

IMPROVING THE CLASSIFICATION OF REGIONAL DEVELOPMENT STRATEGIES

ВДОСКОНАЛЕННЯ КЛАСИФІКАЦІЇ РЕГІОНАЛЬНИХ СТРАТЕГІЙ РОЗВИТКУ

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.

Метою статті є розширення класифікації регіональних стратегій розвитку. Методи дослідження: порівняльний аналіз, логічний аналіз, узагальнення, систематизація. Об'єкт дослідження: класифікаційні ознаки регіональних стратегій розвитку. Предмет дослідження: види стратегій регіонального розвитку. У статті представлено результати проведеного автором порівняльного аналізу наявних у вітчизняній та закордонній науковій літературі класифікацій регіональних стратегій розвитку. Відзначено відсутність сталої класифікації та необхідність її розширення з огляду на високу турбулентність змін, що відбуваються у внутрішньому і зовнішньому середовищах, та нові виклики і завдання, які постають перед регіонами. Запропоновано розширити перелік і зміст класифікаційних ознак регіональних стратегій розвитку та виокремити за ознакою «За типом інновацій» стратегії інноваційного прориву, стратегії інноваційних удосконалень та стратегії інноваційних модифікацій. Це дозволить конкретизувати вид системи змін, які будуть реалізовуватись на рівні регіону. Також запропоновано за ознакою «За видами фінансування» виокремити стратегії за рахунок державних коштів, стратегії за рахунок місцевих бюджетів та стратегії за рахунок багатоканального фінансування (у т.ч. кредитування, коштів суб'єктів господарювання, банківських і небанківських установ тощо). Це дозволить враховувати джерела фінансування, які є надзвичайно важливими для подальшої реалізації стратегій розвитку регіонів. В цілому такі пропозиції є подальшим кроком у розвитку наукової теорії регіоналізму, а також важливі з практичної точки зору (в контексті формалізації процесу розроблення/вдосконалення регіональних стратегій). Отримані результати можуть бути використані в подальших наукових дослідженнях та впроваджені в діяльність регіональних органів влади.

Ключові слова: стратегія розвитку, регіон, класифікація.

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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:

- 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-III);

- Law of Ukraine “On the Principles of State Regional Policy” (February 5, 2015, № 156-VIII) [4]

- Law of Ukraine “On Local State Administrations” (April 9, 1999, № 586-XIV);

- Law of Ukraine “On Local Self-Government in Ukraine” (May 2, 1997, № 280/97-VR) and others.

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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 [5], Luke Cooper, Shershniova Z. E. 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], Edward J. Blakely [8], Zavytii O. P. [9], Kolodynsky S. B., Kubinii N. Y., Putsenteylo P. R., Miklovda V. P., Tsitsak L. M. [10], Kachnyi O. S. [11], Zhovnirchuk Y. F. [12], Leontieva Y.Y. [13] 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 Zhovnirchuk 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 Kolodynsky 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 Kolodynsky 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,

The classification of regional development strategies

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

Source: [6; 7; 9; 10]

- 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 decision-making regarding the region's competitiveness,
 - as a specific program of actions to ensure the region's competitiveness.

Putsenteilo P. R. and Zavytii O. P. [9], as well as Miklovdva 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 development strategies depend on the authors' research interests, are not universally recognized and comprehensive, and need to be expanded, given the transformations taking place in the country's socio-economic space.

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

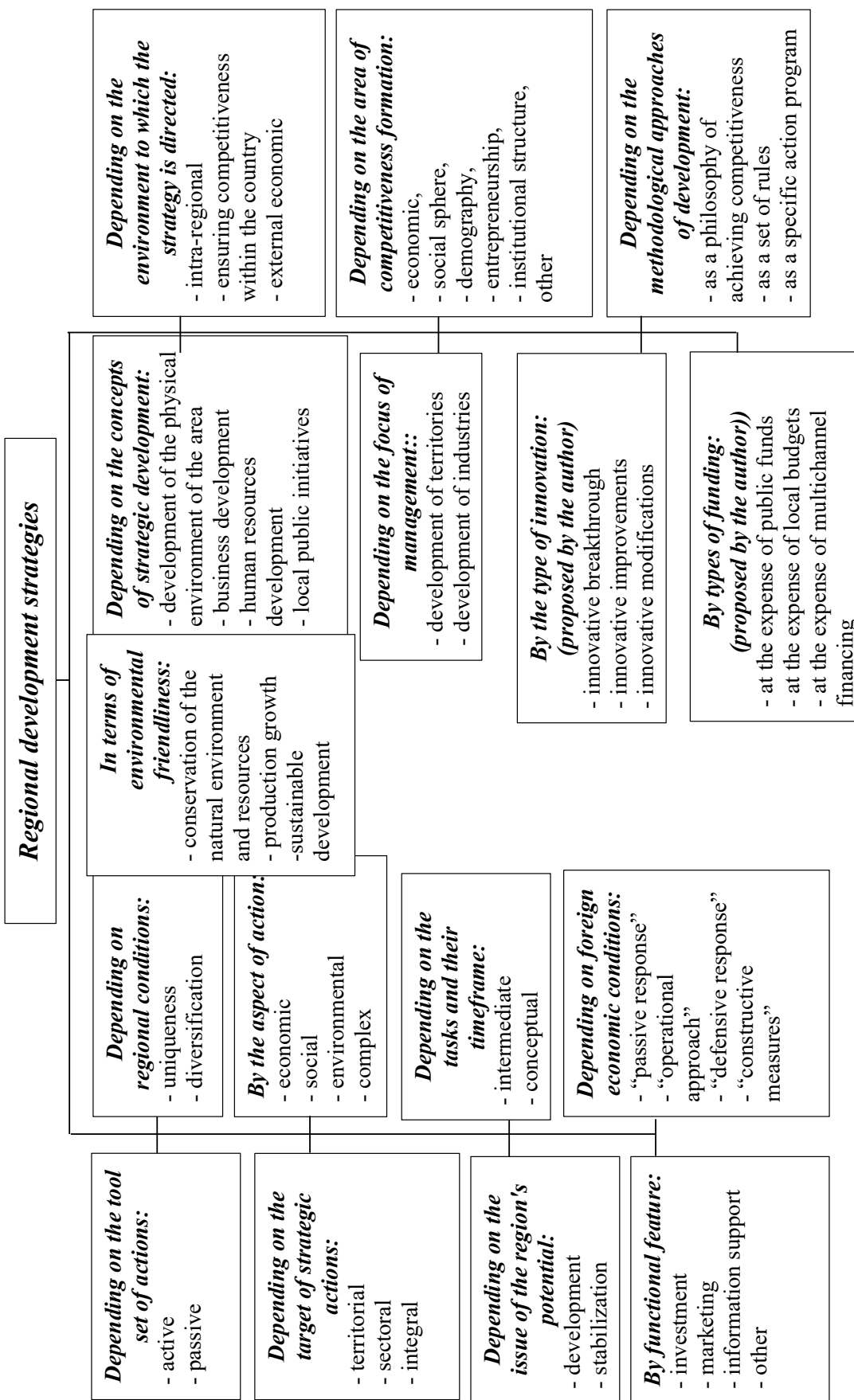
- strategy of innovative breakthrough,
- strategy of innovative improvements,
- strategy of innovative modifications.

This systematization will make it possible to specify 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 scholars, 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 strategies 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 programs, developers' own funds;
- housing and communal services – from state and regional programs, alternative forms of utility services (based on enterprises of various forms of ownership), 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-banking financial institutions, and joint stock companies;



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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