Strategic planning for socio-economic development of communities as a tool of regional policy implementation

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At present, considerable attention is being paid to substantiating and deepening the conceptual framework for the implementation of public regional development policy. The modernization of the public administration system entails redistribution of tasks, powers and resources at the central, regional and local levels, which will promote efficient cooperation between regions and communities, increase initiative and responsibility of public authorities in the region.

In this context, the necessity and importance of strategic planning becomes of high priority, which is stipulated by the possibility of using it as an efficient tool for coordination and cooperation of governmental institutions, business structures and civic organizations, optimal use of available territorial resources.

Strategic planning is an integrating force that organizes and directs the process of developing strategic goals and creates the basis for the distribution of resources at the level of regional authorities [1, с.221].

At the regional level, public policy is implemented by selecting priorities and substantiating the strategy for the development of long-term and current forecasts of the socio-economic development of the region; forming a regional budget; coordinating the work of local authorities in resolving interregional issues; ensuring environmental protection and rational nature use; equalizing the living standards of the population of administrative territorial units of the region; creating highly developed social infrastructure; developing and managing recreational economy; regulating the energy consumption in the territory; encouraging foreign investment and etc.

The formation and implementation of public regional policy is based on an integral approach, which involves a combination of the following components: sectoral – increasing the level of competitiveness of regions by optimizing and diversifying the structure of the economy, ensuring effective specialization of regions with the prioritized use of the own resource potential; territorial (spatial) – achieving even and
The National Strategy for Regional Development is based on a system for coordination of strategic planning processes at central, regional and local levels, which, in particular, provides for:
- synchronization of processes of strategic planning for the development of separate sectors of economy of the State and its regions in view of the need for their development, and the necessity of increasing the level of competitiveness of regions. This is especially relevant for the activities of central executive bodies that develop long-term targeted programs aimed at solving problems in the development of separate sectors of the economy and society, whose implementation significantly affects the development of territories. In this regard, a mandatory assessment of the impact of implementation of strategies and programs for the development of separate sectors of the economy on the development of regions will be introduced at the national level;
- harmonization of regional development strategies with the Strategy in terms of defining objectives and measures requiring joint actions of central and local executive bodies, local government bodies;
- coordination of territorial planning for the development of the State according to the General scheme for planning the territory of Ukraine, schemes for planning administrative territorial units of different levels and settlements, and regional development strategies;
- coordinated mid-term and short-term national regional development programming as well as regional and urban development programming based on the adopted strategic documents;
- coordinated implementation of the Strategy through the execution of the action plan for its implementation according to the identified stages and action plans for the implementation of regional development strategies.

The co-ordination of strategic planning and strategy implementation process is ensured through the application of two coordination schemes for the activities of central and local executive authorities, local government bodies: horizontal (at the level of central executive authorities) and vertical (at the level of central and local executive authorities, as well as local government bodies of different territorial levels, non-governmental institutions: civic organizations and business structures involved in regional development) [4].

Results and discussions

The National Regional Development Strategy is a model for achieving the nationwide goals: substantiating the aim; identifying current trends and regularities of development; forming priority directions of structural, investment, innovation and social policy, forming a scenario of perspective social and economic development of regions, and defining stages and terms of its implementation. According to the Strategy, regional development policy in Ukraine at the present stage is formed according to the following basic principles:
- programming: regional development policy is implemented through interconnected long-term development strategies, plans and programs at both national and administrative territorial levels;
- concentration: due to the limited financial resources of the State in the execution of tasks, resources are concentrated in certain territories, the hierarchy of priorities is set according to the formulated goals, and requirements for the economic efficiency of their use are determined;
- synchronization of actions ("synergies"): simultaneous implementation of a number of reforms that affect the socio-economic development of regions, coordination of priorities and actions of central and local executive authorities, and local government bodies related to regional and local development;
- polarized development: formation of “support regions” (growth poles, locomotives of growth), in which financial, administrative managerial, human and other resources are concentrated, with further enhancement of innovation activity in other regions;
- additionality: financial support for regional development is provided through public and local budgets. According to this principle, financing from the public budget will be carried out without reducing funding from local budgets;
- subsidiarity: distribution of powers by which the place of the provision of the administrative (managerial) service is as close as possible to its direct consumer, taking into account the completeness of the provision of the proper quality of service by concentrating material and financial resources at the appropriate territorial level of management;
- balanced development: provision of differentiated public assistance to regions in view to their potential, conditions, criteria and terms defined by the legislation;
- partnership: close cooperation among central and local executive authorities, local government bodies, citizen associations and economic entities in the process of Strategy implementation, monitoring and assessment of the fulfillment of defined tasks;
- unity: ensuring social unity, which is to reduce disparities between certain regions in the use of human resources and the standard of living of the population; economic unity, which is to reduce disparities in economic development; and spatial unity, which is to create infrastructure conditions for the development of peripheral regions [5, с.18].

When developing a strategic plan of the territory, it is necessary to take into account the main goals (priorities) of the Strategy for Economic and Social Development of Ukraine, National Regional Development Strategy, regional development strategies and strategies for the development of economic sectors (spheres of activity).

The procedure for developing regional development strategies is defined in the Resolution of the Cabinet of Ministers of Ukraine “On Approving the Procedure for Developing Regional Development Strategies and Action Plans for their Implementation, as well as carrying out Monitoring and Performance Evaluation of the Implementation of the Mentioned Regional Strategies and Action Plans” [6].

The Regional Development Strategy is a document that determines trends and major problems of socio-economic development, strategic and operational goals, priorities for the development of the region for a certain period of time, main objectives, stages and mechanisms of their implementation, the monitoring and performance evaluation system. The Action Plan for the Implementation of the Regional Strategy is a tool for the implementation of the regional strategy that envisages actions in the mid-term perspective (three to four years) and within objectives, responsible performers, deadlines, amounts and sources of financing with the performance indicators, defined in the regional strategy, and is a basis for the development of investment programs (projects) aimed at regional development.

The Ukrainian Regional Development Fund should direct its funds to the implementation of investment programs and projects of regional development (including projects of cooperation and voluntary unification of territorial communities) which are aimed at the development of regions, creation of infrastructure of industrial and innovation parks, and correspond to the priorities identified in the National Regional Development Strategy and relevant regional development strategies [7, c.150]. However, it should be noted that the Ukrainian Regional Development Fund, as a main financial tool for the implementation of the draft Action Plans, has not yet become the accumulator of development projects. A significant number of supported projects are not fully geared to create the conditions or impetus for regional development. Most of the projects are focused at solving current local problems. On the other hand, the European model of regional development proceeds from the thesis that regional policy is above all a development policy based on strategic approaches. At the same time, the role of integrators of national, regional and sectoral strategies should be played by Action Plans for the implementation of national and regional development strategies, which are still very far from this role in Ukraine [8].

General requirements for making and approving socio-economic development programs are defined by the Law of Ukraine “On Government Forecasting and Development of Economic and Social Development Programs of Ukraine” and by the Resolution of the Cabinet of Ministers “On Developing Forecast and Program Documents for Economic and Social Development and Drafting the Government Budget”. In particular, the legal, economic and organizational foundations for the creation of a comprehensive system of forecast and program documents of economic and social development of Ukraine, separate branches of economy and separate administrative territorial units as a constituent part of the general system of public regulation of the economic and social development of the State have been determined; the general procedure for the development, approval and implementation of the mentioned forecast and program documents of economic and social development, as well as the rights and responsibilities of participants of government forecasting and development of economic and social development programs have been established [9].

Economic and social development programs are national targeted programs for economic, social development of regions, districts, cities and unified territorial communities. The development of targeted programs for territorial development aims to promote the implementation of national and regional policy in the priority directions of the development of the State, separate branches of economy and administrative territorial units; ensuring concentration of financial, logistical and other resources, productive and scientific technical potential, as well as coordination of activities of central and local executive authorities, enterprises, institutions and organizations in order to solve the most important problems. The development of a targeted program undergoes the following stages: initiating the development of a targeted program, development and public discussion of the concept of the program; approving the concept of the program and deciding on the development of the draft program, defining the customer and the terms of its development; drafting the program – defining measures and tasks suggested for inclusion in the program, amounts
and sources of financing; public expertise of the draft program; approval of the program; carrying out competitive selection of performers of measures and tasks of the program; executing program measures and tasks, exercising control over their execution; preparing and assessing annual reports on the results of the implementation of the program, and, if necessary, interim reports; preparing and publishing a final report on the results of program implementation in the official printed editions [10].

It is stipulated by law that local economic and social development programs should reflect:
- analysis of socio-economic development of a certain administrative territorial unit for the previous and current years and characterization of the main problems in the development of its economy and social sphere;
- the state of use of natural, industrial, scientific technical and labor potential, the ecological situation in a certain administrative territorial unit;
- possible ways of solving the main problems of economic and social development of a certain administrative territorial unit;
- a system of measures of local executive authorities and local government bodies related to the implementation of socio-economic policy with the defined terms of implementation and its performers;
- main indicators of socio-economic development of a certain administrative territorial unit;
- data on receiving and using revenues from the disposal of communal property entities, efficiency of using communal property entities, indicators for the development of enterprises and organizations that are entities of communal property rights [11].

Programs are a key tool for implementing a regional development strategy and they integrate interdependent and time-bound projects aimed at developing the identified advantages and minimizing threats. Each of these programs solves the task of ensuring the socio-economic development of the region as a whole and its territories, taking into account the requirements for sustainable development of territories and changes in the territorial administrative division within the region. The formation of programs on the basis of a project approach helps to clearly define the aim, time limits and final results of their implementation, as well as necessary resources [12, c.226].

Thus, despite the considerable number of normative legal acts, it is necessary to point out the insufficient effectiveness of legal instruments for practical implementation of strategic planning in Ukraine. In particular, the analysis of the existing practice of regional development strategic planning indicates the need for appropriate improvement in terms of clear delineation of functions and powers of central and local executive authorities and local government bodies; improving the procedure for regulation of nationwide and regional forecasting and socio-economic development planning (defining the status of strategic documents, introducing principles of regional programming and planning); introducing the mechanism for concentration and optimization of national resources directed to regions as current financing of public institutions, capital investments of the main spending units of the public budget in order to achieve the most effective use of them in solving regional development problems; coordinating the processes of local government development, promotion of the cooperation of its bodies, etc., will contribute to the implementation of the territorial development strategy.

When considering strategic planning as a tool for ensuring sustainable development of the region, it is necessary to highlight the main features that should underpin its understanding and implementation to ensure the effectiveness of this process:
- implementation of strategic planning at the regional level implies compliance with two requirements: a long planning horizon (5 years and more), and directing the plan for the further development of the region, ensuring positive dynamics in all areas of activity, envisaged by the set goals with the maximum use of the existing potential of the region;
- strategic planning should give a clear picture of the goals and priorities of regional development, defining the main directions of activity, tasks and indicators that should be attained without extra detailization necessary for such plans;
- strategic planning should be systematic and flexible enough, adaptive, enabling the possibility of making certain changes that may be caused by changes in the general social and socio-economic life of the country;
- the strategy should be well-grounded, comprehensive and systematic; in addition to the above-mentioned stakeholders, qualified specialists and experts in various issues of regional development, development and implementation of the mentioned strategy should be involved in the creation of the strategy;
- during strategic planning, it is necessary to objectively determine and evaluate the current state of development of the region and its potential for its fullest use in defining and achieving strategic goals and objectives [13, c.101].

In order for the strategic plan to become an effective tool of changes in the development of the territory, it should: qualitatively undergo the procedure of its preparation according to the stages and defined algorithms; be integrated into the activities of all organizational structures of government, civic organizations and local business; should be based on thorough analysis of the research of the state of territorial unit development and analysis of the existing potential of community development, a clear system of organization of the process of strategy development and a well-established algorithm of actions, unification of the efforts of participants in the development of the territorial unit, all available in the community types of capital (resources) to form competitive benefits and plan creative decisions that can bring success in regional development [14].

The Development Strategy is not a comprehensive document that describes all the socio-economic spheres of the territory. On the contrary, it focuses on the key, most promising trends revealed on the basis of the analysis of socio-economic potential, strengths and weaknesses of the internal environment of the territory, possible favorable or negative external influences. The development strategy should encompass measures that interconnect nationwide priorities, provisions of the general planning schemes for certain territories, forecasts and programs for the development of separate sectors of the country’s economy,
interregional interests with their own priorities for the development of a specific territory [15, c.20].

Conclusions

Effective strategic planning for the sustainable development of the region should be based on a thorough approach to the definition of such development goals as well as the main priorities and objectives. In today's context, the strategic plan for the development of a region or a certain territorial unit can only be efficient and effective if all stakeholders: representatives of public authorities, local government, business, education, science, and the public, are involved in its formation, in particular at the stage of goal setting.

Therefore, the priority trends for optimizing the practice of strategic planning for socio-economic development as a tool for implementing regional policy include: creation of a legal framework for unique strategic management, consistent control and discipline, in particular in terms of clarifying and coordinating the functions of different entities; systematization and arrangement of strategic documents at different levels; application of a formalized standard of the structure and procedure for developing strategic planning documents; development of a methodology for implementing an integrated approach to ensure consistency and hierarchical linkage of elements of the strategic planning system (including socio-economic, sectoral and territorial strategic planning documents); effective communication support for the strategy by informing the public about the progress of its implementation; adaptation of European experience in implementing modern strategic planning procedures and technologies in the sphere of socio-economic development.

References