop a strategy for the development of the region, taking into account the main trends in the development of the country's economy, but to develop a strategy that will take into account the economic, social, environmental and other characteristics of the region's territory and will improve the efficiency of applying the strategy for the territory of each specific region.

Comparing the development strategies of the country and a separate region, it is necessary to notice a number of key differences given in Table 1.

**Table 1**

**Comparison of development strategies of a territory of a country and a region**

Development strategy of a country	Development strategy of a region
Covers a bigger territory	Covers a smaller area

Not take into account the characteristics of the territory	Takes into account the economic, social and characteristics of the territory of the region
Based on the average level of economic development in a country	Takes into account the level of economic development of a region
Should contain all branches of production represented on the territory of the country	Takes into account the specialization of the region in a particular area of production

Thus, the development strategy of the country's territory is a list of average indicators of economic development and list of industries recommended for development. It is also necessary to take into account that certain elements of the country's territory development strategy may not be applicable in some regions for a number of reasons: too low level of economic development of a region; climatic or other natural features of the territory of a region; lack of personnel with the required level of qualification.

At the same time, a strategy for the development of a territory of a region, covering a smaller area, contains more specific and achievable development indicators for a region, takes into account historically established regional specialization and natural and social characteristics of a particular territory.

It should be taken into account that development of separate strategies for each region of a country and subsequent formation on its basis of a single development strategy for a country requires a much larger amount of financial, human and time resources spent on this process. To save resources, it is possible to identify groups of regions that are similar in terms of predetermined characteristics and the subsequent development of economic development strategies.

The approach to developing an economic development strategy should be chosen based on a several criteria:

- the total area of a country – the larger a country, the more economic development strategies are needed for its effective;
- the number of climatic zones represented in a country – a separate economic development strategy should be developed for each climatic zone;

– the diversity of landform – for territories with relief features (mountainous, swampy areas), it is necessary to develop a separate strategy of economic development;

– the historical features of a territory, regional specialization – it should be taken into account that the further development of a industry of region's specialization will be more economically profitable than development of a completely new and undeveloped industry in a region;

– the level of economic development of a region –allocation of groups of regions according to a pre-agreed attribute or group of attributes (volume of GRP, volume of production of a certain type of product, export-import ratio in a region, etc.).

Thus, the process of decentralization of power has a positive effect on the efficiency of the economic development of territories. The development of a unified strategy for the economic development of the country does not allow taking into account the existing features of the territories and, in comparison with the strategy for the economic development of a particular region, may turn out to be less effective and limitedly applicable in some territories.

The rights and powers transferred to the level of local government, the level of the region, make it possible to develop an economic development strategy that takes into account the needs of a region, characteristics of its territory and historical specialization of production to a greater extent.

At the same time, it is necessary to take into account that the development of an economic development strategy requires a large amount of attracted financial, human and time resources. In order for the expenditure of these resources to be economically feasible, it is necessary to compare the amount of resources spent and the predicted economic effect from the successful implementation of the developed strategy. In some cases, to save resources, it would be advisable to develop an economic development strategy not for each region, but for groups of regions united according to predetermined criteria.

## References

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