IMPROVING THE CLASSIFICATION OF REGIONAL DEVELOPMENT STRATEGIES

The purpose of the article is to expand the classification of regional development strategies. Research methods: comparative analysis, logical analysis, generalization, systematization. Object of research: classification features of regional development strategies. Subject of research: types of regional development strategies. The article presents the results of the author’s comparative analysis of the classifications of regional development strategies available in the domestic and foreign scientific literature. The author emphasizes the lack of a stable classification and the need to expand it, given the high turbulence of changes taking place in the internal and external environments and the new challenges and tasks facing the regions. The author proposes to expand the list and content of classification features of regional development strategies and to distinguish, by the “type of innovation” feature, strategies of innovative breakthrough, strategies of innovative improvements and strategies of innovative modifications. This will make it possible to specify the type of system of changes that will be implemented at the regional level. It is also proposed to distinguish strategies at the expense of public funds, strategies at the expense of local budgets, and strategies at the expense of multichannel financing (including lending, funds of business entities, banking and non-banking institutions, etc.) This will make it possible to take into account the sources of financing that are extremely important for the further implementation of regional development strategies. In general, such proposals are a further step in the development of the scientific theory of regionalism, and are also important from a practical point of view (in the context of formalizing the process of developing/improving regional strategies). The results obtained can be used in further scientific research and implemented in the activities of regional authorities.

Key words: development strategy, region, classification.

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Introducing. Over the past decade, Ukraine has been purposefully implementing reforms in various areas of operation, mainly in public administration. The decentralization of state powers and the expansion of local authorities is not only a step towards the EU, but also a powerful vector for internal transformations. This is confirmed by a number of legislative and regulatory acts aimed at regulating organizational, economic and functional issues, in particular:

– Cabinet of Ministers Resolution “On Approval of the State Regional Development Strategy for 2021–2027” (August 5, 2020, № 695) [1];
– President of Ukraine Decree “On the Sustainable Development Objectives of Ukraine until 2030” (September 30, 2019, № 722) [2];
– President of Ukraine Decree “On Urgent Measures to Ensure Economic Growth, Stimulate Regional Development and Prevent Corruption” (September 20, 2019, № 713) [3];
– President of Ukraine Decree “On the Concept of State Regional Policy” (May 25, 2001, № 341/2001);
– Law of Ukraine “On State Forecasting and Development of Programmes for Economic and Social Development of Ukraine” (March 23, 2000, № 1602-HI);
– Law of Ukraine “On Local State Administrations” (April 9, 1999, № 586-XIV);

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ВИДОКОНАЛЕННЯ КЛАСИФІКАЦІЇ РЕГІОНАЛЬНИХ СТРАТЕГІЙ РОЗВИТКУ

Introduction. Over the past decade, Ukraine has been purposefully implementing reforms in various areas of operation, mainly in public administration. The decentralization of state powers and the expansion of local authorities is not only a step towards the EU, but also a powerful vector for internal transformations. This is confirmed by a number of legislative and regulatory acts aimed at regulating organizational, economic and functional issues, in particular:

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General statement of the problem. The processes of government reform and decentralization in Ukraine, the formation of a regionally oriented system of management of the country's socio-economic development, and the empowerment of territories have intensified competition between regions for resources (investment, intellectual, information, etc.) and opportunities for presentation at the national level and in the external space.

The extreme intensity of changes in the internal and external environments requires regional authorities to respond quickly, think strategically, and involve business, scientific, and public communities in the processes of managing the sustainable and balanced development of their territories. Therefore, the issue of effective long-term management of the region, which is directly related to the development of a regional development strategy, is becoming increasingly important. And the systematization of classical and new development strategies is a necessary step towards formalizing these processes.

Analysis of recent research and publications.

The issue of developing/improving strategies, including regional ones, has been widely studied by scholars. Among them, Igor Ansoff, Michael Porter, Edward J. Blakely [8], Zhovnirchyk Y. F. [12], Leontieva Y.Y. [13] and others have made a significant contribution to the study of strategic planning at various levels of management; Britchenko I. G. [6], Didyk V. I. [7], Kolodynsky S. B., Kubinii N. Y., Putsenteylo P. R., Miklovda V. P., Tsitsak L. M. [10], Kachnyi O. S. [11], Zavitiy O. P. [9], Zvytii O. P. and Tsitsak L. M. [10] and others have studied regional development strategies. However, in our opinion, little attention has been paid to classification features in the context of new challenges to the harmonious development of regions.

The purpose of the article is to expand the classification of regional development strategies. Objectives:

- to analyze the classification features of regional development strategies proposed by scientists;
- to propose and substantiate new classification features of regional development strategies.

Research methods: logical analysis, generalization, systematization.

The object of research is the classification features of regional development strategies.

The subject of the study is the types of regional development strategies.

Outline of the main research material. The American researcher Edward J. Blakely, who studied local economic development planning, identified the following strategies for regional development [8]:

- a strategy based on the development of the physical environment of the area,
- a strategy based on business development,
- strategy based on the development of human resources,
- a strategy based on local community initiatives.

This approach is grounded in the core concepts of strategic territorial development.

Ukrainian scientist Zhovnirchyk Y. F. notes that in the modern world there are 3 dominant strategies for regional development [12]:

- conservation of the natural environment and resources (aimed at a decisive reduction in the rate of economic growth);
- production growth (focused on the accumulation of physical capital);
- sustainable development (focused on the co-evolution of society and the biosphere).

This approach is based on the main approaches to exploiting the resource potential of the territories.

In her dissertation research, Leontieva Y.Y. refers to the following strategies depending on the level of development [13, p. 13]:

- investment to protect leading positions,
- insignificant investment,
- investing in order to move to the position of a leader,
- development of promising areas of development,
- investment (“doubling”),
- investing with caution,
- maintaining positions,
- “fresh” ideas for revival.

This perspective focuses on change through investment.

The classification of regional development strategies, which is presented in Table 1, is widely used and approved in the domestic scientific literature. It is recognized by scientists Miklovda V. P., Britchenko I. G., Kubinii N. Yu. and Kolodynskyi S. B. [6, p. 64], Didyk, V. I. [7], Putsenteylo P. R. and Zavytii O. P. [9], Tsitsak L. M. [10] and others.

In addition to those indicated in Table 1, scientists P. R. Putsenteilo and O. P. Zavytii in [9], as well as V. P. Miklovda, I. G. Britchenko, N. Y. Kubinii and Kolodynskyi S. B. and Tsitsak L. M. in their work [6, p. 65] emphasize the need to take into account regional competitiveness and propose to additionally distinguish the following features and types of strategies:

- depending on the environment the strategy is aimed at:
  - intra-regional (inertia, rentier, mobilization, modernization, interactive modernization),
  - ensuring competitiveness within the country (uniqueness, diversification and differentiation of regional development),
  - foreign economic activity;
- depending on the management focus:
  - territory development strategy,
  - industry development strategy;
- depending on the area of competitiveness:
  - economic,
  - social sphere,
  - demography,
– entrepreneurship,
– institutional structure, and others;
• depending on the methodological approaches of
development:
  – as a philosophy of achieving competitiveness,
  – as a set of rules that underlie management deci-
dision-making regarding the region’s competitiveness,
  – as a specific program of actions to ensure the
region’s competitiveness.

Putenteilo P. R. and Zavytii O. P. [9], as well
as Miklovda V. P., Britchenko I. G., Kubinii N. Y.,
Kolodynskyi S. B. and Tsitsak L. M. propose to relate
the strategies proposed by R. Cooper and raised to a
higher level [6, p. 66]:
  – “passive response”
  – “operational approach”;
  – “defensive response”;
  – “constructive measures”.

Thus, the existing systematizations of regional develop-
ment strategies depend on the authors’ research inter-
ests, are not universally recognized and comprehensive,
and need to be expanded, given the transformations tak-
ing place in the country’s socio-economic space.

It should be noted that the presented types of
regional development strategies do not include innova-
tive strategies, which, in our opinion, are among
the most important when it comes to advanced develop-
ment. Therefore, we propose to distinguish by the
criterion “By type of innovation”:
  – strategy of innovative breakthrough,
  – strategy of innovative improvements,
  – strategy of innovative modifications.

This systematization will make it possible to spec-
ify the type of change system to be implemented at
the regional level.

Also, despite the expanded list of classification
features and types of strategies identified by schol-
ars, in our opinion, they have not taken into account
all the peculiarities of funding strategic decisions,
which needs to be further developed.

Ukrainian scientist Kachnyi O. S. notes that strat-
egies for socio-economic development of regions
may have such sources of funding in the relevant
areas [11]:
  – demographic – from state programs;
  – education – from the state and local budgets;
  – healthcare – from multichannel financing (funds,
health insurance funds, budgetary and insurance
medicine), state and local budgets;
  – housing policy – from state and regional pro-
grams, developers’ own funds;
  – housing and communal services – from state
and regional programs, alternative forms of utility ser-
dvices (based on enterprises of various forms of own-
ership), and non-governmental sources;
  – structural changes in the economy – from state
and regional development programs in the State
Budget of Ukraine, local budgets, from own funds of
business entities, borrowed funds, and other sources;
  – agricultural sector – from the state and local
budgets, own funds of the region’s business entities,
borrowed resources, and financial and credit services
(through the integration of banking, agricultural, and
industrial potentials);
  – small businesses – from the Region Small
Businesses Comprehensive Program for the
Development and Support from the regional budget;
  – financial infrastructure and the stock market –
from own funds, resources of banking and non-bank-
ing financial institutions, and joint stock companies;

<table>
<thead>
<tr>
<th>№</th>
<th>Classification feature</th>
<th>Types of regional development strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Depending on the tool set used</td>
<td>active, passive</td>
</tr>
<tr>
<td>2</td>
<td>Depending on the strategic actions target</td>
<td>territorial, sectoral, integral</td>
</tr>
<tr>
<td>3</td>
<td>Depending on the problem of the region’s internal potential</td>
<td>development, stabilization</td>
</tr>
<tr>
<td>4</td>
<td>Depending on the tasks and their time content</td>
<td>intermediate, conceptual</td>
</tr>
<tr>
<td>5</td>
<td>Depending on regional conditions</td>
<td>uniqueness, diversification</td>
</tr>
<tr>
<td>6</td>
<td>By action aspect</td>
<td>economic, social, environmental complex</td>
</tr>
<tr>
<td>7</td>
<td>By functional feature</td>
<td>investment, marketing, information support, other</td>
</tr>
</tbody>
</table>

Source: [6; 7; 9; 10]
Depending on the tool set of actions:
- active
- passive

Depending on the target of strategic actions:
- territorial
- sectoral
- integral

Depending on the aspect of action:
- economic
- social
- environmental
- complex

Depending on the tasks and their timeframe:
- intermediate
- conceptual

Depending on foreign economic conditions:
- “passive response”
- “operational approach”
- “defensive response”
- “constructive measures”

Depending on environmental friendliness:
- uniqueness
- diversification

In terms of environmental friendliness:
- development of the physical environment and resources
- business development
- human resources development
- local public initiatives

Depending on the concepts of strategic development:
- development of territories
- development of industries

Depending on the focus of management:

Depending on the area of competitiveness formation:
- economic
- social sphere
- demography
- entrepreneurship
- institutional structure, other

Depending on the environment to which the strategy is directed:
- intra-regional
- ensuring competitiveness within the country
- external economic

Depending on regional conditions:
- uniqueness
- diversification

By the aspect of action:
- economic
- social
- environmental
- complex

By the type of innovation:
(proposed by the author)
- innovative breakthrough
- innovative improvements
- innovative modifications

By the type of funding:
(proposed by the author)
- at the expense of public funds
- at the expense of local budgets
- at the expense of multichannel financing

Depending on the conceptual approaches of development:
- as a philosophy of achieving competitiveness
- as a set of rules
- as a specific action program

Depending on the methodological approaches of development:

By functional feature:
- investment
- marketing
- information support
- other

By the type of innovation:
(proposed by the author)
- innovative breakthrough
- innovative improvements
- innovative modifications

By types of funding:
(proposed by the author)
- at the expense of public funds
- at the expense of local budgets
- at the expense of multichannel financing

Depending on foreign economic conditions:
- “passive response”
- “operational approach”
- “defensive response”
- “constructive measures”

Depending on the issue of the region’s potential:
- development
- stabilization

Depending on the timeframe:
- intermediate
- conceptual

By the aspect of action:
- economic
- social
- environmental
- complex

Depending on the issue of the region’s potential:
- development
- stabilization

Depending on the tool set of actions:
- active
- passive

Scheme 1. Regional Development Classification Strategies

Source: compiled by the author
investment policy – from the funds of enterprises and region organizations, external and internal investors, state and local budgets;

– innovation policy – from the state budget and enterprises’ own resources;

– transportation sector – from state and regional programs, and from the companies’ own funds;

– trade and consumer services – from private capital;

– international cooperation – from local budgets and enterprises’ own funds;

– the labor and employment market – from the General Compulsory Social Insurance Fund of Ukraine in case of unemployment, from enterprise funds, targeted investments, and other sources;

– social security and insurance – from the Pension Fund, the State Budget (in the amounts stipulated by the Law of Ukraine “On the State Budget of Ukraine”), and compulsory state social insurance funds;

– environmental policy – from regional targeted programs, state and local budgets, environmental protection funds, and enterprise funds.

Given the fact that funding sources are extremely important for the implementation of regional development strategies, we propose to classify them by the following criteria “By type of funding”:

– at the expense of state funds;

– at the expense of local budgets;

– through multichannel funding (including domestic and foreign investment, lending, funds of business entities, banking and non-banking institutions, equity capital, etc.)

Such an expansion of the classification of regional development strategies is important in the context of further development of scientific thought (improvement of the theoretical foundations of regionalism), as well as from a practical point of view (formalization of the process of strategy development/improvement).

The considered and proposed features and types of regional development strategies are schematically presented at Scheme 1.

Conclusions. Based on the results of the regional development strategies classifications study, it is proposed to expand the list and content of classification features and to distinguish, by the “Type of innovation” feature: strategies of innovative breakthrough, innovative improvements and innovative modifications, and by the “Type of funding” feature: strategies at the expense of public funds, at the expense of local budgets and at the expense of multichannel financing. Such proposals are a further step in the development of the scientific theory of regionalism, and are also important from a practical point of view (in the context of formalizing the process of strategy development/improvement).

The results obtained can be used in further scientific research and implemented in the activities of regional authorities.

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