

3. LOCAL DEVELOPMENT AS A FACTOR FOR POLICY FORMULATION FOR PUBLIC ADMINISTRATION

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Ensuring sustainable local development is possible only with a balanced impact on all its components. Therefore, solving the problems of regional development requires, first of all, a clear definition of the essence of this category and priority directions.

In scientific literature, development is interpreted as a process of transition from one state to another, more perfect (Cornea, 2009). Depending on the object, it can be mental, cultural, technical, and economic. It is also noted that the universal property of development is the irreversible, directed change of matter and consciousness. This change can be evolutionary when quantitative characteristics of the object gradually change, or revolutionary when qualitative changes are made. It is recognized not only progressive but also descending, regressive development possible although the views of different scholars on this subject are not unanimous.

In the conditions of globalization, the competitiveness of the country's economy depends on the ability of the territory to ensure economic growth. The results of the annual evaluation of the country's achievements in human development and competitiveness significantly affect its image in the world community. One of the methods by which the Global Competitiveness Report at the World Economic Forums in Geneva determines the country's ranking is based on an assessment of the conditions for growth. Its authors proposed to define a general Growth Competitiveness Index based on three components: Macroeconomic Index, Technology Index and Index of Governmental Institutions (World

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Economic Forum, 2005)¹.

So, economic growth requires financial support, which is quite tricky to do in transition economies, especially given the need to ensure sustainable development, which involves increasing the focus on solving social and environmental problems.

The Eastern European countries are in a permanent residence of reform. This state requires from the authorities (central, regional, local) and citizens to understand the strategy and tactics of change, transparent criteria and principles for determining the success of reforms at all stages, as well as the ability of the public administration system to address socio-economic problems on based on a common desire for economic efficiency, environmental responsibility and overall unity. Decentralization is the basis for a broad range of Ukrainian reforms, and actually, it is today that it is most developed and implemented. It is within its framework that public administration bodies have ample opportunities to initiate development programs since they have extended powers, financial and material resources to address social, economic and other issues. This situation leads to the formation of self-government of the European model; motivates local public administration bodies to develop strategies for regional development, to attract more investment, etc.

An overview of local economic development (LAD) experience in the Eastern Partnership countries shows that the planning element (both at the state and local levels) is based on a variety of aspects of the program-target method (PTM). The first steps in its implementation were made in the United States in 1949 when the Supplement to the Federal Law on National Security was adopted. In 1950, the law „On Budget and Budget Reporting” - the requirement to submit a budget in the format of programs - was extended to all federal ministries and departments. At the national level, a holistic program budget target was first applied to the Ministry of Defense by Secretary Robert McNamara in the mid-1960-s (Schick, 1966). Since then, the practice of PTM actively used in its economic planning, most of the countries of the European Union (EU), Ukraine, Belarus, Azerbaijan, Georgia, Armenia. Since 2016, Moldova has been actively considering the possibility of introducing PPB into the system of socio-economic and budgetary planning. The EU, as a leading international donor, assists exclusively in the program-specific format, with specific indicators which demonstrate the effectiveness of targeted resources for the recipient countries.

One of the main problems of sustainable development is the constant

¹ Each of these components is assessed by indicators, which are determined on the basis of statistical reporting and expert assessments.

population growth and the need to improve the quality of life. Therefore, sustainable development is often associated with the limitations of the population, the use of natural resources. But the birth limitation is a kind of violence, does not correspond to the humanistic ideas of the present, it is desirable to find other methods for solving the problems of providing comfortable living conditions for the population and preserving natural resources for future generations. The humanitarian sphere represents a social phenomenon and is always associated with the specifics of social relations. At the regional and interregional levels, the democratisation of society, of course, requires the development of the humanitarian sphere, as its absolutely necessary attribute. At the same time, public administration must be improved, transformed in combination with many socio-economic indicators that determine its overall effectiveness.

Thus, this section has several goals:

- To reveal the content of the concept of economic development by making a comparison of economic development with related categories: process, evolution, growth. This approach made it possible to analyze in more detail the differences in the views of this category;
- To search for ways of financial funding which determines positive changes in economic development in the long-term, especially at the regional level, in order to reduce social tensions and to reduce the differences in the socio-economic development of the regions;
- To analyze the activity of public administration bodies in order to initiate development programs;
- To show how certain countries have achieved a high level of economic efficiency, openness and transparency in their economic policies;
- to define socio-economic factors of the transformation of public administration in the humanitarian policy of the state at the regional level.

3.1. Peculiarities of Local Development Paradigm

Modern approaches to the definition of local development

Modern conditions associated with the growing influence of globalization processes require a revision of approaches to the definition of local development. Some scholars associate economic development with growth, economic progress, structural transformations. Another group of authors, among which W. Samuels (2007), emphasized the cyclical nature of

development, its connection with evolution, progress and growth. The difference between evolution and development is attributed to the fact that most specialists associated with the fact that evolution is carried out by itself mainly under the influence of external factors, and development is carried out through effective human actions to reorganize internal processes. The need to recognize the differences between development and growth was emphasized by J. Schumpeter (Bazhal, 2016). After all, development is accompanied by qualitative changes, and growth leads to an increase in population and wealth.

The benefits of economic growth are diverse. First of all, it is associated with an increase in the living standard of the population, a reduction in the duration of the working week and, accordingly, an increase in leisure time for recreation and self-development, more excellent opportunities for choosing a type of occupation and relaxation, reducing differences for the living standards of the population and feeling injustice. (Dolan, Lindsey, 1974).

In most cases, development is identified with growth, the main feature of which is an increase in production volumes. For the country, an increase in GDP is seen as an indicator of growth. But economic growth is only one aspect of further development. It is important to remember that when the increase in production is accompanied by the destruction of landscapes, the deterioration of the ecological balance, the migration of the rural population to the city, the growth of psychological stress and diseases, the desire to obtain short-term benefits from growth can lead to disaster in the future. (Salmon, 1996)¹

Rapid growth often worsens the condition of the environment and increases the likelihood of a global climate catastrophe. Therefore, it is useful to pay attention not only to the growth rates but also to its directions. The priorities of local economic development have been given much attention to the governments of different countries, both in terms of planned and market economy. But they were mainly aimed at solving urgent current problems. Regulatory measures had their own peculiarities. In the conditions of the planned economy, the question of product quality and production efficiency was gradually exacerbated. In order to stimulate the efficient use of resources, different volumes of output were used, but

¹ According to the experts, nature can "sustain" the development of industrial production, ignoring environmental aspects of no more than 25 years, and then there are crisis phenomena in the form of loss of forests, desertification, deterioration of freshwater quality, loss of biodiversity.

they did not make it possible to affect the final product significantly¹.

On the other hand, technical progress contributes to increasing of labour productivity, but simultaneously increases the demand for raw materials, energy, and exacerbates the problem of extensive growth of the fuel and energy industry. To counteract this process is possible only by reducing the specific material costs per unit of output. Therefore, even at the stage of economic development, which is considered „mostly extensive“, extensive factors contributing to the development of intensive elements. Intensive growth is almost always a necessity to increase the resources involved in the process of production².

Intensification can be carried out both at the expense of a qualitative change of productive forces, and at the cost of the better use of resources. Accordingly, we can talk about quantitative and qualitative forms of intensive development. The quantitative direction is reflected in the more effective use of the already created production potential through the mobilization of internal reserves. The qualitative form of intensive development of production involves its qualitative improvement from using of fundamentally new equipment and technology, upgrading the skills of the workers.

It is also necessary to allocate partial (or resource intensive) intensification and full (resource-saving). Resource intensive or partial escalation predominantly takes place at the first stage of intensive development, when the saving of some resources (most often the labor force) can be accompanied by an increase in the costs of others. In this case, the total cost per unit of production should decrease. For many sectors of the economy of the former Soviet Union, it was precisely this form of intensification.

The role and place of public management in the system of local development

Market mechanisms encourage the efficient use of resources, but when it is necessary to withdraw the country's economy from a crisis, government policies and public regulation play a decisive role. In modern conditions,

1 At certain stages of economic development, the advantage was given to extensive or intensive factors of extended reproduction. These factors are interrelated. Thus, the construction of new enterprises and the increase in the number of employees is accompanied by an increase in the capital-labour ratio due to the equipping of new enterprises with more sophisticated equipment and labour productivity.

2 While there is an opportunity to increase the number of resources involved in the production, the positive mutual influence of extensive and intensive factors contributes to maintaining high rates of economic growth. When the possibility of expanding the use of essential resources is almost exhausted, the mechanism of interaction of factors begins to operate in the opposite direction.

the market economy has nothing to do with the chaotic effect of the „invisible hand“ of the free market; it is under the influence of a complex mechanism of public regulation. Therefore, ongoing formation and analysis of various macroeconomic patterns of growth are conducted.

The first models reflected the dependence of production volumes on the use of resources (primarily capital and labor); they were called production functions. Later, Nobel Prize winner Robert Merton Solow singled out the independent growth factor – scientific and technological progress (STP), which also introduces specific changes in production functions.

A distinctive feature of modern growth models is the extraordinary attention to a valuable resource - intellectual capital, which is made up of human, social and organizational capital (Armstrong, 1977). Human capital is the qualitative characteristics of workers, that is, knowledge, skills, through which each organization acquires certain distinctive features, the ability to renew. That is what it guarantees competitiveness, efficiency and economic growth (Grayson, O'Dell, 1991).

The new concept of human development attaches particular importance to the formation and effective use of productive abilities of a person. Although in the history of humanity there were already such times when the improvement of the labor force played a decisive role. So, before the production of machine production, progress was due solely to the growth of the skill of workers due to the accumulation of empirical knowledge. Further analysis of historical events suggests that the development of the material and technical basis and the improvement of human capital alternately became the cause or consequence of each other. The previous proves the presence of two closely related but different processes, which it is advisable to distinguish and compare. Improvement of the labor force was considered as one of the social results of the STP.

In modern conditions, natural resources, capital acquire secondary importance. But knowledge becomes the determining factor. They become a real means of achieving economic and social results. At the start of the XXI century, „human capital in the national wealth of the world community is 64, natural capital - 20, and physical only 16 per cent“ (**Gibson, Ivancevich, Donnelly, Jr., Konopaske, 2012**).

The formation and use of human capital can be carried out at various levels (Schermerhorn, Osborn, Uhl-Bien, Hunt, 2012):

- on a personal level, each person, through education, acquires productive abilities that bring income and form the basis of personal (private) human capital;
- at the micro level, the combined productive abilities of the

employees of the enterprise (organization), together with the achievements of managers in the organization and motivation of labor and the use of production and commercial capital, lead to the receipt of profits;

- at the regional or state level, it means a local and national human capital that includes the sum of human capital of all enterprises, organizations and private capital (without re-counting) and is part of the national wealth of the country.
- First of all, it has to note that human capital is inseparable from a person, and its formation requires time, money and human desire to strengthen their health, acquire knowledge and skills.
- Proceeding from this, the formation of human capital requires the solving of many social problems:
 - taking care of the health of the population and overcoming negative tendencies that lead to its „extinction” (reduction of mortality, increase in fertility and life expectancy);
 - promotion of comprehensive human development; increase of leisure time and creation of possibilities for its productive use;
 - formation of an effective system of education of the population, which will ensure timely identification of various abilities of children and their development, obtaining the desired level of education, timely upgrading of skills.

Of course, the presence of talented, educated people still does not guarantee the effective development of the organization. It is useful to create such conditions that employees sought to reveal their creative abilities and pleased to spend all their knowledge and skills on the realization of the strategic objectives of the organization, region, country. But a person with advanced creative abilities, capable of constant innovation, cannot be a simple executor, a passive „cog” of a complex mechanism. Although each country chooses its development path and uses models that are in line with its strategy, it must take into account the trends of the world economy. And he is characterized by globalization, which leads to the interdependence of transportation, sales, communications and economic networks of different countries (Gibson, Ivancevich, Donnelly, Konopaske, 2012). Therefore, managerial thinking cannot be limited to local interests and conditions; managers must think of global categories.

The new century is marked by changes in development priorities¹. These

¹ By support from the United Nations Development Program (UNDP) becomes increasingly spreading the concept of “human development”, the idea of which is to transfer the focus of increasing production in the formation of human capital, creating conditions for the long and healthy life.

ideas are reflected in the Millennium Declaration of the United Nations (UN). The formation of a new concept of human development was preceded by a long-term study of specialists from different countries on the global modelling of the most critical processes for humanity and the forecasting of possible problems that began in the 1950-s. According to scientists' forecasts, mineral resources can be exhausted in the first decades of the XXI century, the growth of production will be stopped, and pollution of the natural environment will be irreversible. Some futurologists identified three of the top priorities. The first is the threat of the food crisis in developing countries (in case of rapid population growth and the slow development of industry and agriculture). The second is the threat of irreversible environmental pollution in developed and developing countries. The third is the possibility of psychophysiological crisis, which is conditioned by the growth of psychological stress and the development of means of targeted influence on the physiological and mental state of a person¹.

The impact on the health of people around the environment makes it necessary to focus on environmental, economic and social development. Such a model is called sustainable development. It envisages, along with a sharp increase in the rate of growth, the rational use of natural resources, the provision of conditions for the existence of future generations by restoring the environment.

Features of forming a strategy for sustainable development of the country's regions

The very notion of sustainable development is considered controversial because of ambiguity since to one concept two words are combined that have an intrinsically opposite meaning: stability implies equilibrium, and development is possible only if the system leaves the equilibrium state continuously. Such ambiguity leads to the presence of several dozen definitions, among which the most imaginative is the definition of sustainable development as an opportunity to live „on interest“ from natural capital.

¹ The concept of "zero growth", which envisioned a simple reproduction of the population, equipment for production, transfer of the industrial output and utilities for the complete utilisation of waste was proposed to solve these problems. The impossibility of implementing this concept has necessitated the formation of other thoughts that more accurately reflect the interests of different segments of the population and regions. The process of improving concepts of development was accompanied by the replacement of "zero growth" with "limited" and then the emergence of the concept of "quality of life", which requires compliance with certain standards of safety and content of work, quality of food, housing conditions, health status of the population.

The beginning of the millennium is marked by the definition of the UN values, principles and key development factors in three main areas: peace and security, development and human rights¹.

The developed universal development goals in many countries of the world have been adopted, and the target indicators of their development have been established considering the specifics of the national situation.

In 2015, at the session of the UN General Assembly, new development guidelines were approved: 17 Sustainable Development Goals and 169 objectives, funds for implementation and global partnership, as well as a framework for further activities and implementation review (United Nations Ukraine). Sustainable development frameworks are defined: 1) the eradication of poverty in all its forms; 2) eradicating hunger, achieving food security, improving nutrition, and promoting sustainable agricultural development; 3) ensuring a healthy lifestyle and improving well-being for all at any age; 4) ensuring inclusive and quality education and creating opportunities for lifelong learning; 5) ensuring gender equality and women's empowerment; 6) ensuring access and sustainable management of water resources; 7) providing access to reliable, sustainable and modern energy for all; 8) promote growth, based on principles of sustained, inclusive and sustainable economic, full and productive employment and decent work; 9) the development of sustainable infrastructure, the promotion of comprehensive and sustainable industrialization and the stimulation of innovation; 10) reduction of inequality within countries and between countries; 11) development of cities and settlements based on inclusiveness, sustainable, safe living; 12) ensuring sustainable consumption and production; 13) implementation of urgent measures to combat changes of climate and its consequences; 14) the conservation and sustainable use resources of oceans, seas and marine for sustainable development; 15) protection, restoration and promotion of sustainable use of terrestrial ecosystems, and forest management, combating desertification, stopping land degradation and halting loss of biodiversity; 16) promoting the development of a society on the principles of peaceful and inclusive for sustainable development, ensuring access to justice for all and developing effective, accountable institutions at all levels; 17) Strengthening, implementation, and activation of the global partnership for sustainable development.

¹ The first 15 years were defined as the time for the implementation of eight goals aimed at eliminating all major obstacles to the dignified life of any person in any society: eradicating hunger and extreme poverty, ensuring access to education, ensuring gender equality, reducing maternal and child mortality, reducing scale of HIV / AIDS and other diseases, ensuring environmental sustainability and harmonizing external assistance for developing countries.

However, even at first glance, it is clear that for different countries these goals will have different priorities. Therefore, partner countries should take this into account and coordinate development strategies.

In Ukraine, national consultations on defining the development agenda for the period after 2015 took place in early 2013. The following key development priorities were identified: (UNDP Ukraine):

- development of an equitable socially integrated society capable of ensuring equality of opportunity and social justice;
- the formation of an effective and honest government;
- the formation of an effective health care system: an increase in the duration of a healthy life;
- creating conditions for decent work: promoting human development and realizing human potential;
- formation of an innovative model of economic development;
- ensuring a healthy environment: preservation and development of the ecological potential of the territory;
- eating conditions for affordable and quality education to ensure spiritual development and competitiveness in the labour market;
- development of infrastructure to overcome regional disparities.

However, the analysis of statistical data by regions for 2016 indicates an imbalance in their development. In particular, the main macroeconomic indicators, such as the number of employees engaged in the economic activity; available income per capita; and the gross regional product, only seven oblasts, except for Kyiv, have an average (or above average) indicator in Ukraine. These are Dnipropetrovsk, Zaporizhzhya, Kiev, Lviv, Odesa, Poltava and Kharkiv regions. The indicators of the city of Kyiv exceed the average level in the country by 2-3 times (Verner, 2017 a, pp. 16-17).

A slightly better situation is observed with the average life expectancy at birth, where nine oblasts, except Kyiv, have an average higher than the average in Ukraine. However, only the Lviv region (Verner, 2017 a, p. 43) came from the previous seven.

The provision of the population with physicians of all specialties at a level above the average has ten oblasts and the city of Kiev. The list of regions includes Dnipropetrovsk, Zaporizhzhya, Lviv, Odesa, Poltava, and Kharkiv, as well as Vinnitsa, Ivano-Frankivsk, Ternopil and Chernivtsi regions (Verner, 2017 a, p. 197).

Also, ten regions are included in the range of average or above this level of emergency housing stock. Oddly enough, these are the Dnipropetrovsk, Lviv, Odesa, Poltava, and Kharkiv, as well as Vinnytsya, Donetsk,

Zhytomyr, Kyiv and Cherkasy regions. At the same time, the Donetsk oblast index is more than two times higher than the average, and Odesa's index more than four times (Verner, 2017 a, p. 223).

For the use of fresh water in addition to the city are allocated industrial Dnipropetrovsk, Donetsk, Zaporizhzhya, Kiev and Kharkiv regions and agrarian Kherson region. And the consumption of fresh water in all regions, except the Kharkiv region, exceeds the average level by 2-4 times (Verner, 2017 a p.270).

According to the number of innovation costs for 2015, only Vinnytsya, Dnipropetrovsk, Donetsk, Kharkiv regions and Kyiv have an average or higher than the Ukraine average in Ukraine. At the same time, the total innovative costs of the city of Kyiv exceed the average in Ukraine by four times. The indicator of innovative expenses of Dnipropetrovsk region exceeds the average index in Ukraine by 13 times. That is, more than half of all innovation costs in Ukraine falls to the Dnipropetrovsk Oblast (Verner, 2017 b, p.669).

In the traditional model of sustainable development, the problem lies in achieving compromises between the three objectives: promoting economic growth and competitiveness, reducing social inequality and preserving the base of natural resources. These three goals are seen as mutually reinforcing, not contradictory. So, the goals of sustainable development require a consistent integration of efforts aimed at jointly encouraging a new type of economic growth that would correspond to the aspiration of social justice and provide for proper care of the environment.

The process of forming the system of sustainable development goals of the regions, relevant tasks and indicators in Ukraine should provide changes in approaches to public administration and planning, considering people's aspirations for the three dimensions of the sustainable development model.

3.2. Theoretical Principles of Financial Provision of Local Economic Growth

Factors of economic growth

According to some scientists, the physical capacity of the economy to increase is determined by supply factors, which include the quantity and quality of natural and human resources, the country's capital, technology. Ensuring the full use of available resources is an area of influence of the factors of demand, to which it relates the level of taxation, the interest rate on loan, the degree of capacity utilisation and the number of government expenditures. Distribution factors should ensure the production efficiency and optimal structure of national production. Institutional factors

contribute to the creation of a positive socio-cultural and political atmosphere.

Formation of labour potential, the growth of material and real capital of the country, the introduction of the latest technologies require investment. Their provision is carried out by financial methods¹.

The views of specialists on the priority directions of economic reform and improvement of the financial mechanism of management of economic growth differ significantly. Economists prefer the following areas: strengthening centralized control on the basis of a planned economy, focusing on monetary methods of regulation, the use of economic regulators for the revival of production, recognition of the primary source of economic growth for attracting foreign investment.

The failure of centralized regulation by administrative methods to ensure rapid growth has already been proven by historical experience. To rely entirely on foreign investment is also not worth it; it is better to look for ways to secure the financial resources needs on their own. Own resources for the realization of the general strategy are formed from financial results of the activity of the subject of management. Therefore, in enterprises in the system of administration, the financial management, which is the process of control of the formation and use of financial resources, economic relations between the entities, promotes the increase of efficiency of production, marketing management, and personnel management is central to the management system.

The need to ensure sustainable development of regions, which requires additional resources to improve the environmental situation, the formation of human capital, determines the key positions of financial management and at the regional level. At the state level, active monetary policy can become the driving force behind development. The credit emission under the control of the government can give impetus to the development of priority sectors, the general rise of the economy by multiplying the effect, which is the growth of the economic result at the expense of related industries several times in comparison with the initial investments².

But the minimum critical value of an investment, according to many economists, should be at least 12-15% of national income, which can lead to significant inflation.

¹ The level of taxation and the interest rate somewhat relates to the financial mechanism, the components of which are considered: fiscal, fiscal, tax, monetary and depreciation policy.

² The direct value of the growth of the effect evaluates the magnitude of the multiplier - M.

Financial resources and their role in local development

The financial resources of any system provide support for its activities and further development. However, the sources of resources, the order and directions of their use differ in the microeconomic and macroeconomic levels. In the process of formation and use of financial resources of society, the following methods are used: financial planning, operational management, control, financial support and financial regulation.

Enterprises form their financial resources at the expense of profits, depreciation deductions, and other sources (involving, if necessary, external resources). Therefore, one of the most critical tasks of the enterprise is the management of profit, as the main result of activity and resource for implementation of the general strategy. In this case, the primary objective of profit management, some scholars believe that the welfare of the owners of the enterprise in the current and long-term periods, and the main goals of the complex and multi-level income management system - management of its formation, optimization of distribution of profits between consumption and development, effective use of capitalized share of profits. There is no doubt that these tasks are interrelated since the possibility of generating profit depends not only on the efficiency of conducting current business but also on investments in further development and effective use of them. In this case, the management of the company has the necessary powers to determine the product strategy, the organization of marketing activities, regulation of the process of formation of costs. Achieving cost savings and gaining a competitive advantage at the micro level is possible by creating prerequisites for ensuring potentially low costs and savings at all stages of production and product promotion¹.

Macroeconomic systems in market conditions should ensure the functioning and development of socially essential activities, the implementation of social and environmental programs. The financial resources of the country and the region consist of finances of enterprises, organizations, finances of the population, budget resources. Financial resources depend on the financial results of the country's economy, which consist of profits from various types of economic activity. The most significant impact on the overall outcome belongs to the industrial complex, which has a share of about 50 per cent (see Table 3.2.1). Although in 2016, compared with 2015, the profitability of the industry decreased by almost 15 times; in absolute terms, the financial result, as compared to 2010,

¹ Potential costs depend on equipment, technology, which can be improved by attracting investment. Current expenditures mainly depend on the qualifications, experience, and motivation of the staff.

decreased by UAH 43 billion.

It should be noted that the catastrophic decline in the financial effect of financial and insurance activities, as well as real estate operations, is also a consequence of the „hybrid war” and does not reflect the actual state of economic development. However, despite the crisis caused by external factors, the contribution of the agricultural complex has increased significantly, although it did not significantly affect the increase in total profits due to the reasons mentioned earlier. It is worth noting the growth of a positive impact on the overall financial result of education and the provision of various services.

Taking into account the general growth of the financial result of the economy in 2016, compared with 2015, by 14.9 times, it is possible to state the importance of positive changes in the structure of the commercial complex of Ukraine.

Table 3.2.1. Structure of the financial results of the Ukrainian economy by types of economic activity before taxation, mln. UAH

Activities	2010	2015	2016
Total profit (loss)	58334,0	-340126,6	-22875,0
Agriculture, forestry, and fisheries	17291,8	103137,6	90661,0
Industry	31221,1	-181360,9	-11841,0
Construction	-4418,2	-25074,1	-8902,0
Wholesale and retail trade; repair of motor vehicles and motorcycles	14883,5	-80564,3	7115,8
Transport, warehousing, postal and courier activities	5058,9	-13921,8	12239
Temporary placement and organization of food	-548,1	-7094,4	-1863,4
Information and telecommunications	4101,4	-10166,6	4240,6
Financial and insurance activities	15627,0	-171,3	-91777,0
Real estate operations	-6537,7	-63470,1	-40260,7
Professional, scientific and technical activities	-15110,3	-47964,1	23942,2
Activity in the field of administrative and auxiliary services	-1578,5	-9425,1	-5737,2
Education	88,3	105,3	112,4
Healthcare and social assistance	9,8	-961,1	158,4
Arts, sports, entertainment, and recreation	-1784,6	-3489,2	-1214,7
Provision of other types of services.	29,6	293,5	251,6

Source: Verner (2017, pp. 494-497)

The success of the management of economic processes in the region depends on trust in the government, the establishment of interaction between all interested groups: representatives of the authorities, business, academics, and the public. With the general desire to make it almost impossible, despite all the hardships and obstacles, to achieve the real goal of ensuring sustainable development of the region in accordance with world standards, the main task of the regional administration is the formation of development goals, the justification of the ways to achieve them, and the promotion of accessible means of action of business entities, aimed at realizing the strategic tasks of the region. Detailed comparative information on the main results of the regions' development, especially their financial aspects, as well as the dream results can play a supportive role. First and foremost, it is necessary to determine the criteria for evaluating the effects of financial activities.

It should be noted that the needs of regions in financial resources are significantly dependent on the population. Therefore, it is proposed to assess the financial performance of the regions' management by two indicators - the financial result per capita and the ratio of the financial consequence of profitable enterprises and gross regional product (GRP).

$$\text{IFR} = 0,5 \text{ IFR}(\text{per capita}) + 0,5 \text{ IFR}(\text{per unit GRP}) \quad (3.2.1)$$

In order to compare the achievements of regions, set goals and identify reserves for increasing financial results, it is expedient to use indicators that reflect the ratio of indicators for each region and the maximum. That is, for an individual component, the indicator region of the leader will be equal to 1.0¹. Not surprisingly, the most substantial financial result per capita is provided in Kyiv. Although the conditions of the economy in the capital differ from other cities and even more regions, these results can serve as a benchmark for industrialized areas. Otherwise, it will not be possible to achieve a European level of economic efficiency and well-being of the population. First of all, it concerns the Zaporizhzhya and Kirovograd regions, which alone provided about 30% of the financial result of Kiev. They should become the benchmark for the Vinnitsa, Kyiv, Poltava, Sumy, Kherson and Cherkasy regions, which achieve higher than the average in Ukraine, the regions whose indicators exceed 0.1 must aim at reaching the current average level in Ukraine. Unfortunately, the indicators of four oblasts are characterized by hundreds of shares of the unit, and the financial results of Dnipropetrovsk and Luhansk oblasts even have negative significance. As in the enterprises, the management of financial resources of the country and regions is essential for their stable distribution

¹ The results of the calculation of indicators for the regions of Ukraine are presented in Table 3.2.2.

and efficient use of each area of activity of the allocated funds.

Table 3.2.2. Calculation of the integrated indicator of the financial result of the region's economic activity for 2016

Regions (Oblasts)	Financial result per person, UAH	IFR(per capita)	Ratio of profitable financial result and regional product, %	IFR(per unit GRP)	IFR
Ukraine	-521,35	-0,021	23,43	0,484	0,231
Autonomous Republic of Crimea			
Vinnitsya	5936,68	0,240	18,73	0,387	0,313
Volyn	337,75	0,014	11,90	0,246	0,130
Dnipropetrovsk	-39743,81	-1,605	20,78	0,429	-0,588
Donetsk	-3630,23	-0,147	10,66	0,220	0,037
Zhytomyr	2057,32	0,083	11,19	0,231	0,157
Zakarpattia	1175,41	0,047	8,79	0,181	0,114
Zaporizhzhya	7932,91	0,320	22,47	0,464	0,392
Ivano-Frankivsk	-2078,85	-0,084	7,42	0,153	0,035
Kyiv	4727,41	0,191	21,81	0,450	0,321
Kirovograd	7228,52	0,292	20,02	0,413	0,353
Luhansk	-11494,78	-0,464	13,91	0,287	-0,089
Lviv	849,53	0,034	10,72	0,221	0,128
Mykolaiv	-202,50	-0,008	16,62	0,343	0,167
Odesa	-550,93	-0,022	16,08	0,332	0,155
Poltava	6339,78	0,256	16,53	0,341	0,299
Rivne	101,66	0,004	8,52	0,176	0,090
Sumy	5446,45	0,220	17,80	0,367	0,294
Ternopil	-52,21	-0,002	11,77	0,243	0,120
Kharkiv	1066,75	0,043	13,03	0,269	0,156
Kherson	3551,06	0,143	17,95	0,371	0,257
Khmelnysky	2338,68	0,094	14,70	0,303	0,199
Cherkasy	5211,99	0,210	18,20	0,376	0,293
Chernivtsi	469,88	0,019	5,43	0,112	0,066
Chernihiv	2155,70	0,087	15,95	0,329	0,208
city of Kyiv	24764,17	1,000	48,44	1,000	1,000
city of Sevastopol

Source: Verner (2017b, pp.102-104) and own calculation

Therefore, state regulation should be based on the application of economic methods of management, the primary purpose of which is to ensure the effectiveness of the financial mechanism, which is a set of financial

methods and forms of influence on the development of society¹.

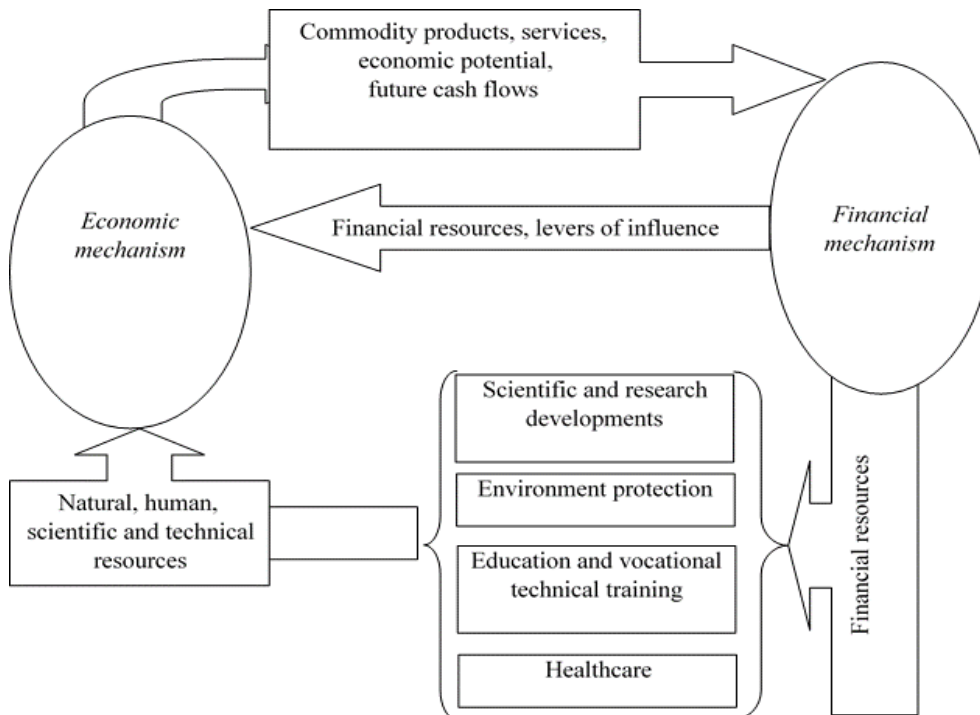


Figure. 3.2.1. Economic and financial mechanisms in the system of local development (Source: own representation)

The economic mechanism provides a particular direction of economic activity through the development of development strategies, indicative plans, the formation of economic potential, which creates the basis for future financial revenues. The financial mechanism strengthens the functioning of the economic mechanism by providing economic activity with financial resources and the use of financial levers of influence to stimulate the necessary structural changes, innovation activities, etc. The operation of the financial mechanism provides sources of financing for scientific research, the formation of intellectual capital, the implementation of social protection of the population, environmental protection. The main component of the financial mechanism of state regulation at different levels of government is „budget management“.

Strategic planning of financial resources management and results

In modern conditions, the problems of budgetary management in Ukraine

¹ On Figure 3.2.1. the relationship between the economic and financial mechanism in the system of local development is reflected.

are among the most acute, not only from the point of view of ensuring economic development but also in the social and political context.

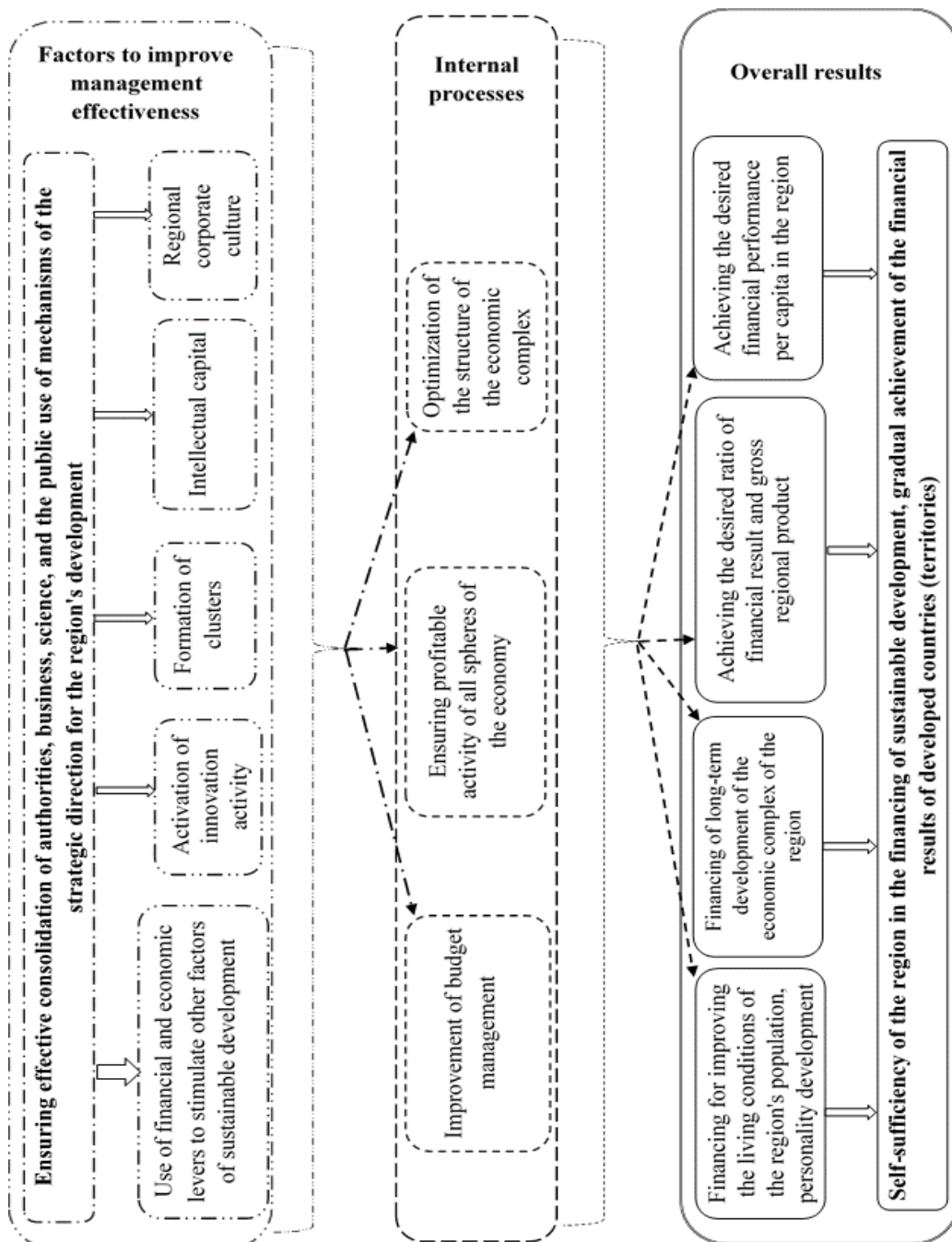


Figure. 3.2.2 Strategic map of management of financial results and resources of the region (Source: own representation)

This approach is due to the discrepancy between long-term and short-term goals. Current social and environmental problems require increased consumption costs. Development is mainly provided by long-term investments. But they will provide an increase in financial resources and the possibility of financing the social sphere, improving the environmental situation in the future. Providing benefits to spending on current goals without investing in further development leads to „eating up” capital and further exacerbating the problem of lagging behind developed countries. The implementation of the declared concept of „outdating” Ukraine's development requires balancing long-term and short-term goals, balanced distribution of budget funds.

The main component of fiscal management is budget planning, which in many countries involves the formation of budget targets for a period of up to three years, forecasting of possible revenues and expenditures, drafting appropriate budget projects. This approach is used by most developed countries of the world. Among them are Australia, the USA, Canada, and European countries: Austria, Denmark, Germany, the Netherlands, Hungary, Finland, Sweden. Most of them use the program-targeted approach, which involves focusing on the development of a list of programs that need funding. In the absence of own funds, loans from international financial institutions are used.

In our opinion, in Ukraine, too, it is necessary to use forecasting and long-term planning in the process of managing financial results and resources, but the main efforts should be directed to substantiating and promulgating the desired financial results of the economy of the country, regions, their distribution between financing of long-term development and implementation of current programs.

The primary objective of managing financial resources and results at the regional level is to ensure the self-sufficiency of the region in financing sustainable development. The complexity of its implementation is due to the limited direct effect on business entities that generate financial results.

The role of regional authorities is to thoroughly plan the financial results of the region and ensure their rational use. It is the strategic map of management of financial results and resources of the region that reflects the desired financial results and directions of distribution of resources, the main courses of improvement of internal processes of financial management of the region system, factors of improving the efficiency of administration.

3.3. Activity of Public Administration Bodies for Development Programs Initiation

The mechanism of public administration to initiate development programs

The state mentioned above of affairs largely depends on the effective implementation of the public administration mechanism to initiate development programs, which has political, legal, organizational components with clear principles and criteria. And also, an evident vision of the strategy and tactics of the changes being introduced.

Thus, the political component is characterized by a clear political will to carry out changes in one or another field, which, accordingly, must be confirmed by the regulatory framework and further work on its improvement. Today, in Ukraine, public administration bodies are able, in accordance with the Laws of Ukraine „On Local Self-Government in Ukraine”, „On Voluntary Territorial Communities' Association”, „On Cooperation of Territorial Communities”, „On State Forecasting and Development of Programs of Economic and Social Development of Ukraine” , „On the Principles of State Regional Policy”; The Association Agreement between Ukraine, on the one hand, and the European Union, the European Atomic Energy Community and their Member States, on the other side (Verkhovna Rada of Ukraine, 2014), the State Strategy for Regional Development for the period up to 2020 (the Cabinet of Ministers of Ukraine, 2014), etc., to effectively initiate and implement development programs, cooperating with international organizations, attracting investors and the public.

Actually, these two components prompted the creation of an effective organizational structure for the implementation of reforms from the Central Office of Reforms under the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine, the Department of Local Self-Government under the Presidential Administration of Ukraine to the Local Government Development Centres in the regions, involvement of international, national, regional structures and organizations, investors, etc.

For a clear understanding of the substance of the reforms, development programs and their adequate implementation, a number of recommendations, manuals, sample documents, etc. for local government officials and citizens have been developed: from step-by-step algorithms for the organization of the activities of local self-government bodies (LSGB) of the United territorial communities (UTC) , methodological recommendations and sample documents to the development strategies of education, medicine, infrastructure, etc. in the community

Local development programs in Ukraine

One of the first local development programs in Ukraine was the Community Based Approach to Local Development (CBA) Project, within the framework of the National TACIS Action Program for Ukraine, which was funded by the European Union, co-financed and implemented by the United Nations Development Program. This initiative is a long-term and comprehensive capacity-building which aimed at promoting sustainable local development in Ukraine. The project supports community-based governance and community-led initiatives to improve the living conditions of people in rural and urban areas throughout the country. The CBA pays particular attention to the rehabilitation of social and communal infrastructure in the priority areas of health, ecology, water management, improvement of housing management, energy efficiency and local economic development (The Community-Based Approach to Local Development, 2015).

At the first stage, the goal of the United Nations Development Program was to inform main partners of the project on the Ukrainian side (profile ministries, other central executive authorities) regarding the launch of the project. The next stage was the presentation and discussion of the project at the relevant coordination meetings, the definition of the mechanism for coordinating the project at the national level, the preparation of the introductory conference of the project, etc.

Today, the United Nations Development Program has significant experience gained during the last decade on the implementation of the Community Based Approach to Local Development project in co-operation with the Ministry of Regional Development, Construction and Housing, regional state administrations and regional councils, rayon state administrations and rayon councils, as well as city and village councils and relevant associations of local authorities¹.

By laying the foundations for community-based development methodology throughout the country in partnership with central, regional and local authorities, the project mobilized hundreds of communities across the country. Within the existing Project, the use of social mobilization methodology is continued, using defined community-based standards and criteria for community decision-making and leadership (The Community-Based Approach to Local Development 2015)².

In the first and second phase of the Project implementation, information

¹ Starting in 2015, newly formed united territorial communities joined the realization.

² At the present stage, the project is being implemented as new public administration bodies of the joint territorial communities and old structures.

and involvement of public administration bodies to popularize community-based approaches to local governance and sustainable development, and local energy efficiency increase was carried out. It also created conditions for the creation of a database to be filled and coordinated on the ground and networks for the exchange of best practices and knowledge on community mobilization and community-based governance. In the third phase, the Cabinet of Ministers of Ukraine should support the Project in developing policy principles in the area of decentralization and share innovative approaches and progressive community-based governance practices and local community-based sustainable development through the Knowledge Management Centre and training courses at 33 oblast universities (The Community based on Approach to Local Development 2015).

Expected results of the project in the component aimed at strengthening the capacity of local communities, local authorities and higher education institutions to apply community-based development principles, participatory governance and service delivery have made it possible to enhance public monitoring of local development structures and procedures for decision-making at local levels. Improve advocacy and lobbying skills and the potential of NGOs and local authorities; Institutionalize the dialogue between relevant stakeholders to ensure sustainable social, economic and environmental development at the local level (The Community-Based Approach to Local Development, 2015). And also, clearly identify stakeholders at different levels and in accordance with the implemented initiative:

- at the local level: NGOs, village councils, city councils, and business support organizations;
- at the community level: for the newly formed United territorial communities and their executive bodies;
- at the district level: district councils and district state administrations, NGOs, business support organizations;
- -at the oblast level: regional authorities (oblast state administrations and oblast councils), NGOs, business support organizations;
- other partners: Association of Local Self-Governments of Ukraine, Association of Ukrainian Cities, Association of Small Cities of Ukraine, Association of Village and Village Councils and others.

Identify target groups and beneficiaries specifically. The mentioned Project became one of the first to give impetus to local development and to a large extent prepared public administration bodies to initiate and effectively implement other projects and programs (Reform of local self-government and decentralization of government, 2018). In addition to the programs

indicated in the Table ¹, there are programs in Ukraine with sectoral budget support of the European Union aimed at implementing the measures of the State Strategy for Regional Development for the period until 2020. These are „Innovative Economics and Investments“, „Rural Development“, „Development of Human Potential“, „Tourism Development“, „All-Ukrainian Solidarity“. The Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine has prepared an information directory containing a detailed description of each program, a list of tasks to be addressed, the expected results and the amount of funding that regions can count on, implementing such programs in their territories. This handbook should contribute to a clear understanding of the nature of these programs and their capabilities on the ground.

In fact, such an approach suggests changes in government actions regarding implemented initiatives and reforms. The main tools are not indications, but information, belief in the benefits for each region when applying for the proposed programs, the definition of clear principles and criteria for the result, etc.

SMART- specialization as a way of socio-economic development of regions

Cooperation with international organizations on reforming of various sectors in Ukraine is increasingly encouraging the public administration to use the European Union's methodology for socio-economic development of the regions.

So, today the Ministry of Regional Development, Construction, and Housing and Communal Services of Ukraine, regional and local authorities during strategic planning of the regions necessarily introduce elements of SMART-specialization. The SMART Specialization Platform was established in 2011 by the European Commission. It promotes mutual learning, data collection, analysis and networking for cooperation in over 70 regions of the European Union and neighboring countries.

First of all, SMART-specialization in Ukraine has been reflected in the industry. SMART industry specialization is an approach of the European Union to identify the unique functions and assets of each country and region, emphasizing the industry's competitive advantages in each region and focusing regional partners on the vision of future achievements. SMART specialization is crucial for the actual effectiveness of investment in industry innovation. Together with the development of entrepreneurship and the cluster structure of an industry, it is part of the economic decentralization of Ukraine in accordance with the New Industrial Policy

¹ see Table 3.3.1

(The Smart Specialization Platform, 2015).

Table 3.3.1. Development projects and programs in the context of decentralization

	Program/project name	Start date	End date
1	Decentralization Support in Ukraine Project (DESPRO)	24.12.2007	24.06.2020
2	Strengthening the Local Financial Initiative in Ukraine (SLFU-II) Implementation	01.10.2011	31.12.2017
3	Gender Budgeting in Ukraine	12.11.2013	31.12.2018
4	United Nations Development Programme (UNDP) / EU Project „Community Based Approach to Local Development»	01.01.2014	30.12.2017
5	Swedish-Ukrainian project „Supporting decentralization in Ukraine”	08.09.2014	31.12.2018
6	Local Self-Government and Rule of Law in Ukraine	01.10.2014	31.12.2017
7	Expert Support for Governance and Economic Development (EDGE)	10.11.2014	31.07.2019
8	Restoration of governance and reconciliation on the territories of Ukraine affected by the crisis	01.01.2015	31.12.2017
9	Partnership for Local Economic Development and Democratic Government (PLEDDG)	27.03.2015	30.06.2021
10	E-Governance for Accountability of Government and Community Participation (EGAP)	01.05.2015	31.03.2019
11	Project Development of a Course on Strengthening Local Self-government in Ukraine (PULSE)	14.12.2015	13.12.2020
12	Ukraine - Local Empowerment, Accountability and Development Program (U-LEAD with Europe)	01.01.2016	30.06.2020
13	Joint UNDP / UN Women Program	01.05.2016	30.11.2017
14	Decentralization Oblige Better Results and Efficiency (DOBRE) program	08.06.2016	07.06.2021
15	Sustainable local development in rural areas of Chernivtsi and Odessa oblasts	01.12.2016	31.05.2018

Source: Reform of local self-government and decentralization of government (2018)

Regional SMART- specialization is a model of structural changes that lead to diversification of the region's economy on the basis of development of new areas of production activity. Its result is more extensive than a simple technological modernization of the primary industries. It is, preferably, the structural evolution of the entire regional economy as a cumulative process linking the current and future strengths of the local economy in a particular area of activity and knowledge (Snihova, O. 2018).

The Joint Research Centre at the European Commission will assist in introducing SMART- specialization in Ukraine in cooperation with the Office of Reforms of the Cabinet of Ministers of Ukraine. Besides, the introduction of SMART- specialization in Ukraine also involves registration with the Smart Specialization Platform and allows citizens to take advantage of all of its benefits (The Smart Specialization Platform, 2015).

Ukraine already has significant experience in participating in an international SMART- specialization project for the Danube River Basin. So, the European Strategy for the Danube Region brings together 14 countries in the Danube River Basin. The strategy works in 11 priority areas: transport infrastructure development, environmental challenges, competitiveness support, knowledge development, institutional capacity, security in the region, and others. The Ministry of Regional Development, Construction, and Housing and Communal Services of Ukraine are responsible in Ukraine for implementation and communication within the framework of the Danube Strategy. Four Ukrainian regions are part of the European Strategy for the Danube Region: Zakarpattya, Ivano-Frankivsk, Chernivtsi, Odesa.

This experience, first of all, gives an understanding that SMART- specialization is not limited to the industry alone. It aims to promote innovation in the most promising areas of the region (for example, communications, IT, education, tourism, ecology, etc.).

However, according to the opinion of the scientists the use of regional SMART- specialization in conditions of its uncertainty as the primary tool of the new regional policy and an unclear understanding of the place in modern state innovation, industrial, sectoral, structural and regional policies leads to the loss of the essence of the process. The primary objective is to promote regional structural changes through the use of an existing knowledge base to create new industries (new types of economic activity) or new knowledge-based areas of regional specialization. Scientists rightly point out that the SMART- specialization is also of prime importance for the provision of so-called functional diversification related to the expansion of regional economic opportunities to adapt to unpredictable changes in market conditions in the future. This process is essential for overcoming the destructive tendencies of preserving the old industrial economic structure of our regions and the structural inertia of the regional economy, which is primarily based on the practice of artificially identifying certain industrial sectors of the regions as priority and lobbying for state support for specific industries and areas of economic activity. For Ukraine, this is a chance that cannot be lost (Snihova, O. 2018).

It is the understanding of such an approach to SMART- specialization that

requires public authorities at all levels of the extraordinary and well-defined definition of the directions of development of the region, which should be based on historical, national, cultural, mental, educational traditions, local political situation, and the availability of specific natural resources, geographic location, etc. Also, in this context, the authorities should identify challenges and prospects for the United territorial communities, small and medium-sized businesses, carry out an audit of the territories, prepare qualified personnel, etc. The support of this activity for the authorities should be scientific and educational institutions and organizations, the society.

Today it is of great importance because, at the request of the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine strategic planning of regional development will necessarily contain elements of SMART-specialization. In the implementation of local projects, that means the introduction of innovations, the use of modern scientific developments, the use of SWOT-analyses of projects, the creation of new competitive activities. This approach will enable the synergy of science, business and local government to turn into entirely new investment prospects for the regions and bring the community to a new level of development.

Activities of Public Administration Bodies on Strategic Planning in the United Territorial Communities

Participation in international programs and the introduction of SMART-specialization of the regions must be correlated to the process of strategic planning in the United territorial communities. This process is regulated by the order of the Ministry of Regional Development, Construction and Housing and Communal Services of Ukraine dated March 30, 2016 No. 75 „On Approval of Methodological Recommendations for the Formation and Implementation of Forecast and Program Documents of the Socio-Economic Development of the Unified Territorial Community” (Ministry of Regional Development, Construction and Housing and Communal Services, 2016).

In modern conditions, the process of strategic planning in the field is mostly carried out under the guidance of central and regional authorities. However, the priority is given to the transfer of this function to the United territorial communities and community of the region (scientific, business, management, etc.). The development of the strategic plan involves research institutions, institutions of higher education, etc. that have the potential to process the strategy; international experts whose work is funded by foreign funds or donor organizations; a mixed approach is used. Also, stakeholders

(policymakers, NGOs, business structures, etc.) and the population of the territory are widely involved in the development of the strategy.

Such an approach involves creative and voluntary cooperation between the authorities, business, community, bodies of self-organization of citizens, scientific, confessional and cultural organizations, as well as their associations and associations and other potential subjects of development of the territory. The basis of such a method is the awareness of the importance and practical implementation of the idea of a business partnership of all sectors in the process of developing a strategy and consolidated responsibility for its implementation. The benefits of using such an approach to developing a strategic plan are the synergistic combination of intellectual potential and the efforts of a group of expert experts with the possibility of the territorial community. A decisive factor is also the pooling of financial and logistical resources of partners and stakeholders - potential participants in the development of the territory; introduction of innovative technologies into the planning process; the increase of transparency of power, development of public relations (business, scientific, etc.) and formation of civil society. Among the tools of this methodology are consensus-building, sociological surveys, public hearings, the establishment of community committees, holding meetings at the place of residence, holding meetings of target groups. The whole process should take place for maximum transparency and transparency with coverage of the main stages of the project implementation in the local media (Sanzharovskyi, 2008).

Also, strategic plans on the ground should be coordinated with the relevant programs of the regions and be in line with the state strategy, to be guided by European projects.

In Ukraine, more and more territorial communities formulate general plans and strategies for their development, realizing that in this way they will be more attractive to investors. And in order to gain more profit in their territory and to be able to work with community investors, they began to develop spatial planning and implement it within the framework of the USAID „DOBRE” program. The implementation of strategies should take place with an understanding of the space within which this should take place, as well as real resource capabilities (human, financial, etc.).

3.4. Planning of Development Programs and Evaluation of their Efficiency

The essence of the program-target planning method

The essence of program-target planning method (PTM) is the ability to plan social and economic outcomes in the form of development programs. Each of these programs (as well as their whole set) are aimed at improving the economic conditions of local communities through the support of their business activity. Such activity is the basis of strengthening the integration processes, which today require its intensification. Development programs are not only a universal managerial tool for system integration but also a fundamental and fully institutionalized part of local economic development (LED) (Blakely, Bradshaw, 2002).

Proceeding from the positions of system determination and the complexity of economic planning, we include the decisions of local communities related to the construction of a stable system of realizing strategic goals in development programs. Consequently, the following can be considered as the main types of development programs:

- Strategies for the development of communities and regions (adopted for the long-term perspective (5-10 years))
- Local and regional targeted programs (adopted for the medium term (up to years old))
- Programs of socio-economic and cultural development (adopted for the short-term perspective (1 year))
- The totality of these programs is a program hierarchy, which is the structural basis of the processes of economic planning.

The nomenclature and content of the programs are directly dependent on the direction of local policy in all areas (Casey, 2018). It is about development not only from the point of view of centralized state administration of the territories - here the system of subsidies and subventions works quite well, and the program component is not decisive. At the forefront is the link between the primary state target and sectoral programs with the programs adopted for implementation at the level of cities, districts, villages, and villages.

The coherence of state, regional and local interests is achieved through cross-cutting strategic priorities. However, full consideration of the interests of the community is possible only when the purposeful policy of the center will correspond to the targeted policy of the region, formalized as a comprehensive regional program of socio-economic and cultural development. Temporary compromises, transparent, evidence-based, innovation and creativity are essential (Cornea, 2017). In accordance with

this program, the strategy of the territory itself, as well as the entire software hierarchy of its implementation, are built up.

Strengthening the role of this hierarchy and implementing its innovative capabilities for the local economy requires the use of inter-sectoral management technologies. This approach creates conditions under which local governments are forced not only to spend resources but to do it effectively and purposefully. They have to think about their return in the future as additional revenues (or value added) of the local economy.

A resource base for future additional economic revenues for each type of development program is such a particular group of norms as budget programs. They root the goals and objectives of the entire hierarchical program structure and also form any local budget through its resource and result components. Budget programs are the central implementing element of the system of programmatic planning in the public sector. Furthermore, they act as the implementer of LED goals, and they meet the requirements most of the targeted use of limited resources. Also, the versatility of this managerial tool allows the most transparent way to implement the provisions of all other development programs at the local level. Budget programs demonstrate a shift in managerial focus from the perspective of extensive multiplication of costs to assess the achieved social outcomes from spending money. The evaluation of such programs will allow the most accurate estimation of LED's efficiency. After all, the primary attention is paid to the mandatory achievement of the most significant social changes as a result of spending ordinary taxpayer's money. So, in a macroeconomic key, we can say that the ubiquity of development programs allows not only to depart from the traditionally destructive model of the domination of extractive institutions for most post-Soviet and post-socialist countries. Economic programming, based on evaluating the effectiveness of programs, gives an impetus to the scientific substantiation of a new, well-understood economic philosophy of society. It consists of launching a socially-inclusive approach to generating economic growth.

The scientific vision for evaluating the effectiveness of development programs is based on the understanding that such an assessment contributes to a qualitative and quantitative analysis of the state of implementation of the budget program in terms of financial support for implementation of its activities and effectiveness of implementation, as well as the achievement of the stated goals and directions of activity. The general descriptive features of evaluation can be considered:

- versatility - applies to all development programs in all areas of an LED;
- complexity - which is realized due to the presence of 4 parameters

of evaluation;

- formalism – availability of a scale for assessing the effectiveness of programs;
- analyticity – clearly indicates the benchmark, the failure to which was the cause of the ineffectiveness of the development program (up to the task);
- objectivity – the assessment is determined solely by mathematical calculation.

The information base for evaluating the effectiveness of budget programs is such documents as a budget request, the passport of the budget program, the annual report on the implementation of the budget program passport. All these documents are based on the general standards of the program-target method and are applied in the practice of the vast majority of countries of the Eastern Partnership). The use of the system of performance indicators, which flows from the options of the program-target method, can show the effectiveness of using the program's funds, the ratio of achieved results and costs, the duration of the program and its value for LED dynamics. According to the results of the assessment, the necessity of the implementation of expenditures and their compliance with the defined program objective and directions of activity is determined. In the future (starting from the third year of assessment), comparing its results over the years will determine the most effective programs and even the tasks that have the greatest influence on the decision in determining the amount of program costs for the next scheduled and two forecast periods. We propose such a time lag based on the optimal scheme of „slip planning”, which is based on such a management parameter as the sustainability of local economic policy. In turn, this constancy serves the decisive principle of the LED.

The methodological basis for evaluating the development program contains four components (parameters):

- financial component of the development program;
- the effectiveness of the budget program;
- administrative management of the budget program;
- the effectiveness of using the resources of the program.

These components of the assessment form a clear sequence in which the main parameters of the management of the LED are expressed: tasks and measures that specify the task - solving tasks ensure achievement of goals; management decisions and resources required for solving tasks. Therefore, when evaluating the effectiveness of the program it is mandatory to use all four parameters. Excluding any parameter results in an error in the final

data (results). The effectiveness of the program should be determined in three steps:

- high efficiency of the program;
- average efficiency of the program;
- low effectiveness of the program.

The degree of effectiveness is determined by the sum of the actual points of all components¹.

Table 3.4.1 The overall scale for assessing the effectiveness of the program

The summary of the evaluation of the effectiveness of the budget program	Scores
High efficiency of the program	380 or more points
Average program efficiency	340-380 points
Low effectiveness of the program	less than 340 points

Source: own representation

Moreover, following the methodological approach, it is possible to evaluate the program's effectiveness for each of its tasks, which makes it possible to evaluate the implementation of each direction of implementation and to determine how the performance of each task was affected by the overall effectiveness of the program (in this case we will have a detailed (component) assessment). At the same time, the approach allows you to apply a simplified evaluation option, which allows you to quickly obtain preliminary results, reduce the number of programs that require a detailed assessment. A detailed evaluation can only be used for low-impact programs. Consider each of the above-mentioned components of evaluation

Component (parameter) 1. Evaluation of the financial component

The financial component of the budget program displays information about the results of the program, it is important, since it shows the number of resources spent. It is the financial indicators that reflect the actual implementation of the program budget.

The financial component calculation system is based on an analysis of program funding for the relevant period (actual amount) and a revised plan of allocations that were allocated in the relevant period (planned amount).

¹ Proposed scale - Table 3.4.1.

The financial component is based on the calculation using the following formula (simplified version):

$$K_V = \frac{V_{fact}}{V_{plan}} \cdot 100 \quad (3.4.1)$$

where: K_V - total coefficient of the financial component of the program;

V_{fact} - the actual amount of expenditures spent on the implementation of the program (for all tasks together);

V_{plan} - planned expenditures for implementation of the program (for all program tasks).

A detailed (component) assessment of the financial component of the development program has the following features. In cases where there is an underfunding of the program (a total financial component of less than 100), and in order to detail the indicators, we must perform a detailed (component) assessment. It is relevant to the following types of development programs:

- 1) those who have financing from the state and local budgets;
- 2) those that are financed from the general and special funds of the budget;
- 3) those that are funded from different budget funds (general and special) and from different budgets (state and local).

1) if the financing of the program is carried out from the state and local budgets, we use the formulas for the calculation of the financial component:

$$K_{V(state)} = \frac{V_{fact(state)}}{V_{plan(state)}} \quad (3.4.2)$$

where: $K_{V(state)}$ - coefficient of implementation of the plan of the financial component of the state budget program;

$V_{fact(state)}$ - the actual amount of expenditures for the implementation of the program from the state budget;

$V_{plan(state)}$ - the planned amount of expenditures for the implementation of the program from the state budget.

$$K_{V(local)} = \frac{V_{fact(local)}}{V_{plan(local)}} \quad (3.4.3)$$

where: $K_{V(local)}$ - coefficient of implementation of the plan of the financial

component of the local budget program;

$V_{fact(local)}$ – the actual volume of expenditures for the implementation of the budget program from the local budget;

$V_{plan(local)}$ – the planned amount of expenditures for implementation of the program from the local budget.

$$K_V = (K_{V(state)} \cdot d_{(state)} + K_{V(local)} \cdot d_{(local)}) \cdot 100 \quad (3.4.4)$$

where: K_V – total coefficient of financial component;

$K_{V(state)}$ – coefficient of implementation of the plan of the financial component of the state budget program;

$d_{(state)}$ – the share of the state budget in the total amount of financing of the program (according to the plan);

$K_{V(local)}$ – coefficient of implementation of the plan of the financial component of the local budget program;

$d_{(local)}$ – the share of the local budget in the total amount of financing (according to the plan).

2) For the programs financed from different budget funds (general and special), we use the following formulas:

$$K_{V(gen)} = \frac{V_{fact(gen)}}{V_{plan(gen)}} \quad (3.4.5)$$

where: $K_{V(gen)}$ – coefficient of implementation of the plan of the financial component of the general fund of the budget;

$V_{fact(gen)}$ – the actual volume of expenditures for the implementation of the program from the general fund budget;

$V_{plan(gen)}$ – the planned amount of expenditures for implementation of the program from the general fund budget.

$$K_{V(spec)} = \frac{V_{fact(spec)}}{V_{plan(spec)}} \quad (3.4.6)$$

where: $K_{V(spec)}$ – coefficient of implementation of the plan of the financial component of the special fund of the budget;

$V_{fact(spec)}$ – the actual amount of expenditures spent on the implementation

of the program from the special fund of the budget;

$V_{plan(spec)}$ – the planned amount of expenditures for the implementation of the program from the special fund of the budget.

$$K_V = (K_{V(gen)} \cdot d_{(gen)} + K_{V(spec)} \cdot d_{(spec)}) \cdot 100 \quad (3.4.7)$$

where: K_V – total coefficient of the financial component of the program;

$K_{V(gen)}$ – coefficient of implementation of the plan of the financial component of the general fund of the budget;

$d_{(gen)}$ – share of the general fund of the budget in the total amount of financing of the program (according to the plan);

$K_{V(spec)}$ – coefficient of implementation of the plan of the financial component of the special fund of the budget;

$d_{(spec)}$ – the share of the special fund in the total amount of financing of the program (according to the plan).

3) for those programs, that financed from different budget funds (general and special) and from different budgets (state and local) we use the following formulas:

$$K_{V(state_gen)} = \frac{V_{fact(state_gen)}}{V_{plan(state_gen)}} \quad (3.4.8)$$

where: $K_{V(state_gen)}$ – coefficient of implementation of the plan of the financial component of the general fund of the state budget;

$V_{fact(state_gen)}$ – the actual amount of expenditures spent on the implementation of the program from the general fund of the state budget;

$V_{plan(state_gen)}$ – the planned amount of expenditures for implementation of the program from the general fund of the state budget.

$$K_{V(local_gen)} = \frac{V_{fact(local_gen)}}{V_{plan(local_gen)}} \quad (3.4.9)$$

where: $K_{V(local_gen)}$ – coefficient of implementation of the plan of the financial component of the general fund of the local budget program;

$V_{fact(local_gen)}$ – the actual volume of expenditures for the implementation of the program from the general fund of the local budget;

$V_{plan(local_gen)}$ – the planned amount of expenditures for the implementation of the program from the general fund of the local budget.

$$K_{V(state_spec)} = \frac{V_{fact(state_spec)}}{V_{plan(state_spec)}} \quad (3.4.10)$$

where: $K_{V(state_spec)}$ – the coefficient of implementation of the plan for the financial component of the special fund of the state budget;

$V_{fact(state_spec)}$ – the actual volume of expenditures for the implementation of the program from the special state budget fund;

$V_{plan(state_spec)}$ – the planned amount of expenditures for the implementation of the program from the special fund of the state budget.

$$K_{V(local_spec)} = \frac{V_{fact(local_spec)}}{V_{plan(local_spec)}} \quad (3.4.11)$$

where: $K_{V(local_spec)}$ – the coefficient of implementation of the plan of the financial component of the program specifically for the local budget fund;

$V_{fact(local_spec)}$ – the actual amount of expenditures spent on the implementation of the program from the special fund of the local budget;

$V_{plan(local_spec)}$ – the planned amount of expenditures for the implementation of the program from the special fund of the local budget.

$$K_V = (K_{V(state_gen)} \cdot d_{(state_gen)} + K_{V(local_gen)} \cdot d_{(local_gen)} + K_{V(state_spec)} \cdot d_{(state_spec)} + K_{V(local_spec)} \cdot d_{(local_spec)}) \cdot 100 \quad (3.4.12)$$

where: K_V – total coefficient of the financial component of the program;

$K_{V(state_gen)}$ – coefficient of implementation of the plan of the financial component of the general fund of the state budget program;

$d_{(state_gen)}$ – share of the general fund of the state budget in the total amount of financing of the program (according to the plan);

$K_{V(local_gen)}$ – coefficient of implementation of the plan of the financial component of the general fund of the local budget program;

$d_{(local_gen)}$ – share of the general fund of the local budget in the total amount of financing of the program (according to the plan).

$K_{V(state_spec)}$ – the coefficient of implementation of the plan for the financial component of the special fund of the state budget;

$d_{(state_spec)}$ – the share of the special fund of the state budget in the total amount of financing of the program (according to the plan);

$K_{V(local_spec)}$ – the coefficient of implementation of the plan of the financial component of the program specifically for the local budget fund;

$d_{(local_spec)}$ – the share of the special fund of the local budget in the total amount of financing of the program (according to the plan).

Such a calculation will reveal at the expense of which indicators the financial component of the program was not implemented. Here are the options:

- at the expense of financing of the state budget;
- due to financing from the local budget;
- at the expense of financing from the general fund as a whole and with detailed budgets (general fund of the state budget, general budget of the local budget);
- due to financing from the special fund of the budget as a whole and with detailed budgets (special fund of the state budget, special fund of local budget).

Component (parameter) 2. Evaluation of the effectiveness of the program

The evaluation system component of the „Effectiveness of the program“ involves comparing the actual performance of the program with the planned (using cost, product, performance and quality indicators). In the future, comparing with the relevant indicators of previous periods is also important in assessing the results.

Evaluating performance provides the basis for possible cost optimization, that is, achieving maximum effect from the execution of program tasks. For this purpose, savings may be made during the planned period, which can be used to finance additional measures or other priority tasks.

The effectiveness of the budget program is evaluated on the performance indicators that characterize its implementation.

We offer a simplified version of the performance evaluation by stages.

The first stage evaluates the overall program performance without breaking down the tasks and not separating the groups of indicators by the formula:

$$K_p = \frac{\sum K_{i\text{fact}}}{\sum K_{i\text{plan}}} \cdot 100 \quad (3.4.13)$$

where: K_p - overall coefficient of program effectiveness;

$K_{i\text{fact}}$ - the actual values of all indicators characterizing the execution of the program;

$K_{i\text{plan}}$ - planned values of all indicators characterizing the implementation of the program;

w - number of indicators characterizing the implementation of the program.

According to the indicator of the performance of the program it is proposed to classify:

A program with a high level of performance

$$K_p \geq 100$$

A program with an acceptable level of performance

$$80 < K_p < 100$$

A program with a low level of performance

$$50 < K_p < 80$$

A program with an unsatisfactory level of performance

$$K_p \leq 50$$

In the Detailed (component) assessment, if the calculation shows that the program as a whole has a low or unsatisfactory level of performance, then it can be determined by what tasks and groups of indicators it happened. To do this you need to perform step-by-step calculation using the following algorithm:

a) calculation of the average coefficient of performance for each of the groups of indicators by the formula (here is considered on the example of cost indicators):

$$\bar{K}_{p(v)} = \frac{\sum K_{i\text{p}(v)\text{fact}}}{\sum K_{i\text{p}(v)\text{plan}}} \quad (3.4.14)$$

where: $\bar{K}_{p(v)}$ - the average coefficient of performance for each of the groups

of indicators for each program task;

$K_{i_{p(v)fact}}$ - the actual values of all the indicators that are included in the program cost of the program;

$K_{i_{p(v)plan}}$ - the planned values of all the indicators that are part of the program cost indices group;

z - the number of indicators that are included in the program cost of the program.

Based on this approach, we propose to calculate the average coefficients for each of the groups of indicators for each task. The obtained values indicate which groups of indicators for each program task had a positive or negative impact on the result of the program as a whole.

b) calculation of the coefficient of performance of the program task is carried out according to the following formula:

$$K_{p_i} = \frac{\bar{K}_{p(v)} \cdot z(v) + \bar{K}_{p(prod)} \cdot z(prod) + \bar{K}_{p(ef)} \cdot z(ef) + \bar{K}_{p(qual)} \cdot z(qual)}{m} \quad (3.4.15)$$

where: K_{p_i} - coefficient of effectiveness of the program's task;

$\bar{K}_{p(v)}$ - average coefficient of cost indicators, which determine the amount of budget expenditures for the implementation of the program's objectives;

$\bar{K}_{p(prod)}$ - the average coefficient of product indicators, which determines the volume of manufactured products (performed works, services rendered) as a result of the task of the program;

$\bar{K}_{p(ef)}$ - average coefficient of efficiency, reflecting the amount of product created per unit of expenditure on the task (subroutine) of the program;

$\bar{K}_{p(qual)}$ - average coefficient of quality indices, manufactured goods (performed works, rendered services) according to the program's objectives;

$z(v), z(prod), z(ef), z(qual)$ - the number of indicators included in the group of indicators (costs, productivity, efficiency, quality, respectively) of the program's objectives.

m - the number of groups of indicators for each task of the program (provided that the program's task contains four main groups of indicators (costs, product, efficiency and quality) $m = 4$).

The obtained values indicate that the tasks of the program were fulfilled, and that they had a negligence.

c) calculation of the overall coefficient of effectiveness of the program is carried out according to the following formula:

$$K_p = \frac{K_{p1} \cdot m_1 + K_{p2} \cdot m_2 + K_{p3} \cdot m_3 + \dots + K_{p(n-1)} \cdot m_{(n-1)} + K_{p(n)} \cdot m_{(n)}}{n} \cdot 100 \quad (3.4.16)$$

where: K_p – total coefficient of budget program performance;

$K_{p1}, K_{p2}, K_{p3}, K_{p(n-1)}, K_{p(n)}$ – coefficients of performance for each task of the program;

$m_1, m_2, m_3, \dots, m_{(n-1)}, m_{(n)}$ – the number of groups of indicators for each task of the program

n – number of program tasks.

This ratio indicates the performance of the program as a whole.

Component (parameter) 3. Estimation of the parameter „Administrative management of the program“. Indicators of the type „Administrative management of the program“ can be used to improve the direction of the public administration entity.

The calculation of the administrative control of the program is carried out on the basis of the proposed criteria by the following algorithm (Table 3.4.2):

For the formalization of indicators characterizing the state of administrative management, we use the two-way system:

“Yes” = 1;

“No” = 0;

The next step in calculating is the calculation of the amount of points on the plan and the sum of points calculated on the basis of actual data.

The ratio of the sum of the planned performance indicators and the sum of the planned performance indicators determines the overall coefficient of influence of the administrative component:

$$K_a = \frac{\sum K_a(\text{fact})}{\sum K_a(\text{plan})} \cdot 100 \quad (3.4.17)$$

where: K_a – general factor of administrative influence

$\sum K_a(\text{fact})$ – the total amount of points is calculated on the basis of actual

figures

$\sum K_{a(plan)}$ – the total amount of points is calculated according to the planned indicators

Table 3.4.2. Criteria for evaluating the parameter „Administrative management of the program“

No	Name of the criterion	plan	fact
1.	matching the objectives of the program to the general purpose of the main manager of funds		
2.	matching program tasks to program objectives		
3.	the availability of indicators for the implementation of programs that make it possible to measure the degree of achievement of goals		
4.	availability of a plan for implementing program activities		
5.	implementation plan implementation program activities		
6.	monitoring of the implementation of the program		
7.	application of the mechanism for adjusting the plan of measures according to the program depending on the monitoring results		
total			

Component (parameter) 4. Estimation of the efficiency of using the resources of the program

To evaluate this parameter, we use two components: the ratio of quality indicators and resources spent (I1), the ratio of product indicators and resources spent (I2).

In the case where the calculated indicators meet the set criteria, 50 points are awarded (for each component), if there is non-compliance with the criteria, then the points are not calculated. After calculating all components, scored scores are added.

The ratio of quality indices and spent resources (I1) is calculated by the formula:

$$I_1 = \frac{\bar{I}_{(qual)}}{\bar{I}_{(v)}}, \quad I_1 \geq 1 \text{ – evaluation criterion} \quad (3.4.18)$$

where: $\bar{I}_{(qual)}$ -- average index of performance of program quality indicators

$\bar{I}_{(v)}$ – average cost performance index

To calculate the average performance index, use the formula:

$$\bar{I}_{(як)} = \frac{\sum \frac{K_{(qual)ifact}}{K_{(qual)iplan}}}{y} \quad (3.4.19)$$

where: $K_{(qual)ifact}$ – actual values of all Quality Scores included in the program;

$K_{(qual)iplan}$ – planned values of all Quality Scores included in the program;

y – number of Quality Scores.

To calculate the average index of performance of program costs, we use the formula:

$$\bar{I}_{(v)} = \frac{\sum \frac{K_{(v)ifact}}{K_{(v)iplan}}}{l} \quad (3.4.20)$$

where: $K_{(v)ifact}$ – the actual values of all cost indicators included in the program;

$K_{(v)iplan}$ – the planned values of all cost indicators included in the program;

l – number of cost indicators.

Component (parameter)5. Value of product indicators and resources spent (I_2)

The ratio of product and resource consumption () is calculated by the formula:

$$I_2 = \frac{\bar{I}_{(prod)}}{\bar{I}_{(v)}}, I_2 \geq 1 \text{ - evaluation criterion} \quad (3.4.21)$$

where: $\bar{I}_{(prod)}$ – average performance index of the program product;

$\bar{I}_{(v)}$ – average performance index of program costs.

To calculate the average performance index of a product, use the formula:

$$\bar{I}_{(npoa)} = \frac{\sum K_{(prod)ifact}}{q} \quad (3.4.22)$$

where: $K_{(prod)ifact}$ - the actual values of all product features included in the program;

$K_{(prod)iplan}$ - planned values of all product features included in the program;

q - number of product indicators.

To calculate the average performance index of program costs $\bar{I}_{(v)}$ we use the formula above (see the calculation of the ratio of quality indicators and spent resources).

Final calculation of the overall effectiveness of the program

The final calculation of the overall effectiveness of the program consists of counting the total amount of points scored for each of the components of the assessment (financial component, effectiveness, administrative management, efficiency of the use of resources):

$$E = K_V + K_p + K_a + I_1(0, \text{ or } 50) + I_2(0, \text{ or } 50) \quad (3.4.23)$$

where: K_V - total coefficient of financial component;

K_p - overall rate of performance;

K_a - general factor of administrative influence;

I_1 - ratio of quality indicators and resources spent (in points);

I_2 - ratio of product indicators and resources spent (in points).

As a result of such calculation, the number of points is compared with the scale of evaluation of the effectiveness of budget programs¹.

To illustrate the results of evaluating the effectiveness of budget programs, we will provide data on the budget program „Provision of general secondary education by special general boarding schools, schools and other educational institutions for children who need correction of physical and / or mental development” (Program code classification code 0611070), which was carried out in 2018 as the main manager of the Odessa city budget - the

¹ see Table 3.4.1

Department of Education and Science of the Odessa City Council1.

Table 3.4.3. Illustration of budget program evaluation results (code 0611070)

Components of the overall effectiveness of the budget program	Value of the calculated coefficient	Commentary on the calculation	Result interpretation
1	2	3	4
Component (parameter) 1. Evaluation of the financial component.	102	In cases where there is funding for the program (the total coefficient of the financial component is more than 100), a detailed (component) assessment is not carried out. Also, the funding of the program is homogeneous about its sources and is carried out at the expense of the general fund of the city budget.	The result indicates the financing of the program in full accordance with the planned indicators, as well as that within the budget year, the plan of expenditure for the program is specified in the direction of an increase of 2 per cent.
Component (parameter) 2. Evaluation of the effectiveness of the program.	95	A program with an acceptable level of performance, so the step-by-step algorithm for calculating tasks and groups of indicators is not applicable.	The result indicates that the overwhelming number of indicators of program performance has reached the planned level. The exception is the efficiency indicator, which, according to the results of the report, is lower than the target indicator by 10 per cent, at the same time, the product indicator exceeded the planned value by 5 percent due to an unpredictable increase in contingents (due to their move to Odesa from previously past institutions uncontrolled Ukrainian government in the Luhansk region).
Component (parameter) 3. Estimation of the parameter „Administrative management of the program“.	100	All seven criteria for the administrative management of a program have a planned and actual value 1.	The result indicates that the program management process complies with the requirements of the program-target budgeting method. That is, the program cycle corresponds to the principles of rational, adaptive management, defined in the Budget Regulation of the Odessa City Council.

1 see Table 3.4.3

Component (parameter) 4. Estimation of the efficiency of using the resources of the program.	50	Calculated metrics (average Quality Score Index and Average Cost Index) meet established criteria. Under these conditions, the coefficient acquired traits stimulator program.	Since the result for this component can be determined only by values 0 or 50, then the value indicates an acceptable ratio of the dynamic quality indicators of the program and the costs of its implementation. In this case, positive dynamics were shown by the index of the level of correction of physical and mental development of children in need of it (in other words, doctors and psychologists recorded a positive dynamic in the behaviour and physiology of such children).
Component (parameter) 5. Value of product indicators and resources spent (I_2)	50	Calculated metrics (average Quality Score Index and Average Cost Index) meet established criteria. Under these conditions, the coefficient acquired traits stimulator program.	Since the result for this component can be determined only by values 0 or 50, then the value indicates an acceptable ratio of the contingent indicators of the product of the program and the cost of its implementation. Thus, there was an increase in the load on one staff member in connection with the rise in contingents of recipients of services under the program (with an increase in the number of employees, which could lead to increased costs - did not happen)
The ultimate value of overall program effectiveness (the sum of the values of the five components)	397	High efficiency of the program	The result is the basis for prolonging the budget program in the next budget period (2019) without reducing costs, as well as for applying the program to the forecast of the city budget for 2020-2021 with corresponding increase rates calculated on the basis of the limits and standards set in the Budget declarations for the relevant forecast period.

Source: Odesa City Council. Available at: <https://omr.gov.ua>

Recently, the idea of inclusion in the provisions of the program-target method of the gender component has become urgent in the countries of the Eastern Partnership (Gkiza, Nastis, 2017). Accordingly, a gender component should be implanted in the system of economic planning, represented by the hierarchy of development programs. In Ukraine, the

first mention of such an implementation appeared in 2014.

Gender-based planning is an instrument that provides a detailed analysis of the costs of their impact on end users of services - women and men, girls and boys. It should be considered as an influential element of management actions related to the development of programs at different levels, which provides important information both to the population and to managers who decide on the distribution of budget funds. The development of gender-based programs allows you to see how incomes and expenditures affect the socio-economic situation and opportunities of different groups of women and men, as well as gender equality issues in the country. As a management technology tool, the gender component allows you to assess how and to what extent public policy in the area of allocating budget expenditures affects women and men as service consumers, infrastructure users, and taxpayers. This creates the preconditions for implementing the principle of equal rights and opportunities for women and men in all spheres of life and ensures the sustainable development of society.

It is important to note that gender analysis involves not only gender segregation, but also considers other social categories such as age, socioeconomic status, place of residence, educational level, etc., provided that this is appropriate, and the necessary data available. Considering the foregoing, we see that the main tasks of implementing a gender component in the LED system in general and in the development program as its institutionalized parts are:

1. Strengthen accountability of public administration in issues of gender equality, needs of different groups of women and men, expansion of their capacities;
2. Increased cost-effectiveness through specific addressing to those who most need them and to whom they will bring real benefits;
3. Promoting the transparency of LED indicators and reducing corruption.

Therefore, for the purpose of general implementation of gender impact development programs, as well as to initiate approaches to overcoming significant gender gaps that exist in the public sphere, an assessment of the effectiveness of budget programs should be appropriately supplemented.

To the aggregate indicator of the overall effectiveness of the budget program, which consists of the sum of the three parameters of evaluation, it is necessary to include the average gender equality index, which, if the gender gap exists, will reduce the overall effectiveness of the program. The gender gap is appropriately measured by a two-vector analysis:

- a) the composition and structure of the workers;

b) contingents of recipients of services under the program.

At the same time, the more gender-balanced will be the number of employees and the number of contingents of service recipients, the closer the overall efficiency indicator will approach the maximum:

$$E = \bar{I}_{(ef)} + \bar{I}_{(qual)} + \bar{I}1 - \bar{I}_{(gend)} \quad (3.4.24.)$$

where:

$\bar{I}_{(ef)}$ - average index of performance indicators of budget program efficiency;

$\bar{I}_{(qual)}$ - average index of performance of quality indicators of the budget program;

- comparison of the effectiveness of the budget program with the indicators of previous periods;

$\bar{I}_{(gend)}$ - average gender equality index.

$$\bar{I}_{(gend)} = (\text{Gend}(\text{work}) + \text{Gend}(\text{cont})) / 2 \quad (3.4.25)$$

where:

Gend(work) - the gender gap in the actual posts, which is determined by finding a modular difference in the percentage of virtually employed positions by men and women:

$$\text{Gend}(\text{work}) = | \% \text{ men.} - \% \text{ wom.} | \quad (3.4.26.)$$

Gend(cont)- the gender gap in service recipient contingents, which is determined by finding a modular percentage difference between men and women who have been provided with a budget service:

$$\text{Gend}(\text{cont}) = | \% \text{ men.} - \% \text{ wom.} | \quad (3.4.27.)$$

As a consequence, the result of the aggregated performance indicator, determined on the basis of the average gender equality index, should be compared with the given scale of effectiveness and make conclusions regarding further management decisions on management of the development program.

The proposed method of calculating and taking into account the index of gender equality is not unique, along with it there can be many other mathematical models. In this context, the idea of combining the effectiveness of the development program with the principles of gender equality among the performers and recipients of the program is valuable in this context.

An important component of the effectiveness of development programs is also the deepening of the program-target method in terms of following the principle of subsidiarity as a key principle of decentralization. This requires the introduction of an order of calculation of program costs, based on the equilibrium cost of municipal services to the boy / husband and girl / woman. Thus, without abandoning the system of estimates on economic grounds, there is the opportunity to move on to a more advanced planning technology, based on the analysis of costs - benefits. That is, having the calculation of the cost of each individual service in the program, one can estimate the real value of the unit of result that a society receives from spending money. This, in turn, is directly related to the acceleration of work on the formation of objectively measurable social standards.

3.5. Socio-Economic Factors of Transformation of Public Administration in the Humanitarian Policy of the State at the Regional Level

The humanitarian policy of the state is intended to streamline the processes of development and improvement of human abilities by various types of social activity. Even though the humanitarian sphere is not directly subordinated to public administration, it must be coordinated and consistent with the single state policy. The role of the government in shaping and implementing humanitarian policy is possible by streamlining humanitarian factors in the established vision of national values and priorities. Only under this condition, the public administration bodies at the regional level will be able to coordinate the activities of both state and non-governmental organisations and other actors in the humanitarian sphere.

The problem of socioeconomic processes is exacerbated in the periods of the transformational state of society. The positive function of transformation lies in the fact that it opens opportunities for the further development of society. The choice of the path of socio-economic development of the state depends, first of all, on purposeful activity at the regional level of classical and newly created social institutions (Shvedun, 2017). For a more detailed definition of the essence of the humanitarian policy of the state, consideration should be given to the interaction between civil society and local government bodies in the humanitarian field.

Regional public organizations and associations in the development of the humanitarian sphere

Relations of social institutions usually have a wide range in the socio-economic life of the state: from social and economic processes to issues of a

spiritual nature. However, it is precisely the interaction and regional differentiation in the humanitarian field that allows assessing their development potential in all other sectors. In the humanitarian area, public administration can be implemented through the production of a concept that directs social development in the right direction, considering regional peculiarities. Not only the public administration system carries out state policy in the humanitarian sphere, but the humanitarian field is also the source of values that determine the state's development strategy since it forms the basis for the future of society.

For the sake of such future, the state must go to specific victims, concentrating efforts on priority areas of socio-economic development, mainly developed regional social policy provides a sustainable capacity of the public power as a whole. Even the most developed countries of the world are not immune to the economic downturn or aggravation of social contradictions. The presence of the approach based on humanitarian policy and regional peculiarities allows the state to maintain the trust of its citizens.

Within the state, the bodies of public administration, on the one hand, and civil society on the other, as motley and changing education with regional peculiarities are clearly distinguished (Pike, 2011). In the field of humanitarian relations, the state assumes responsibility for maintaining the relevant standards of education, science, and health of citizens. Such goals are achieved both by direct actions of the public administration, and indirectly; non-governmental public organizations, movements, especially at the regional level, largely complement the tasks and functions of the state in the humanitarian sphere.

Any public entity cannot cover the entire diversity of the regional interests of civil society when it comes to the humanitarian sphere. The humanitarian policy of the state is, in particular, in clarifying the optimal balance between direct and indirect means of public administration and regulation of the humanitarian sphere. Unlike public institutions, the public administration always claims to be the integrity of the solution of humanitarian issues. Therefore, a central, coordinating, though not still decisive, role of a regional approach in the conduct of national humanitarian policy will be grounded.

It is worth noting that subjects and objects of state and regional humanitarian policy are defined as atypical for public administration. Given the conditional division of civil society and the state, public administration bodies cannot act as the dominant and sole subject of humanitarian policy, at least as a result of the need for it to perform its functions of coordinating this policy at the regional level. Accordingly, the

idea of the object of public administration in the humanitarian sphere is also changing; It is not only specific social groups or individuals but society as a whole.

The relevant human experience has been developed by the community, and its growth can be expected at an even higher pace due to regional differentiation. Public administration in the humanitarian field covers one of the most significant parts of public education needs; partly the system of education belongs to another sphere of social life – socio-economic. Education provides the modern individual with a guarantee of future successful employment, which is important from a social point of view, and the institution of education - both state and private is a subject of the humanitarian sphere (The Shadow Economy in Europe, 2013).

The system of education has critical importance as a complex of humanitarian values; this is an essential task. However, besides purely educational activities, one should take into account those self-organisation processes that are ensured by the functioning of social institutions. To a certain extent, this is manifested in education, after all, not only state institutions are involved in the humanitarian processes. Other social institutions that coordinate the socio-economic factors of the transformation of public administration in the humanitarian policy of the state at the regional level are also relevant to this.

The detection of the regularities of the functioning of the humanitarian sphere of the state in public administration and coordination is essential in the activities of public organisations and associations. Public organisations are not, as a rule, authors of critical humanitarian achievements of society, with some exceptions, but they are their leaders in the realities of public life. Consistent state policy in the humanitarian sphere is developed not only by state authorities but also by many public organizations, mostly operating in the humanitarian field. These variations of the state humanitarian policy are rather specific, but they substantially complement public administration both pithy and regional properties.

Public administration in part coincides with the activities of civic organizations, although conflict situations cannot be ruled out as a result of the impossibility of encompassing the diversity of the humanitarian sphere in the accepted national standards. Practical joint actions at the regional level are one of the critical intermediary functions between public administration and local development of civic organizations (Blaschke, Jones, Majnoni & Peria, 2001). Activity in the humanitarian sphere can be about socio-economic features, mentality, which finds their real expression in the specific programs of action of the bodies of public administration on the ground. Correct resonances of state influence can free up the powerful

internal forces and opportunities of the social community.

It is difficult to discuss the fact that it is in the humanitarian sphere that is inherent in the enormous wealth of self-government practice. This approach is especially important in a situation of growing shortage of resources - time, materials, opportunities. Saving resources are not just necessary, but the only possible solution in the light of regional issues. The socio-economic purpose of non-state institutions is, first of all, that they help the society in solving the problems of everyday life, open up immense opportunities for revealing the civic initiative, the exercise of self-government functions. A clear understanding of the structures of public organizations and associations that have already been formed or continue to be developed is required to ensure that the process of formation of the socio-economic space of modern Ukraine is not chaotic or unpredictable.

Public associations are massive and created for a particular purpose; unlike non-governmental organizations, it can be structurally unformed mass associations of citizens and organizations of various socio-economic orientations, whose activities are most often aimed at fulfilling specific social tasks. Some of them profess regional affiliation, and others raise issues of nation-wide nature. Public associations embody voluntary formations that arise as a result of the social position of citizens on the basis of common interests.

Their difference from all other public associations is connected with the peculiarities of functioning, the nature of the activities of public organizations should not be politicized. The actions of public associations are one of the main obstacles on the way to excessive state centralization, an essential factor of regional public administration. If the state takes care that the activities of public organizations and associations are carried out within the constitutional norms and at the same time coordinates their actions, then public associations will promote the solution of socio-economic problems at the regional level (Methodology for Assessing Social and Economic Performance in JESSICA, Final report, 2013).

New social associations do not arise on the basis of a single state action or confrontation, as a rule, are created under the influence of public opinion. Newly formed public associations may question the value of society, believing that they are based directly on ethical positions, and not on social ones. The tendency to the course of such processes increases with the increasing influence of public administration on public life. Where the public administration system effectively acts as an intermediary between the state and the public forces, public associations can more easily manage the relationship between their beliefs and state policy at the regional level.

Public organizations and associations at the present stage of the socio-

economic development of our state should be a peculiar link between the system of public administration and civil society. For the development of effective public administration in the humanitarian field, it can be argued that this policy should be mostly indirect, supporting the initiatives of civil society as much as possible. According to the priority directions that the state identifies as strategic prospects for the development of society, it is necessary to support the development of state structures that coordinate their work in the field of humanitarian activities.

The role of civic education in the transformation of societies and the establishment of public administration on a democratic basis

Public administration in the humanitarian field at the regional level can be useful provided that prudent management and, above all, self-management are carried out in this area, which in turn requires the development of a developed and multi-vectored state humanitarian policy, primarily in the non-governmental sector. The leading institutions that form humanitarian factors of public administration are state authorities, local self-government bodies, public organizations, educational institutions (Schneider, Buehn and Montenegro, 2010), (Cornea, 2017).

Such a system of public administration in the humanitarian sphere promotes the transformation of a person into a conscious and active subject of state formation, which: gives him motivation for social activity; creates conditions and opportunities for participation in public life; provides the individual with the necessary amount of knowledge and practical skills; forms his ability to understand the socio-economic reality in the state. The factor of a person's activity in transformational societies is often social and economic crises. The modern development of the Ukrainian nation is characterized by a reorientation to the regional economy, transformations in the system of public administration and state authorities, and often the proclamation of the priority of democratic rights and freedoms.

The primary purpose of public administration of humanitarian policy in the state should be the formation of a social position, the degree of which is determined by the extent to which the society functions in contemporary socio-economic conditions and contributes to the development of the activities of state authorities on the ground and local self-government bodies. In the course of state transformations, democracy is usually seen as a system that ensures the broadest possible representation and participation of society in preserving power and political competition. Along with the course of democratic procedures as a system of public administration, and public initiatives in the humanitarian sphere are considered part of the process of establishing democracy. The development of the regional infrastructure of public administration in the humanitarian

area requires the search for ways of its formation and implementation.

This process is associated with the corresponding difficulties that arise during the transformation of the public administration system. However, the success of this transformation is possible only with the development of a concept adapted to Ukrainian realities of public administration, in particular, its humanitarian aspects at the regional level and practical implementation possibilities. The formation of these tasks requires profound transformations of public administration, identification of regional peculiarities of its implementation in Ukraine. Issues of public administration in the humanitarian sphere have not yet received a single approach to the definition of the essence of local aspects of public administration (Bezes, Demazière, Le Bianic, Paradeise, Normande, Benamouzig, Pierru, Evetts, 2012). The regularities of the transformation of managerial influences differ from the democratization of countries with a totalitarian past, first of all, post-Soviet states, which have their peculiarities and trends of development.

Based on certain generalizations of the processes of transition from authoritarianism to democracy, one can single out the peculiarities of the dynamics of the public administration system at these stages and identify the determinants influencing this process. The socio-economic factors that manifest themselves in need for social structures lead to instability in the management system and inefficiency in terms of sustainable development (Schmidt & Coren, 2013). In the process of transformation of public administration as a result of the crisis of state authorities, regional conflicts, the delegitimization of political power in specific regions, the liberalization of public administration begins. However, the process of liberalization at this stage is limited and therefore should not mean changing the principles of functioning of the system of state authorities.

The socializing potential of the humanitarian sphere is that there must be a need for the joint participation of citizens in state-building processes. In regions, where civil society has been revitalized, inclusion in the socio-economic sphere of citizens has a value-oriented character, since values serve as a guiding factor for social groups in the process of realizing their needs and interests (Hays & Kearney, 1997). Independent from the institutions of power, the activity of society is a feature of civil society, its development generates the democratization of public administration and expands the rights and freedoms of citizens.

Involving individuals in the activities of civil society structures creates a basis for the deployment of the transformation process at the stage of the establishment of democracy and enables the formation of a democratic administrative culture at the level of society as a whole. The creation of

democratic institutions is another regularity in the process of transition to democratic public administration. The main methods of the establishment of democracy in the state are the formation of effective public administration and the institutionalization of public initiatives in the humanitarian sphere. Transformation of public administration involves consolidating democracy through the adoption of new laws that legitimize democratic transformations, make them more conscious and consistent. The activities of non-state public institutions in post-accession states, taking into account their regional peculiarities, contribute to the implementation of modern norms of public administration, the involvement of the population in social-power relations.

The activity of citizens is not always institutionalized due to the lack of practice of expressing the interests of social groups by organizational structures. During the transformations of public administration, there is a departure from interpreting this process, as a hierarchically organized system of social and economic organizations, each of which purposefully affects the process of formation of society (**Bezes et al., 2012**) As a result, political representations, settings, and models of perception of social reality are implemented.

At the stage of decentralization and democratic transformation in public administration, there is a significant increase in the socializing potential of the humanitarian sphere. Civil society becomes the subject of the implementation of regional policy, which leads to the stabilization and development of social activity, the establishment of mechanisms of state regulation of social behavior by forming in the consciousness of the corresponding values, social settings and orientations (Lukysha, 2015).

The transformation of public administration in the humanitarian sphere makes it possible to objectively approach the development of new approaches to the foundations of the functional structure of regional bodies of state power in Ukraine, considering the peculiarities of the humanitarian sphere. Today a stable society is needed, in which the humanitarian components of the solution of socio-economic problems effectively take into account the regional specificity.

The prospects for the development of the humanitarian sphere are, first of all, the development of civil society, democratic forms of public administration, the priority of the rights and freedoms of citizens. With the purpose to achieve effective public administration, a state-building policy based on democratic principles, a national idea of the state, constitutional principles, an interest in the regional development of society, as well as participation of the community in public activity should be formed.

Equally important, the general problem of the humanitarian sphere in

Ukrainian society is the lack of socially significant experience. The availability of such an experience would allow the accumulation and transfer of relevant knowledge that would ensure the content of regional specifics and forms of public administration in the humanitarian sphere. The effectiveness and efficiency of public administration in the humanitarian field are primarily due to the processes of civic education, which involves providing people with knowledge of their rights and freedoms, the ways and mechanisms of their implementation and protection (Aandriukaitiene, 2016).

The structure of society and institutions of public administration, the procedures for their functioning and ways of influencing them are creating the people's desire to identify public interests and seek their satisfaction. It is necessary to focus attention on the dependence of the content of civic education on the type of public administration in the state. In a democratic society, its development is due to the need to preserve the inviolability of democratic values, institutions, and patterns of behavior. The specificity of civic education in Ukraine lies in the fact that it should be aimed not only at reproducing humanitarian values in society, but also in shaping a new social policy in the state.

The transformation of public administration has to cultivate civic values, to spread the principles of democracy; public education itself cannot become a factor in transformational processes. This process is essential as a democratic society is maintaining the balance between adherence to imperatives generated by public administration institutions and their constructive critique and upgrade. Public education, proceeding to instill skills of behavior in a modern democratic state, but at the same time, the ability to defend guaranteed rights and freedoms.

The adoption in society of the means of civic education of the relevant knowledge, the study of the norms of behavior, the culture of relations, the development of the ability to participate in public life, the creation and development of the state system of civic education with the effective use of the potential of the regions, allows to significantly increase the level of public administration. The result of the development of civic education should be the formation of a citizen, who has such features as worship of the state's ideals, equality, self-esteem, respect for current norms of society, the need for effective regional policy (Blaschke et al., 2001). The modern stage of public administration in the humanitarian sphere is characterized by a contradiction in the interaction between public authorities and public institutions.

The effectiveness of public administration in the humanitarian field depends on internal and external, main and specific factors stemming from

regional specificity (Schmidt and Coren, 2013). The influence of each factor is influenced selectively in some circumstances, including the existence of beliefs, values and ideals in society. The above convictions and, values thus broaden the influence of community on the system of public administration, and the complementarity of the impact of different levels and content of socio-economic factors and determine the effectiveness of public administration in the humanitarian sphere.

Public administration in the humanitarian sphere on the basis of public trust and interaction: socio-economic and regional influence

In the conditions of the transformation of the Ukrainian society, fundamental changes in the system of public administration, especially in the humanitarian sphere, are taking place. Availability of these tasks can create the ground for humanitarian stability, and public administration should carry out a reform function related to economic reforms. For effective public administration in Ukraine, it is desirable to resolve issues regarding the delimitation of the purposes of the social and humanitarian sphere of the state.

Government bodies are the most important organizational and regulatory-control pillar of public administration; they are the means of implementing the state humanitarian policy. The interaction of public administration with other social processes and phenomena is determined by the respective communications of state authorities and subordinate structures. The effectiveness of public administration is actualized in concrete activities, but even more so - in its results; the realization of the humanitarian policy carried out by the authorities is characterized by the level of transformation of public administration, its socio-economic base (Schneider et al., 2010). An essential aspect of the development of the humanitarian sphere, without which it is impossible to build a democratic, legal and social state, is the spread of social interaction. The high socio-economic development of the country, the creation of harmony in society, the removal of social tension involves the involvement of the most extensive sections of the population in this sphere.

Improving this process is the creation of social dialogue at the regional level for a coordinated solution of socio-economic problems. Under conditions of democratic development, Ukrainian society must become an instrument of interclass struggle in the structure of social governance, which is in the interests of the entire population. After all, the source of power is people consisting of equal citizens who delegate their abilities to the system of public administration. Social interaction is a relatively recent phenomenon in the socio-economic life of Ukraine, and its steps cannot be

assessed unambiguously. For a long period, there is a position that there is no single model for the development of social interaction since it is impossible to use a stable model in the conditions of the transformational growth of societies.

The effectiveness of public administration in the humanities is determined by the state and possible prospects of broad and diverse development of the culture of a society; the socio-economic and industrial and industrial development of the country, the high level of activity of the territorial authorities, where citizens live. Public administration must implement humanitarian policy, hold power, here the ratio of goals and means is distinct, the basis of which humanitarian factors in society can serve. However, it may be ghastly, if the goals are broad, and the necessary foundation for this does not exist. In this case, any purpose can only be substantiated by the significance of society, and in this case, this significance should be sufficiently updated and confirmed.

In the humanitarian sphere, the state now has a leading role in the way it should create conditions that would meet the needs of society by matching their interests in socio-economic development. Public organizations should intensify monitoring of the implementation of social programs and their further improvement. As Ukraine belongs to high poverty, it is on the list of rapid decline in fertility, the increase in morbidity and mortality, the dissatisfaction of the general population with the prevailing socio-economic situation and own material situation (Methodology for assessing social and economic performance in Jessica, Final Report, 2013). Low-income levels are the cause of socioeconomic tensions in society, especially in underdeveloped regions. The problem of poverty is one of the system-generating factors of labour migration, which has reached a threatening level in Ukraine. The insufficient number of jobs with acceptable wages and the low level of social guarantees have led millions of our fellow citizens to leave and continue to travel abroad. Neglecting their future pensions, they form their own savings without trusting state and private pension funds in Ukraine (Lukysha, 2015).

Labor migration is one of the many aspects of a broad and comprehensive humanitarian crisis in Ukraine, a demographic catastrophe, which in turn is the greatest threat to the national security of our country. The solution to issues of labour migration should become one of the priorities in public administration and requires a constructive interaction between society and the state. This problem deserves complex research both at the level of the region and at the state level, it is necessary to systematically analyze the issues of effective state influence on the processes of labour migration taking into account regional peculiarities, preconditions, factors and forms of immigration.

Public administration in the humanitarian sphere should facilitate practical steps to improve the skills of public authorities. It is necessary to carry out educational activities to provide specialized knowledge of future government officials, local government officials, so that they are ready for dialogue on the principles of equality, equity in resolving problematic issues and the necessity of observance of the agreements reached. (Schmidt & Coren, 2013).

In order to obtain relevant knowledge and skills in the field of social interaction, it is necessary to implement measures for the development of civil servants responsible for the humanitarian area. Our society is characterized by a low level of understanding of what social interaction is, who and for what it needs at all, who should provide it, and finally what should be the result of it. Relations between the state and society embody the most significant foundations in the humanitarian policy of the country.

Society is increasingly beginning to realize that public administration should be used as an instrument that provides an organization, performs management functions aimed at the benefit of people. The society forms the power, and the authorities tend to establish such a system of public administration, due to which the state and nation can coexist. Each public power corresponds to a specific regional specificity and, accordingly, the situation of various social groups, especially in the humanitarian sphere.

The danger is that the activities of public administration, the exercise of power functions are a dynamic, rather than static processes; they can be criticized within society. Social and humanitarian problems, such as poverty, especially among working people, unemployment, labour migration, lead to increased social tension in society and distrust of the population to public administration, which in turn generates social and managerial instability (Hays, Kearney, 1997). State authorities should work within the framework of existing laws, while studying the state of public opinion, taking measures to maximize the prospects for development of all spheres of life, including humanitarian.

Public administration requires a thorough and comprehensive study considering the specific circumstances that will make it possible to understand both the problems of power and its relationship with society. The relations between the authorities and society are posed within the framework of a single issue, and of course, that public administration should assume considerable responsibilities and responsibilities for humanitarian policy, as well as in solving socio-economic, demographic, health problems, in the formation of the national consciousness of today's generation of the Ukrainian state.

3.6. Conclusions to Section 3

One of the main problems of sustainable development is the constant population growth and the need to improve the quality of life, which requires a corresponding increase in the volume of industrial and agricultural production, causing a violation of the sustainable state of ecosystems.

In order to fulfill the task of ensuring advanced progressive changes that allow, despite the growth of the world's population, to reduce the load of natural potential, the following characteristic features should be inherent in sustainable development:

- development should be carried out mainly through intensive factors;
- development directions are selected according to the global goals of the society and on the basis of the possibilities of the region's natural and resource potential;
- assistance to the intellectual and physical development of a person, increase in life expectancy;
- harmonization of human interaction with nature, preservation of the environment;
- prevention and prevention of crisis phenomena in the development of society.

Considering the integration processes of Ukraine, the models for ensuring local development should be built taking into account the need to combine their traditional socio-cultural system with the sociocultural systems of countries that will be strategic partners. When choosing such countries, it is necessary to consider the peculiarities of the geographical location and historical circumstances in which the partner countries developed.

In our opinion, in Ukraine, too, it is necessary to use forecasting and long-term planning in the process of managing financial results and resources, but the main efforts should be directed to substantiation and publication of the desired financial results of the economy of the country, regions, their distribution between financing of long-term development and implementation of current programs.

The primary objective of managing financial resources and results at the regional level is to ensure the self-sufficiency of the region in financing sustainable development. The complexity of its implementation is due to the limited direct impact on business entities that generate financial results.

The role of regional authorities is to thoroughly plan the financial results of the region and ensure their rational use. It is the strategic map of the

management of financial results and resources of the region that reflects the desired financial results and directions of resource allocation, the main directions of improving the internal processes of financial management of the region system, the factors of improving the efficiency of management.

The activities of public administration bodies to initiate and implement development programs at different levels should be based on the effective mechanism of public administration, SMART-specialization as one of the productive ways of socio-economic development of the regions, strategic planning in the United territorial communities. As well as cooperation with international partners, coordination of actions between different branches of power, cooperation with stakeholders (public, experts, business and others), taking into account the specifics of each region and a separate territorial community, initiative, the leveling of disproportions in the development of the United territorial communities, strategic planning of development not only of communities, but also of those regions, etc.

Cost-benefit analysis is one of the progressive elements of the program-target method and tool that helps to determine the strategy of the most efficient spending of resources at the planning stage. The basis of the analysis is the adoption of rational management decisions, in fact, it includes the consideration of quantitative and qualitative cost indicators and the total benefits of existing solutions. To analyze cost-benefits, a number of analytical techniques are used: feasibility, productivity, utility per unit of benefits, etc. With their help, the costs of implementing alternatives are compared with the public benefits of their implementation. In cases where there is more than one option, the analysis should be conducted in relation to each of them. An option that has the most benefit or the lowest cost and will be selected to formulate the appropriate development program.

Public administration in any form determines the direction of the development of values, and above all, in the field of humanitarian. She, with all her liberality, nevertheless often sought to patronize culture, science, and art, seeing in it, undoubtedly, their task. The relationship between the state, which has the power and society, which is the bearer of the basic moral values, is complex, and society has the right to demand from the power of effective public administration.

Active participation of the population in the process of formation and implementation of public administration in the humanitarian sphere will strengthen its social orientation considering regional needs, interests and values of the society. This process involves cooperation between public authorities and society and is carried out through social interaction. This cooperation will allow the development a model of public administration

in the humanitarian sphere, to increase the role of social partners and the state at all levels, to expand the field of competence of public administration institutions in the socio-economic policy of the country.

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