UDC 332

State incentive mechanism for strategic regional goal-setting

Saienko O.O.
PhD in Economics, Associate Professor,
Luhansk Taras Shevchenko National University

The article deals with the concept of self-development regions of Ukraine aimed at independent setting strategic goals and objectives of the regions and their implementation. Established that the delegation of authority and responsibility at regional management requires coordination of strategic objectives of regional development within national targets. Investigated the state mechanism to stimulate strategic goal-setting regions.
Keywords: region, strategic priorities, state mechanism, goal-analysis.

Саєнко О.О. ДЕРЖАВНИЙ МЕХАНІЗМ СТИМУЛЮВАННЯ СТРАТЕГІЧНОГО ЦІЛЕПОКЛАДАННЯ РЕГІОНІВ
У статті розглянуто концепцію саморозвитку регіонів України, яка спрямована на самостійну постановку стратегічних цілей і завдань областей, а також їх реалізацію. Встановлено, що делегування повноважень і відповідальності на рівні регіонального управління потребує узгодження цілей стратегічного розвитку регіонів у рамках загальнодержавних цілей. Досліджено державний механізм стимулювання стратегічного цілепокладання регіонів.
Ключові слова: регіон, стратегічні пріоритети, державний механізм, цілепокладання, аналіз.

Саенко О.А. ГОСУДАРСТВЕННЫЙ МЕХАНИЗМ СТИМУЛИРОВАНИЯ СТРАТЕГИЧЕСКОГО ЦЕЛЕПОЛАГАНИЯ РЕГИОНОВ
В статье рассмотрена концепция саморазвития регионов Украины, которая направлена на самостоятельную постановку стратегических целей и задач областей, а также их реализацию. Установлено, что делегирование полномочий и ответственности на уровне регионального управления требует согласования целей стратегического развития регионов в рамках общегосударственных целей. Исследованы государственный механизм стимулирования стратегического целеполагания регионов.
Ключевые слова: регион, стратегические приоритеты, государственный механизм, целеполагание, анализ.

Problem statement. The current period of regional management's development in Ukraine is characterized by maximal delegation of authorities and responsibilities that are related to socio-economic development, to regional management bodies. The concept of the regions' self-development appears to be very actual recently. It is aimed at regions' independent strategic goals and objectives setting, as well as their implementation. However, delegation of authorities and responsibilities to the regional level of administration, which does not lead to a breach of country's integrity, requires coordination of strategic regional development objectives within national targets.

In the regional development programs determination of the strategic goal does not mean the possibility of achieving it, and does not mean that it is the specified goal that will be achieved. The cause of these cases may be the lack of regional management capabilities to provide the necessary indicators of socio-economic development and the presence of contradictions in the interests of regional and national development. It can therefore be stated that full transfer of authorities, concerning the strategic goal-setting, by the central level of government conflicts with the need to ensure the unity and integrity of the country.

The concept of regions' self-development, implemented in Ukraine unchanged, will lead to the selection of the two main strategies by the regions: centrifugal and resource consumption. However, the imperative of maintaining the integrity of the country makes it necessary to implement strategies of backward regions' independent development and integrated strategies for the more developed regions. Changing strategic priorities can be realized by using state incentive mechanism for strategic regional goal-setting.

Analysis of researches and publications. The development of this mechanism is impossible without analyzing works of national and foreign experts in the field of strategic management, including A. Tompson, A. Stryklend, H. Myntsberh, B. Karlof, Y. Ansof, V. Markova,

S. Kuznyetsova. These works reveal the nature and characteristics of the strategic goal-setting, include a set of methods used to develop and implement the strategy.

Bold unsolved aspects of the problem. Existing differences in the level of Ukrainian regions' development complicate the situation and need the use of management and strategic goal-setting stimulation that match these differences.

The objective of the article. Purpose of the article is to study the state incentive mechanism for strategic regional goal-setting.

Presentation of the main material. The development of Ukrainian regions at the present stage of market reforms faced a number of objective and subjective factors that led to its unbalanced, asymmetric and disproportionate nature.

Tactical mistakes in Ukraine's regional development (in most existing programs) are made mainly due to the lack of clearly defined, scientifically based economic and social strategic priorities, neglect of the features of long-term trends of regional development, which are formed and act in the post-crisis stage of economic modernization.

Strategic planning is one of the main elements of strategic management concepts. The main problem is the inability of modern concepts of adapt to the changes that occur during development, which would give the ability to quickly and effectively respond to changes, correct measures of implementation and ultimately increase the efficiency of the overall strategy. This problem is caused by reactive type of management in the region.

The basis of the regulatory support for strategic planning of socio-economic development of the region are the Constitution of Ukraine, Laws of Ukraine "On local government in Ukraine"; "On local state administrations", "On the General Scheme of Planning in Ukraine", "On Stimulation of Regional Development", "On State Program of Economic and Social Development of Ukraine" and others. Budget Code, the Tax Code of Ukraine, the CMU. Principles of regional policy, goals and strategic objectives of regional policy until 2020, mechanisms and stages of implementation of the Strategy, expected results, organization of monitoring and evaluation of the Strategy implementation are reflected in the "National Strategy for Regional Development until 2020".

The quality of strategic planning of socio-economic development largely depends on the scientific and methodological support of the process. Providing the validity of the strategic planning and achieving cumulative positive effect from the implementation of designed strategy require joint efforts of management and administration, financial, industrial, scientific and technical spheres, the maximum possible engagement and optimization of natural resources, human, technological and innovation potential region, the development of scientific and information resources, learning and substantiation of global and domestic experience in strategic planning of regional development.

Another shortcoming of modern concepts of strategic management is that they lack a mechanism that would ensure increase in the efficiency of the process of forming a strategy, through self-studying strategic management process, it would ensure its self-development and harmonious functioning [1, p. 240].

To achieve a comprehensive socio-economic development of the region, strategic orientation should be directed to the fullest satisfaction of social and material needs of citizens living in the region, all the necessary conditions that correspond to the level of socio-economic growth of the region's economic entities have to be created, and also the efficiency of governing bodies at all levels of international and interregional relations' development needs to be continuously improved [7, p. 76].

At present regional administration can be characterized by the fact that the maximum number of powers and responsibilities delegated to the regional administration. The concept of regions' self-developing, which is based on self-setting regions' strategic goals and objectives, developing relevant projects and their implementation, is especially popular recently. But after the delegation of authorities and responsibilities to the regional level of governance, that won't lead to a breach of country's integrity, regional strategic development objectives have to be agreed with the national objectives, it requires the development of a mechanism that would adjust the strategic goal-setting of regions through the state incentives.

Strategic goal-setting of economic system is a very complex process, when it comes to development of the region this process consists in the following stages: analyzing the state of the environment, the definition of regional potential, the formation of the system's mission, analyzing the existing problems in the development of the region building on the strengths and weaknesses of system's potential, development and approval of strategy's objectives and the mechanisms of its implementation [3, p. 25].

A key strategic goal-setting stage is to determine the region's mission. The mission of this system are the principles on which the system interacts with the environment [4, p. 43]. Ideally, the system's mission should be understandable, focused on the environment, and have a unique advantage over other systems that will ensure the competitiveness of the system and the success of its use. Defining the mission, the system seeks to achieve goals:

– to be an important element and perform important functions in the environment;

– to be unique element of the environment that not only fulfills important functions as efficiently as possible, but also is unique.

In fact, the mission should reflect the ratio of the environment and systems, means of their interaction, which are formed taking into account the available system potential. Therefore, there are three basic means of interaction between the system and the environment, that determine the type of mission according to the chosen system: destructive, rational, system interaction.

If to start from dominant local primary features such as landscape, climate, natural resources, water flows in the process of stimulating strategic goal-setting, the region will be considered as a geo-socio-economic system that has internal and external controls. A potential of the region as a system is considered in terms of geo-economics, because this science is specialized in the study of economic development as impacts and natural characteristics of the territory as the cause of formation and development of regional systems [2, p. 201].

At the beginning of XXI global geo-economic space was developing during active regional geo-economic wars for regional economic conditions and markets, energy resources, transport corridors, transit of goods. At regional level, the main defense against geo-economic expansion is the created economic system that has a high level of stability, which ultimately provides long-term competitive advantage. During the process of these systems' shaping, the regional development strategy, which discloses the maximum natural potential of the region, have to be produced [5, p. 693].

Geo-economic classification of Ukrainian regions is held on the following main features:

– place in the "food pyramid" of geopolitics, depending on the sectoral structure of the region's economy;

– level of productive forces' development, which is the main indicator of technological structure within which operates the majority of economic entities in the region, as well as "residual capacity" of the dominant technological paradigm that is defined by the indicator of residual value of capital assets, of which the regional budget is formed;

– development of infrastructure. The production infrastructure is understood as a set of logistical systems that provide resources and product movement during the agricultural and industrial production. Social infrastructure is understood as material and technical base designed to perform social functions using social sectors.

Analyzing the regions' strategic goal-setting in Ukraine, we can conclude that it is "rational type" of interaction with the environment, which is personified by the state. In this case, the regions' missions do not address the systemic component, and regions are not considered as part of the whole in the context of their participation in the objectives of the county's strategy. Since it is necessary to perform the functions which are to ensure the integrity of the country at the central level of government, it can be proposed to bring in several changes to the regions' strategic goal-setting basing on these principles:

– systematic interaction of the state and the regions, which is based on the definition of the region's mission on system type (in this type of area is part of the whole, and should perform important functions for life);

– to define the region's mission considering its geo-potential as the core component of the region's potential, which will allow it to serve in a unique way;

– external incentives to expand existing region's geo-potential as the main reason for its strategic goal-setting.

The use of the process aspect, in the proposed mechanism, bases on the fact that strategic goal-setting consists of three main elements – the initial state, the processes that occur to change the initial state and to reach the final state and the final state (Goal). The strategic goal-setting among its main objectives aims to combine these elements so that:

1) to leave metasystem (state) whole (intact);

2) to ensure the lowest costs and the best possible results in the implementation of socio-economic development of the system (region).

The main objective of the strategic goal-setting of any region in the proposed mechanism is the transition of the region as an object that can be controlled from the first condition for which certain geo-potential and geostrategic positioning are inherent, the second condition that is characterized by full disclosure of geo-poten-

tial and formation of geostrategic benefits to the region on his mission [6, p. 45].

The region's strategic goal-setting, as the process has three main stages:

1) Analysis of the external environment and its future status forecast, so that region's geo-potential is determined.

2) Region's geo-strategic positioning, the essential idea of which is the formulation of the mission given its geo-potential and system principles in interaction with the environment.

3) Elaboration of the region's socio-economic development, which is implemented at national and regional level of government taking into account their competence.

It should be noted that the geo-potential of the regional development is a characteristic of landscape as a whole system, which is confined by the administrative-territorial entity that is entitled "Ukraine region".

Region's geostrategic positioning has its own algorithm, which includes:

1) Characterization of the region in the detailed description, according to the criteria of geostrategic positioning (main criteria of this type: the "center-border" "land – sea" human impact on the landscape), natural resources and climate etc.;

2) expert assessment of the significance criteria for region's geostrategic positioning (which deals with all criteria and their importance for the region and for the state), which is built on the basis of geo-strategic profile of the region;

3) Formation of region's geo-potential as a combination of its strong points taking into account the principle of its interaction with the environment.

The algorithm should combine general and partial definition of the region's mission and when there is an elaboration of the region's strategy of development. As part of this algorithm, targets, which have national importance, are achieved given the natural potential of the region, which is different in each region, meaning each region is realizing its objectives at the national level in a unique way.

The steps in the development of government incentives that provide the regions' strategic goal-setting are as follows:

1) The state presents itself with a geostrategic vector;

2) One of the strategic development's directions is the research of the region's geo-potential;

3) Analysis of environmental, social and economic potential of the region on the basis of which the current opportunities to achieve strategic objectives can be determined;

4) Choice of the stimulus that has to actualize the region's potential, considering system interaction between the region and the environment

The incentives that help to shape regional development strategy can be divided into three groups: stimulation of "inputs"; stimulation of management and operation processes; stimulation of "outputs". It also should be noted that the level of the region's development and the stage of its formation are linked, to develop the region, the constant stimulation of its formation is needed.

Conclusion. Thus, it can be concluded that the state incentive mechanism for strategic regional goal-setting has to preserve the integrity and ensure the strategic development of the country, which should be consistent with the development of regions and reveal the full power of geo-potentials in the implementation of regional self-concept.

REFERENCES:

1. Averyanov V. Public administration in Ukraine teach. / V. Averyanov. – Kyiv: VISTA, 1999. – 265 p.

2. Balatskiy A. Socio-economic potential of the region : [monograph] / ed. A. Balatskyy. – Sumy: University Book, 2010. – 364 p.

3. Vasilenko V. Problems of management of socio-economic development of territorial systems // Economics and Law. – 2002. – № 1. – p. 25–40.

4. Datsyshyn M., Keratsman V. Institutional support for regional policy and practice of cooperation of authorities in Ukraine / M. Datsyshyn, V. Keratsman. – K.: Prospect "K.I.S", 2007. – 102 p.

5. Klinoviy D., Pepa T. Placement of the productive forces and regional economy of Ukraine: Teach. guid. / By Science. Ed. L. Chernjuk. – K.: Center teach. l-re, 2006. – 728 p.

6. Opryshko V. Ukrainian Law / V. Opryshko // Governmental Courier. – 1998. – № 1. – P. 45-73.

7. Tarantul L. Productive forces: guidances. / L. Tarantul, I. Gorlenko, G. Yevtushenko and others. – K., 2000. – 264 p.