

STRATEGIC MANAGEMENT OF TERRITORIAL DEVELOPMENT THEORETICAL FUNDAMENTALS

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Abstract. *The article examines theoretical approaches to the formation of territorial development strategies. The purpose of writing the article is to research the principles of forming social development strategies territories, identification of characteristic features of strategies, analysis of their structure and stages of implementation in modern conditions development of Ukraine. The following methods were used to determine the principles of territorial development strategy: the method of cognition (to form the theoretical foundations of determining the essence of public policy, development strategy); comparative analysis (in order to compare the effectiveness of development strategies); abstract-logical (for the formation of theoretical generalizations and formulation of research conclusions); graphical visualization (for the purpose of visualization of results and analysis). The directions of state policy in the development of territorial development strategies have been studied, the characteristic features of the strategies have been identified, their structure has been analyzed, the stages of their formation have been identified, and target orientations have been established. The prerequisites are considered and the principles of territorial development strategy formation are defined, suggestions are provided for improving and normalizing the process of strategic planning of territorial development in modern conditions. Peculiarities of the domestic experience in the development of territorial development strategies have been studied. The main principles of the process of formation and implementation of the state policy of regional development are characterized.*

Keywords: *regional policy, strategy, territorial development, social issues.*

JEL Classification: *H70, H80, H83*

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Introduction. Creating and maintaining a quality environment for human life is an important condition for sustainable development of modern society and should become one of the main sections of the long-term development strategy of Ukraine and its regions. The specifics of the state policy of territorial development are the definition of key problems, identifying prospects for solving these problems, analysis of resource availability, development of an action plan aimed at achieving concrete results taking into account the strengths and weaknesses of regions and structural and dynamic changes in modern economy.

In the current conditions of Ukraine's development, there is an urgent need to form targets and structure of the strategy of territorial development in the context of strengthening the economic security of the country. As a kind of public administration, strategic planning is an effective management tool for implementing long-term regional policy, which allows to increase the competitiveness of territories as socio-economic structures given the ability to identify major problems and identify areas for their development.

The purpose of developing development strategies is to ensure a high quality of life for current and future generations through balanced social development, ensuring the possibility of reproducing the environment, rational use of natural resources of urban areas, human health, environmental and social protection. Issues related to the development of territorial development strategies need considerable attention, especially in the context of structural changes in the economy.

Literature Review. In Ukraine, governance has only just begun to become strategic. Recently, there has been a significant increase in interest in research on the development of certain aspects of methodology and models and concepts of territorial development, there is a high level of activity in the development and practical implementation of strategic approaches to territorial development management. However, the existing domestic experience in developing territorial development strategies shows that its significant potential is not fully used, due to the weak methodological support of strategic choice models, lack of proven technology system, insufficient level of strategic thinking of staff and more.

The work of such scientists as I.M. Vakhovich, B.Є. Voronin, Z.V. Gerasimchuk, B.M. Danylyshyn, M.I. Dolishniy, S. Doroguntsov, S.M. Zlupko, V.Yu. Keretsman, E.M. Libanova, Ya.B. Oliynyk, A.P. Pavlyuk, D.M. Stechenko, V.I. Strangers and others. The following scientists studied the problems of strategy formation and elements of strategic development planning at different levels: I. Ansoff, V. Geets, M. Zubets, J. Zhalilo, F. Kotler, G. Mintzberg, M. Porter, J. Strickland, A. Thompson, AO Shubin and others. Theoretical positions, methodological and methodical bases of formation of strategies of territorial development are covered in works of domestic researchers, in particular S. Bogachov, N. Kopylova, M. Melnichenko, Yu.P. Sharov and others.

The purpose of writing this article is to study the principles of formation of strategies for territorial development, identify the characteristics of strategies, analysis of their structure and stages of implementation in the modern development of Ukraine [1-5].

Aims. The purpose of writing the article is to research the principles of forming social development strategies territories, identification of characteristic features of strategies, analysis of their structure and stages of implementation in modern conditions development of Ukraine.

Methods. The following methods were used to determine the principles of territorial development strategy: the method of cognition (to form the theoretical foundations of determining the essence of public policy, development strategy); comparative analysis (in order to compare the effectiveness of development

strategies); abstract-logical (for the formation of theoretical generalizations and formulation of research conclusions); graphical visualization (for the purpose of visualization of results and analysis).

Results. At the territorial level, the concept of development management clearly reflects the regional aspects of social policy, as economic transformation and restructuring is accompanied by increasing interregional differences in living standards and employment, stratification of regions by key socio-economic parameters [6].

The direction of European integration for our country provides an opportunity to use the experience of other countries in developing strategic plans of territories, and although such plans in Ukraine are quite long, but they should be subject to the overall goal of improving socio-economic status of the region.

The territory development strategy is a generalized model of actions necessary to achieve the set goals on the basis of selected criteria (indicators) and efficient allocation of resources. This strategy defines the goals of state regional policy and the main tasks of central and local executive bodies and local governments aimed at achieving these goals, and provides for the coordination of state regional policy with other state policies aimed at territorial development [7].

The main goal of the territorial development strategy is social responsibility of all types of economic activities taking place in the respective territories, implementation of the principles of sustainable economic development, strengthening economic security of the national economy and improving the welfare of the population by reducing poverty, overcoming unemployment, negative demographic indicators, modernizing infrastructure. increase investment, introduction of modern technologies. That is why all components of the territorial development strategy should be aimed at improving the social component, taking into account primarily the interests of the entire population.

Strategy development takes place as part of the evolution of the organization through awareness and consolidation of the elements of "where we are and where we are going." In practice, this process often coincides with (or is caused by) the desire of business owners and top managers to increase the security of their business through the introduction of uniform "rules of the game" - issues of formalization of business processes, procedures, decision-making and more. The same applies to strategies that could guarantee the continued success and growth of the business. As a rule, the result of strategy development should be clearly formulated provisions on target segments, unique value proposition, business goals, competitive strategies, growth strategies, elements of the marketing mix, sales goals, etc. Without going into the details of these provisions, we will say that in the process of developing these strategic elements there are many barriers. Some of them are well known to most experts, others - less. One way or another - there are many of them and this fact cannot be ignored. Our attempt to display them in some way and break them down into certain categories is shown in the figure below (Fig. 1).

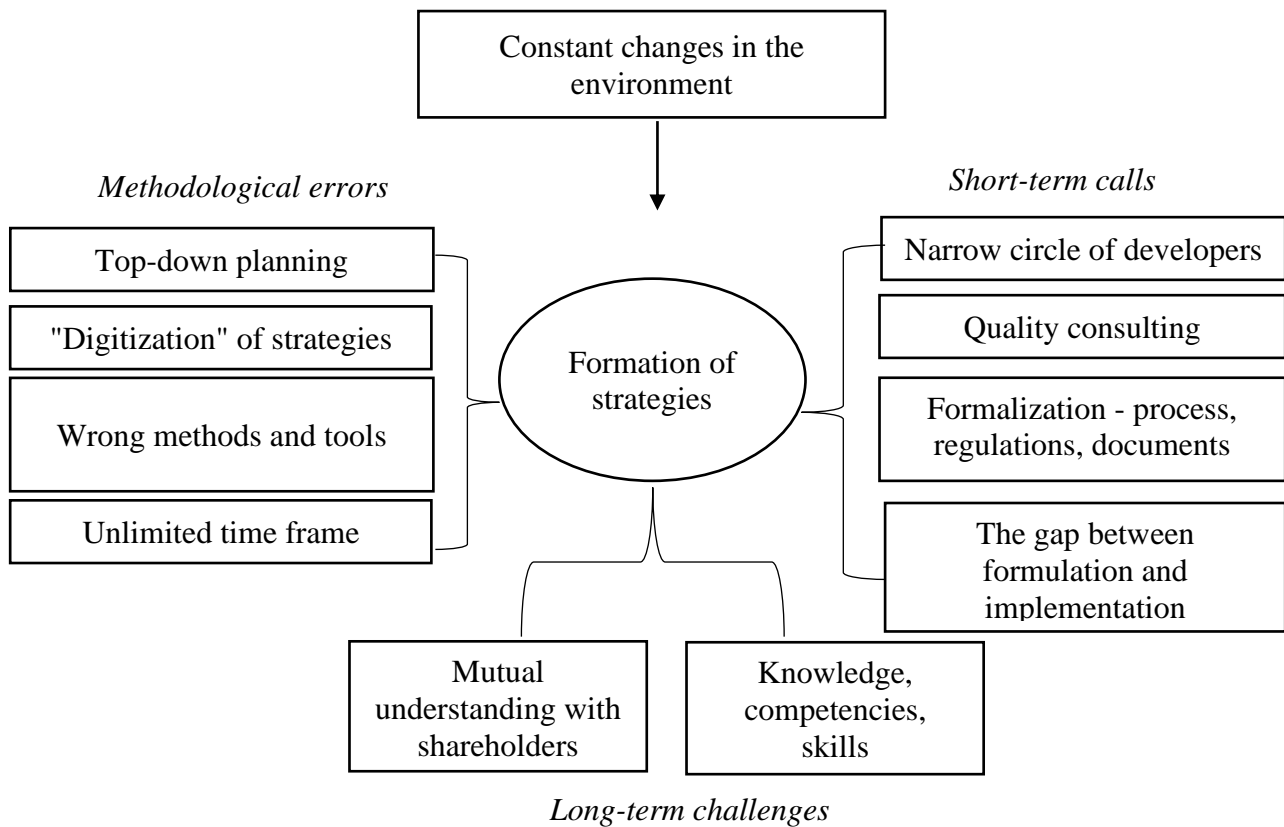


Figure 1. Factors influencing strategy development

Source: developed by the authors

Two main theoretical and methodological approaches are most often used when developing countries' own national development strategies [8-10]. According to the first approach, the top-down construction scheme is the basis for creating territorial development strategies. The second approach is based on the principle of denial of the first, and the creation of territorial development strategies in this case is based on a bottom-up scheme, in which local development strategies at the district and regional levels form a generalized direction of national development. The analysis of the advantages and disadvantages of these approaches revealed that a highly effective way to form a strategy for the development of Ukraine is to combine such construction schemes that integrate strategies for rural development, small towns and cities, as well as national interests.

Thus, the strategy of social development of territories is a complex system of measures that provides for the establishment of mission, main goals, objectives, tools, priority areas of development of territories on a sustainable basis in the context of social responsibility of all economic activities.

The strategy of social development of territories should be aimed at defining tasks and tools for solving social problems, increasing the economic potential of territories, productivity of their economy, business profitability and income and, consequently, creating conditions for overall improvement of social standards, quality of life and business environment development. However, such interdependence

requires the definition and implementation of an effective fiscal mechanism and redistribution mechanism, otherwise there is a real threat of excessive polarization and growing disparities between economically developed cities and the rest of the country.

Today, the state regional policy in Ukraine requires, as never before, the coordination of its goals and activities with the priorities of sectoral policies. In particular, this applies to areas such as transport and infrastructure; economic development and investment; entrepreneurship and regulatory environment; competition policy; labor market; education and science; innovation activity.

The issue of effective implementation of measures in the implementation of the strategy of social development of territories can not be considered separately from the reform of administrative-territorial organization, fiscal decentralization, development and promotion of competitive economy, strengthening the role of local government, etc. [11-13].

The practice of developing strategic documents for the mesosystems of the regions that has developed in the country today allows us to identify the following main components of the strategic planning process:

- analysis and assessment of the current state of development of the territory;
- characteristics of competitive advantages and limitations of perspective development;
- definition of strategic directions of development;
- search for tools to achieve the desired result.

The attitude to the development of regional development strategy as the most important measure of regional governance, which in its essence should combine long-term and current activities, coordinate actions between different actors in the interests of increasing welfare and improving regional development, is undoubtedly dominant in modern state regional policy. This content is based on the content of those measures that are developed within the development strategies of the country, regions, individual industries, settlements and more. The regional development strategy is a defining and guiding document for all actors, so the formation and implementation of the strategy becomes a priority in the activities of regional authorities.

Strategic planning of social development of the territory is now considered as one of the most promising and effective mechanisms for implementing long-term regional policy in terms of strengthening the self-organization of territorial communities at different levels. The search for effective models of regional (territorial) socio-economic development determines the need to use strategic planning at all levels of government and local self-government to find the most optimal regional development strategies, taking into account the priorities set by the Strategy of Economic and Social Development of Ukraine. is an important condition for sustainable development of modern society and should become one of the main sections of the long-term development strategy of Ukraine and its regions [14].

Territorial social development strategies include measures that interconnect national priorities, provisions of general planning schemes of relevant territories,

forecasts and development programs of individual sectors of the economy, interregional interests, etc. with their own priorities for specific development.

Strategic planning of social development of territories has the following stages:

- 1) development of the concept of regional development;
- 2) justification of important proposals;
- 3) formation of a system of target programs.

Schematic model of strategic planning of social development of the region is shown in Fig. 2.

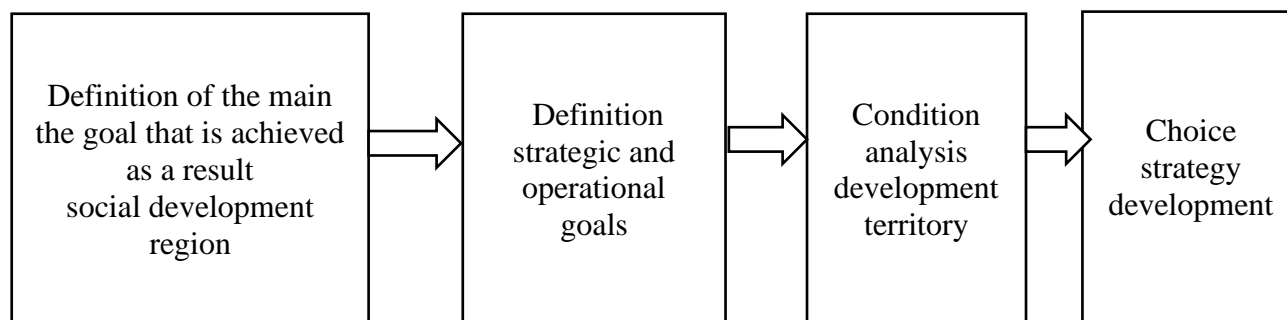


Figure 2. Stages of strategic planning of social development of the region

Source: developed by the authors

In the process of social development of territories it is necessary to actively involve the territorial community in solving their own problems and, at the same time, to determine priority areas of socio-economic development of territories, as well as possible ways out of crisis employment of the region [15].

The general strategy of socio-ecological-economic development of territories should be based on social, ecological-resource and economic components of development, with appropriate institutional support (Fig. 3).

The strategy of social development of territories should be a vital and indispensable management tool. This is possible only when its content and direction is consistent with the interests of the district administration, with the government structure. If the strategy contradicts the actions of the authorities, it is doomed to failure [27]. If the strategy contains constant elements of novelty, which are not always perceived by the authorities, then there is a contradiction that forces to look for ways to solve it. Therefore, the implementation of the strategy requires constant transformation of management bodies, management methods, qualifications of managers.

It is necessary to emphasize that the strategy of social development of territories should be determined by several equal priority areas, goals, objectives. Among them, the most important should be the development of economic activities (specialization strategy); definition of strategic zones of activity of economic centers (strategy of territorial development); elucidation of the most important aspects of achieving the normalization of the living environment (environmental strategy) [16].

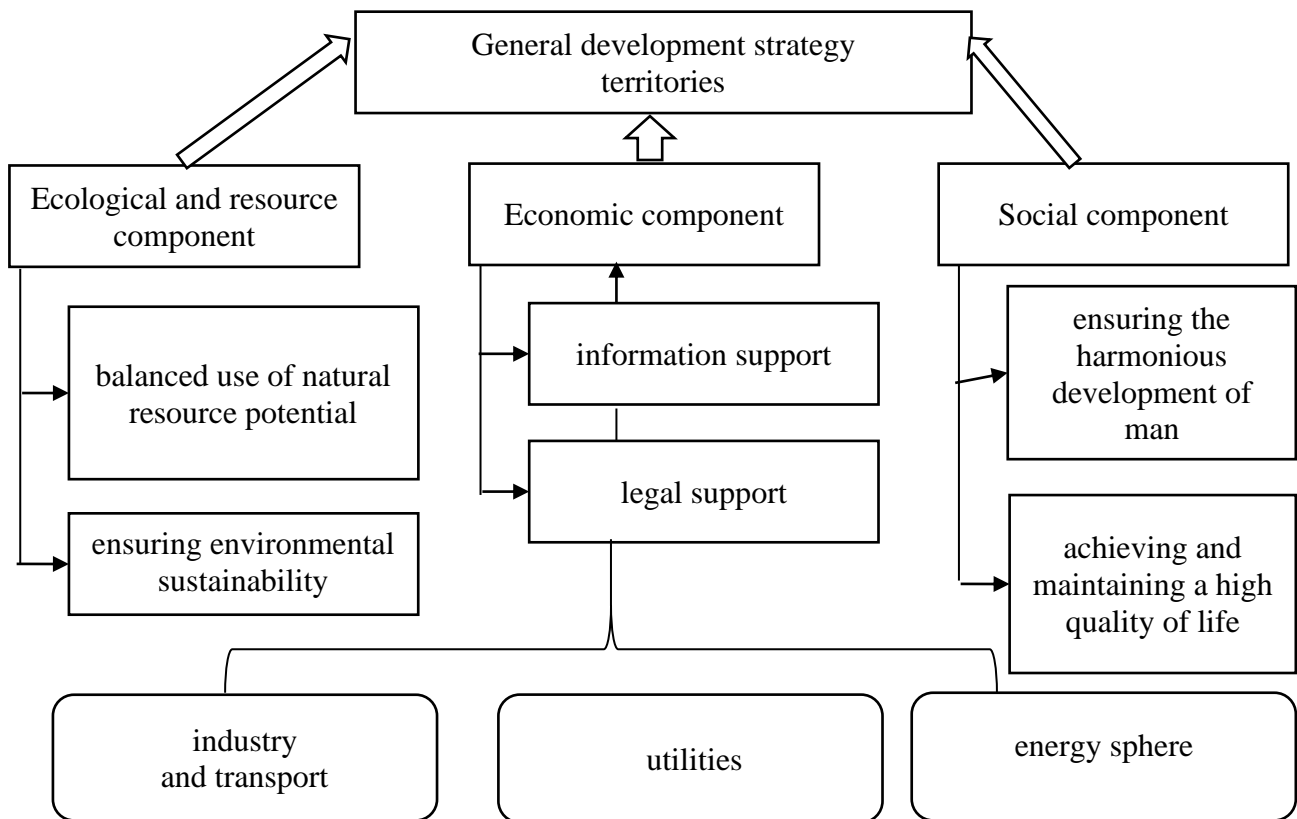


Figure 3. Components of the general strategy of development of territories

Source: developed by the authors on [16]

Thus, the social development of territories requires coordinated action in all spheres of society, adequate reorientation of local governments to new social and environmental economic development strategies, the regulatory role of which in these transformations is fundamental. They ensure the creation of conditions that increase the interest of citizens and social groups of economic entities in solving the problems of balanced development of territories.

Discussion. Systematic implementation of territorial development strategies is impossible without disclosing the basic principles and directions of strategic activity [23, 24]. In general, the development of socio-ecological and economic strategies for the development of territories is one of the most important tasks facing local authorities and requires further study and justification.

Controllability and effectiveness of the strategy is ensured through the formation of effective information support, including:

- established system of collection, coordination and use of statistical, analytical, normative, program-planning and forecast information for making public administration decisions at the regional (local) level;
- systematic monitoring of a wide range of indicators of socio-economic development and the state of the environment;
- openness and transparency of local executive bodies and local self-government bodies, in particular regular informing the public about the main problems of socio-economic and cultural development of the region, ways to solve them and prospects

for making optimal government decisions;

- intensification of participation of the population and public associations of the region in the preparation, discussion and solution of issues of socio-economic and cultural development of the region.

The functioning of the economic and social complex of the regions requires effective mechanisms that can ensure the stable functioning of the regional system. Among such mechanisms, the leading role belongs to regional management - the activities of central and local executive bodies and local governments aimed at achieving the priorities identified in the strategy [25, 26]. Achieving priorities is not a direct and exclusive consequence of managerial influence, but depends on many other factors. At the same time, it is the managerial influence together with the action of objective laws that can ensure a positive synergetic effect of regional development. Organizational and institutional conditions for the effectiveness of regional governance are:

- availability of an appropriate legal framework that regulates the implementation of the strategy;
- determination of the purpose (goals) of management activities;
- financial support for the implementation of the strategy;
- identification of institutions responsible for the implementation of the strategy;
- establishment of subjects, mechanisms and tools of regional management.

Achieving the goal set in the strategy requires an assessment of the effectiveness of regional governance.

Strategic planning of socio-economic development of the region in general determines the target indicators and priorities of the regions. Regional development programs for the current year and sectoral programs should be built on its basis. In view of this, strategic planning and forecasting of regional development should aim at:

- reducing the number of documents that determine the prospects for the development of the regions of Ukraine;
- coordination of various goals defined in these documents;
- ensuring the unity of approaches, taking into account all the components that determine the specifics of the development of the country and regions;
- optimization of procedures for development and approval of regional strategies.

Therefore, the process of formation and implementation of state policy of regional development should be based on the following principles:

- introduction of a system of constant monitoring of factors influencing regional development;
- formation of state regional policy;
- introduction of a mechanism of strong and flexible coordination of all subjects of state regional policy in the process of its formation and implementation;
- creation of a clear functional structure of central and local executive bodies to ensure state regulation of regional development at all territorial levels, coordination of multilevel governance with the participation of local governments, businesses,

NGOs and the population [17-22].

Conclusions. The expected results of the development of the strategy of social development of territories are the possibility of applying scientific provisions and conclusions of research in practice, finding tools for public administration influence on the formation of social development of territories, provided the state ensures human health, demographic situation, quality of life standards, reforming the management system, education, science, etc. An important condition for the sustainable development of modern society is the creation and preservation of a quality environment for human life, which should become one of the main sections of the long-term development strategy of Ukraine and its regions. In the current conditions of economic development and direction in the EU, key issues of territorial development become the basis of strategic planning, which allows to predict the prospects of socio-economic issues, analysis of necessary resources and development of action plans to achieve important results of regional development.

Author contributions. The authors contributed equally.

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