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STATE REGIONAL POLICY IN THE AREA OF ECONOMIC SECURITY OF REGIONS

The article is devoted to research of state regional policy in the context of economic security of regions. The research problem of introducing of a new model of state regional policy was analyzed that was designed to overcome the existing challenges and create new opportunities for regional development. In addition, the problem of decentralization and deconcentration of public authorities was considered, in particular in connection with an idea to implement regional interests and objectives for ensuring their economic security. The question of the economic dependency of the regional executive bodies upon the state budget, lack of financing and lack of the activity in respect for seeking a legal outside financing is found to be one of the biggest factors that contribute to the failure of many reforms on the state regional policy.

Key words: economic security, region, regional security, economic security of regions, deconcentration, decentralization.

The region as a management object has two control subjects (i.e. public authorities and local governments) that undertake different and all measures to achieve certain aims of development and also interact on different areas of public relations at regional level.

Such interaction is addressed to the social needs of the region's population and strives to ensure the normal development of the area too. This is also an essence of a state regional policy that is a quintessential mechanism of coordination of competence disputes. Last, but not least, the abovementioned interaction ensures an efficient distribution of powers between all levels of governance. As a system, the region is affected by internal and external factors that determine the strategy of implementation. Therefore, if within the system of state-management coordinates only one vector of power appears (or impact of state power, or influence of local governments), the development of the region cannot be considered as balanced, because permanent goals will be determined as a subject of control.

In this context, it is advisable to bring the views of representatives of institutionalism that suggest the following: a comprehensive solution of the problem of long-term development of the regions shall be considered through the use of formal and informal rules of behavior and social relationships and the relationship between government, mental, moral, cultural, economic and other values, their multiplication and accumulation must not be ignored. Applying these principles of structural integration, mutual enrichment under the terms of methodological unity of design and implementation of development strategies it is possible to establish systematic relations and numerous factors that affects them, as well as those that create conditions for systematic regional events that can lead the region to a state of sustainable development on the basis of environmental, economic and social harmony¹.

In other words, the administrative impact that committed to the region as the object of control from the part of management's subject ideally is aimed towards the establishment of the balance at all the sub-region.

In other words, V.S. Kuibida says, providing for the social and economic development of regions is realized in the following areas²:

- development and implementation of programs for the social and economic development of individual regions and territories;
- implementation of sectoral programs that provide funding to support certain areas and social protection of the population;
- regulation of intergovernmental relations.

¹ *Постанова про затвердження Державної стратегії регіонального розвитку на період до 2020 року* 2014 (Кабінет Міністрів України). *Офіційний веб-портал Верховної Ради*.
<<http://zakon4.rada.gov.ua/laws/show/385-2014>>.

² Куйбіда, В.С. (2009). *Нова державна регіональна політика: від теорії до практики*. Київ: Крамар, 7, 14.

In the sphere of regional development, today's global challenges and trends regarding the ways of the problems' solution in Ukraine, according to scientists, indicate the need for a new state's regional policy, designed to overcome the threats and create new opportunities for regional development. Accordingly, it is much desirable to form a new paradigm of a regional self that is called to create conditions for the implementation of regional interests under the responsibility of local authorities. To achieve this, the decentralization of public authority is a must. Under the new powers, the resource base must be formed, whilst political and legal responsibility of public authorities should be intensified.

The above means a change in funding that should rely on various sources, not only because the budget is a source of funding for regional social programs. The latter, incidentally, will encourage local authorities to seek additional funding sources and use the funds available more efficiently. In addition, regional policy should first minimize threats to national security and realize national interests that in Ukraine are formulated in the Law of Ukraine "On National Security of Ukraine"¹.

This leads to the conclusion that the state regional policy covers many areas and pursues ramified goals that sometimes make it difficult not only to achieve them, but also to make it subject to strategic and tactical coordination. In the state's regional policy there is no hierarchy of tasks and priorities of regional development that also makes it difficult to achieve real indicators of development of the areas. Proving these it is necessary first to analyze the category of the so-called "state regional policy".

Thus, according to M.I. Dolishniy, "state regional policy" is a system of goals and actions aimed towards satisfaction of the regional interests of state and local interests of the regions that are implemented using methods that take into account historical, ethnic, social, economic and environmental specifics of the regions².

Y.M. Hladkyi and A.I. Chystobayev define "state regional policy" primarily with regard to managing social and economic processes at the regional level and opine that "state regional policy" is a sphere of management of political, economic, social and environmental development in spatial, regional aspect that reflects both the relationship between the state and regions, and regions with each other³.

Similar to the previous definition but also different is a point of view expressed by V.K. Symonenko who understands under "state regional policy" on one hand, a clearly adapted policy in the legislative aspect of state's practice in all regions, while on the other hand - social and economic policies pursued on the basis of national legislation by regions to achieve certain regional and local goals and objectives⁴.

These authors concluded that the current paradigm of state regional policy is not able to provide a balanced development of all regions of the country and also not able to isolate and make efforts to form the basis for regional development. Therefore, today the country marked disparity of regional development that affects the general condition of national economic security of Ukraine.

In a view of the foregoing, it should be noted, that in order to achieve the goals of economic security of regions there is a need to address a number of important tasks:

- implementation of detailed scientific evidence-based analysis of internal natural, economic, scientific, technical, labor potential, the results of which should be the development of comprehensive public-political, organizational, legal, economic and other mechanisms for its effective use, focusing on ensuring stability of the national economic processes;
- realization according to the features of the region's potential restructuring of its economy, formatting spatial distribution of productive forces based on innovation and knowledge-intensive production processes, and in view of the need for export-oriented industrial complex;
- to overcome territorial imbalance of regional economic development and welfare of citizens not on the basis of economic alignment through intergovernmental transfers, but by the way of enhancing local initiatives (regional government), the search of new sources of investment and new investment attractive projects to transform the region into profitable economic system;
- encourage private sector and promoting public utilities, turning it into a real subject of competitive relations, for the purpose of solution the employment of population and filling the local budgets;

¹ Куйбіда, В.С. (2009). *Нова державна регіональна політика: від теорії до практики*. Київ: Крамар, 7, 14.

² Долішний, М. (2006). *Регіональна політика на рубежі XX-XXI століть: нові пріоритети*. Київ: Наукова думка, 17.

³ Smooth, N., Chystobaev, A.I. (1998). *Fundamentals rehyonalnoy policy. Tutorial*. St. Petersburg, 19.

⁴ Симоненко, В.К. (1996). *Регіональна політика: системний підхід*. *Українська економіка*, 6, 31.

- creating new conditions for operational monitoring and responding to state economic processes in the region at both the local and the national level;
- improving intergovernmental fiscal relations and taxation for the purpose to create effective mechanisms for local budgets at the expense of businesses that operate directly in the region;
- implementation of lending practices in order to replace subsidizing with the assistance of what it will be achieved a balance in the redistribution of financial instruments;
- strengthening and searching new forms of regional economic integration both within the state, and their participation in the programs of cross-border cooperation that opens new opportunities for the regions in economic development and stabilization of regional markets;
- improving the system of regional economic development at the national level, implementation of monitoring programs, the content of which is to apply the national uniform system of indicators and economic stability of the region.

To my mind, the emphasis should be put on the efficiency of solving tasks that are achieved when the economic conditions of the region are in a stable balanced condition. This is a system of indicators whose development should be based on socio-economic and public-political processes that take place in a particular region; thus, the system will not be the same for all regions. In this context it appears strange that the national system of regional management and its organizational and legal support, as well as a Concept of Regional Policy¹ do not include the system of marks for the development of regions, thus making the overall goal of public policy a purely declarative one.

It is very interesting to find out that the abovementioned Concept was the only official document that defined the priorities of state regional policy. Only recently, namely on August 6, 2014, another concept was adopted by the Cabinet of Ministers of Ukraine, namely the Resolution № 385 approving National Strategy for Regional Development until 2020 (hereinafter – “the State Strategy”) that defines the aims of regional policy and the main task of central and local authorities and local governments, namely to achieve these goals and provide for state regional policy coordination with other government policies aimed at territorial development².

However, there is no direct mention of economic security of regions in the State strategy that may indicate the need for integration of this category with general constitutive principles of state regional policy and regional development strategy.

In this context, special attention should be paid to the provisions of the State Strategy that contains a norm according to which the state regional policy should not be based on paternalistic relationship between the state and the region, and conditions for the formation of reproductive constant internal (endogenous) framework of development in an open economy shall be created. This is possible only if the system of coordination (executive authorities, local governments at all levels, business and civil society) will work as one team. The horizontal coordination of public authorities is determinative for having impact on regional development, and introduction of vertical management that should contribute to synchronization actions of central and local executive authorities, local self-government in regional and local development.

Solution of these issues will help to create a strong economic base, which will be the driving force for sustainable development not only of the region but the state in general.

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² *Postanova pro zatverdzhennja Derzhavnoi strategii regional'nogo rozvitku na period do 2020 roku 2014* (Kabinet Ministriv Ukraini). *Oficijnij veb-portal Verkhovnoi Radi*. <<http://zakon4.rada.gov.ua/laws/show/385-2014>>.