

Donetsk State University of Management (Ukraine)  
University of Economics and Humanities (Poland)

**PUBLIC ADMINISTRATION  
FOR SUSTAINABLE DEVELOPMENT**

Collective monograph

**PUBLIC ADMINISTRATION  
FOR SUSTAINABLE DEVELOPMENT**

collective  
monograph

**2018**

**Mariupol-Bielsko-Biała, 2018**

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

Donetsk State University of Management (Ukraine)

University of Economics and Humanities (Poland)

**PUBLIC ADMINISTRATION  
FOR SUSTAINABLE DEVELOPMENT**

**Collective monograph**

Mariupol, 2018

Recommended for publication by the Academic Council of Donetsk State University of Management, Mariupol, Ukraine (Protocol number 2/3 from 19.10.2018) and the Publishing Board of University of Economics and Humanities, Bielsko-Biała, Poland (WSEH/313/10/18 from 10.10.2018)

**Scientific Editors:**

- Chechel Anna*, Doctor of Economic Sciences, Associate Professor, Head of the Department of Public Administration and Management of the Donetsk State University of Management of Ministry of Education and Science of Ukraine
- Khlobystov Ievgen*, Doctor of Economics Sciences, Professor of the University of Economics and Humanities (Bielsko-Biala, Poland)

**Reviewers:**

- Illiashenko Serhii*, Doctor of Economics, Professor, Head of the Department of Marketing and Management of Innovative Activity, Sumy State University (Ukraine); Professor of University of Economic and Humanities (Poland);
- Gornyk Volodymyr*, Doctor of Sciences in Public Administration, Associate Professor, Director of the Educational and Scientific Institute of Management, Economics and Nature Management of Taurida National V.I. Vernadsky University (Ukraine)
- Marova Svitlana*, Doctor of Sciences in Public Administration, Professor, Head of the Department of Environmental Protection Management of Donetsk State University of Management (Ukraine)

**4 57** Public Administration for Sustainable Development. Collective monograph / The general ed. Chechel A., Khlobystov Ie. - Mariupol: «East Publishing House Ltd.», 2018. - 268 p.

**ISBN 978-83-63649-13-5**

The monograph examines the features and prospects for the formation of conditions for sustainable development on the territories under conditions of decentralization in Ukraine as well as the development of theoretical provisions, scientific methodological and practical recommendations to improve the mechanisms of public administration and effective social and ecological policy.

The perspective directions of development of state and municipal government support are defined as factors to improve the processes of interaction between state government, local authorities, business structures and the public in addressing the problems of regional development in the conditions of decentralization.

The monograph is designed for scientists, graduate students and undergraduates who are researching these above-mentioned problems in the Public Administration scientific sphere.

**УДК 504.06:622**

**ББК 85.10**

© Donetsk State University of Management, 2018

© East Publishing House Ltd., layout, cover 2018

**ISBN 978-83-63649-13-5**

# CONTENT

<b>PREFACE</b>		<b>6</b>
<b>SECTION 1</b>	<b>PUBLIC ADMINISTRATION'S TOOLS IN LOCAL POLICY OF SUSTAINABLE DEVELOPMENT</b>	<b>11</b>
<b>1.1</b>	<b>THE INITIAL PREREQUISITES FOR FORMATION A REGIONAL INNOVATION POLICY AND ITS MECHANISMS</b> <i>Burduli V. Sh., Abesadze R. B., Paata Gugushvili Institute of Economics of Ivane Javakhishvili Tbilisi State University (Tbilisi, Georgia)</i>	<b>12</b>
<b>1.2</b>	<b>TRANSFORMATIONAL POTENTIAL OF THE INSTITUTIONAL FRAMES OF LOCAL SELF-GOVERNMENT ADMINISTRATION</b> <i>Barantseva Karina, Lodz University of Technology, Independent Analyst in European Studies (Lodz, Poland)</i>	<b>31</b>
<b>1.3</b>	<b>THE ACTIVITY OF LOCAL COMMUNITIES AS THE CONDITIONS OF CREATION OF SUSTAINABLE TERRITORIAL DEVELOPMENT</b> <i>Chechel Anna, Tarasenko Olena Donetsk State University of Management, Ukraine (Mariupol city, Ukraine)</i>	<b>45</b>
<b>1.4</b>	<b>SOCIAL COMPONENT OF SUSTAINABLE DEVELOPMENT IN LOCAL ENVIRONMENTAL POLICY</b> <i>Tarasenko Denis, Donetsk State University of Management (Mariupol city, Ukraine) , Sukhova Kseniya, Executive Bodies of the Mariupol City Council, Mariupol, Ukraine</i>	<b>63</b>
<b>1.5</b>	<b>THE METHODOLOGY OF THE AUTHORITATIVE POWERS INDEX ANALYSIS (ON THE EXAMPLE OF THE HEAD OF THE STATE AUTHORITY)</b> <i>Zelinska Maryna, Donesk State University of Management (Mariupol city, Ukraine), Kochurin Oleksandr, Executive Bodies of the Mariupol City Council, Mariupol, Ukraine</i>	<b>71</b>
<b>SECTION 2</b>	<b>FEATURES OF RESOURCE MANAGEMENT IN PUBLIC ADMINISTRATION FOR SUSTAINABLE DEVELOPMENT</b>	<b>84</b>
<b>2.1</b>	<b>THE METHODOICAL ISSUES OF CITIES ECONOMIC DEVELOPMENT MANAGEMENT IN DONETSK REGION</b> <i>Chernysh Olena, Chernyshov Oleksandr, Tanchyk Olena, Donetsk State University of Management (Mariupol city, Ukraine)</i>	<b>85</b>
<b>2.2</b>	<b>NAFTOGAZ V GAZPROM: RUSSIA'S WEAPONIZATION OF ENERGY</b> <i>Kamensky Dmitro, Berdyansk State Pedagogical University, (Berdyansk cityk, Ukraine) Sullivan Julia (Annapolis, USA)</i>	<b>101</b>

2.3	<b>WATER RESOURCES INTEGRATED GOVERNANCE IN UKRAINE IN CONDITIONS OF SUSTAINABLE DEVELOPMENT</b> <i>Orlova Nataliia, Kyiv National University of Trade and Economics (Kyiv city, Ukraine)</i>	114
2.4	<b>SOCIO-ECONOMIC INSTRUMENTS FOR SUSTAINABLE DEVELOPMENT OF TOURISM</b> <i>Stoyka Andriy, Lavreshov Andriy, Horiunova Kateryna, Donetsk State University of Management (Mariupol city, Ukraine)</i>	126
SECTION 3	<b>THE SCIENTIFIC, METHODOLOGICAL AND EDUCATION SUPPORT FOR PUBLIC ADMINISTRATION IN CREATING PROCESS OF SUSTAINABLE DEVELOPMENT CONDITIONS</b>	142
3.1	<b>THE CREATION OF FULL-FLEDGED MANAGEMENT SYSTEMS FOR THE FULL-FLEDGED LIFE-SUSTAINING ACTIVITY SYSTEM FORMATION IN UKRAINIAN SOCIETY</b> <i>Komar Yu., Tanchyk O. Donetsk State University of Management, (Mariupol city, Ukraine); Dubas R., University "Ukraine", (Kyiv city, Ukraine)</i>	143
3.2	<b>THE SELF-MANAGEMENT THEORETICAL AND METHODOLOGICAL FOUNDATIONS OF MANAGEMENT MAJOR STUDENTS' PROFESSIONAL TRAINING</b> <i>Komar V., ITOUR Travel Company (Kyiv city, Ukraine)</i>	155
3.3	<b>STATE ADMINISTRATION: ISSUES OF THEORY AND PRACTICE ORGANIZATION OF THE SCIENTIFIC AND METHODOLOGICAL SUPPORT FOR THE IMPLEMENTATION OF "THE NEW UKRAINIAN SCHOOL CONCEPT" AT THE LEVEL OF THE MANAGEMENT OF ACTIVITIES OF GENERAL SECONDARY EDUCATION INSTITUTIONS</b> <i>Marusina Larisa, Central Institute of Postgraduate Pedagogical Education State Higher Educational Institution "University of Educational Management" National Academy of Educational Sciences of Ukraine (Kyiv city, Ukraine), Loginov Andriy, Department of Education in the Zolotonosha District State Administration (Cherkassy region, Ukraine)</i>	176
3.4	<b>MANAGING INNOVATIVE ACTIVITIES OF EDUCATIONALISTS AS A SUSTAINABLE DEVELOPMENT FACTOR</b> <i>Kharahirlo Vira, Bilotserkivskyi Institute of Continuous Education (Bila Tserkva, Ukraine)</i>	190
3.5	<b>PUBLIC ADMINISTRATION INCLUSIVE DEVELOPMENT OF ATC: SUPPORTING TOOLS UNDER THE CONDITIONS OF SUSTAINABLE DEVELOPMENT</b> <i>Gudz Petro, Pulina Tetyana, Zaporozhye National Technical University (Zaporozhye, Ukraine)</i>	206

<b>SECTION 4</b>	<b>INTERNATIONAL EXPERIENCE AND COOPERATION PROSPECTS FOR SUSTAINABLE DEVELOPMENT</b>	229
<b>4.1</b>	<b>THE INTRODUCTION OF PUBLIC ADMINISTRATION TOOLS IN THE COUNTRIES OF THE EUROPEAN UNION AND THEIR IMPLEMENTATION IN UKRAINE</b> <i>Nikolaeva Valentina, Donetsk State University of Management (Mariupol city, Ukraine)</i>	230
<b>4.2</b>	<b>THE MECHANISMS IMPROVEMENT OF THE UKRAINIAN STATE MIGRATION SERVICE INTERACTION WITH THE STATE AND LOCAL GOVERNMENT AUTHORITY AGAINST NON-LEGAL MIGRATION AS A NATIONAL SECURITY POTENTIAL THREAT</b> <i>Tkachova Nataliya, Martyanova Ruslana, Khmelnytsky University of Management and Law, (Khmelnytsky city, Ukraine)</i>	242
<b>4.3</b>	<b>THEORETICAL AND METHODOLOGICAL BACKGROUND FOR SUSTAINABLE TERRITORIAL DEVELOPMENT (CASE OF HIGHER EDUCATION DRIVERS)</b> <i>Michał Śleziak, Higher School of Economics and Humanities (Bielsko-Biała, Poland)</i>	260

## **Dear readers!**

We are pleased to present you a joint research and publishing project of the Donetsk State University of Management, now located in the city of Mariupol (Ukraine), and the Higher School of Economics and Humanities from the Silesian city of Bielsko-Biala, Poland.

The basis of the proposed research is the issue of local self-government and state administration of territorial development for the formation of sustainable self-sufficient communities. The volume includes the findings of explorations of the definition of state administration tools for the local sustainable development policy, in particular, regarding the formation of a regional innovation policy and mechanisms for its implementation to the practical level.

The particular attention is drawn to the analysis of the transformational potential of self-government institutions and the activities of communities for sustainable development of the territories, as well as the problems of the social component of the development of local environmental policy. One prominent part of the research focuses on the peculiarities of resource management in public administration. Among the most interesting findings are the results of methodological researches of city development in the Donetsk region and the peculiarities of public administration in the field of tourism.

A separate part of the monograph is devoted to the study of sustainable relations in the system of education and staff development, in particular through training processes and educational projects. The special attention is drawn to the study the role of universities as drivers of the sustainable development of the city and the initiation of international projects, in particular regarding the regulation of migration processes and the approximation of Ukraine to the EU within the framework of public-private partnership and local initiatives.

The authors of this monograph are scholars and practitioners from different countries, including Georgia, Republic of Poland, Ukraine and United States of America:

<i>Abesadze Ramaz</i>	Doctor of Economic Sciences, Professor, Director Ivane Javakhishvili Tbilisi State University Paata Gugushvili Institute of Economics, Tbilisi, Georgia	P.1.1
<i>Burduli Vakhtang</i>	Doctor of Economic Sciences, Chief Researcher, Head of the Department of Sector and Regional Economics in Ivane Javakhishvili Tbilisi State University Paata Gugushvili Institute of Economics, Tbilisi, Georgia	P.1.1
<i>Barantseva Karina</i>	PhD of Philosophy, Associate Professor, Senior Specialist of the Projects Office, Lodz University of Technology, Independent Analyst in European Studies	P.1.2
<i>Chechel Anna</i>	Doctor of Economic Sciences, Associate Professor, Head of the Department of Public Administration and Management of the Donetsk State University of Management, Mariupol, Ukraine	P.1.3
<i>Tarasenko Olena</i>	PhD in Economics, Senior Lecturer at the Department of Finance, Accounting and Auditing in Donetsk State University of Management, Mariupol, Ukraine	P.1.3
<i>Tarasenko Denys</i>	PhD in Public Administration, Associate Professor, Dean of the Faculty of Law and Social Management Donetsk State University of Management, Mariupol, Ukraine	P.1.4
<i>Sukhova Kseniya</i>	Deputy Mayor of the City on the Issues of the Executive Bodies of the Mariupol City Council, Mariupol, Ukraine	P. 1.4
<i>Zelinskaya Maryna</i>	PhD of Political Sciences, Associate Professor, Department of Public Administration and Administration in Donetsk State University of Management, Mariupol, Ukraine / University of Economics and Humanities, Bielsko-Biala, Poland	P.1.5



<i>Kochurin Oleksandr</i>	Deputy Mayor of the City on the Issues of the Executive Bodies of the Mariupol City Council, Mariupol, Ukraine	P. 1.5
<i>Chernysh Olena</i>	Doctor of Public Administration, Professor, Head of the Department of Production and Non-production Management in Donetsk State University of Management, Mariupol, Ukraine	P.2.1
<i>Chernyshov Oleksandr</i>	PhD of Economic Sciences, Professor, Associate Professor of the Department of Production and Non-production Management in Donetsk State University of Management, Mariupol, Ukraine	P.2.1
<i>Tanchyk Olena</i>	PhD in Economics, Head of the Department of Foreign Languages, Donetsk State University of Management, Mariupol, Ukraine	P.2.1, 3.1
<i>Kamensky Dmitro</i>	PhD in Law, associate professor, head of law department at Berdyansk State Pedagogical University, Berdyansk, Ukraine	P.2.2
<i>Sullivan Julia</i>	Practicing attorney and energy law expert, Annapolis, MD, USA	P.2.2
<i>Orlova Nataliia</i>	Doctor of Sciences in Public Administration, Professor of the Department of Public Management and Administration, Kyiv National University of trade and economics, Kyiv city	P.2.3
<i>Stoyka Andriy</i>	Doctor of Public Administration, Professor, Head of Department of Tourism and Logistics in Donetsk State University of Management, Mariupol, Ukraine	P.2.4
<i>Lavreshov Andriy</i>	PhD of Public Administration, Honored Economist of Ukraine	P.2.4
<i>Horiunova Kateryna</i>	Senior Lecturer of the Department of Tourism and Logistics in Donetsk State University of Management, Mariupol, Ukraine, Donetsk State University of Management, Mariupol, Ukraine.	P.2.4

<i>Komar Yuriy</i>	Doctor of Public Administration, Professor, Professor of the Department of Production and Non-production Management in Donetsk State University of Management, Mariupol, Ukraine	P.3.1
<i>Dubas Rostyslav</i>	PhD of Economic Sciences, Associate Professor, Head of the Department of Management in the University «Ukraine», Kyiv, Ukraine	P.3.1
<i>Komar Viktor</i>	Master in Economics and Management, Manager of «ITOUR» Travel Company, Kiev, Ukraine	P.3.2
<i>Loginov Andriy</i>	Leading Specialist at the Department of Education in the Zolotonosha District State Administration, Cherkassy region, Ukraine	P.3.3
<i>Marusina Larisa</i>	Post-graduate Student of the Public Service and Educational Management Department of the Central Institute of Postgraduate Pedagogical Education State Higher Educational Institution “University of Educational Management” National Academy of Educational Sciences of Ukraine, Kyiv city, Ukraine	P.3.3
<i>Kharahirlo Vira</i>	Head of the Department of Pedagogy, Psychology and Management of Bilotserkivskiyi Institute of Continuous Education, Bila Tserkva, Ukraine	P.3.4
<i>Gudz Petro</i>	Doctor of Economics, Professor, Director of the Economics and Humanities Institute, Zaporozhye National Technical University, Zaporozhye, Ukraine	P.3.5
<i>Pulina Tetyana</i>	Doctor of Economics, Professor Head of the Management Department, Zaporozhye National Technical University, Zaporozhye, Ukraine	P.3.5
<i>Nykolaieva Valentyana</i>	PhD in Pedagogical Sciences, Associate Professor of the Department of Sociology Management, Donetsk State University of Management, Mariupol, Ukraine	P.4.1

<i>Tkachova Nataliya</i>	Doctor of Sciences in Public Administration, professor, the Head of the Department of Public Management and Administration, Khmelnytsky University of Management and Law, Khmelnytsky city, Ukraine	P.4.2
<i>Martyanova Ruslana</i>	Ph.D. candidate of the Department of Public Management and Administration, Khmelnytsky University of Management and Law, the Head of the Sector for the Illegal Migration, Readmission and Deportation Prevention of the SMS of Ukraine in Khmelnytsky oblast, Ukraine	P.4.2
<i>Śleziak Michał</i>	Master of Economics , University of Economics and Humanities, Bielsko-Biala, Poland	P.4.3

We hope that the proposed collective monograph will be useful to a wide range of readers interested in state regulation of sustainable development and regional socio-economic studies.

We express our deep gratitude to all authors of the monograph for summarizing the research, as well as to the leadership of the Higher School of Economics and Humanities, Mr. Jerzy Decz and Mr. Michał Słozak, for the support of this publication.

The monograph contains the results of scientific-research of topic № 0118U001700 «Public Administration for Sustainable Territorial Development» at Donetsk State University of Management, Mariupol city, Ukraine.

With best regards,  
**Dr. Anna Chechel,**  
**Dr. Ievgen Khlobystov,**  
 Scientific Editors

## **SECTION 2**

# **FEATURES OF RESOURCE MANAGEMENT IN PUBLIC ADMINISTRATION FOR SUSTAINABLE DEVELOPMENT**

## 2.1. THE METHODOICAL ISSUES OF CITIES ECONOMIC DEVELOPMENT MANAGEMENT IN DONETSK REGION<sup>1</sup>

In the present conditions, more and more requirements are given to the governing system of cities economic development, which includes the management goals, functions and process itself. In the framework of the management system, as a rule, there is a comprehensive administrative process, in which executive, regional, municipal and village-settlement bodies are involved.

In the authors' opinion the purpose of adequate functioning of territorial entities, the requirements of a market economy of the system for the management of urban economic development has to be carried out in a way that all included processes are carried out in a timely, qualitative and effective manner. At the same time, it is necessary to pay special attention to the leaders of all authority branches and to the professionals of an effective system of governance formation, with the aim of continuous improvement, development of the system as a whole, as well as its individual components.

In this context, it has to be pointed out that efficient and effective management is necessary for the maintenance and effective economic development of the city. In this case, the study and improvement of the management system in terms of the oblast, as well as the city may contribute to the earliest possible achievement of established goals and tasks.

In the given context, one ought to highlight the issue of assessing the management effectiveness. For instance, Russian scientist V. Leksin notes that: "... in a sophisticated government with an officially adopted system of territorial decentralization, the issue of reaching the objective, parametric and quantified assessments of the activity at each level of administration separately is presented in detail as insoluble. However, the actuality of the

---

<sup>1</sup> The authors of subsection: *Chernysh Olena*, Doctor of Public Administration, Professor, Head of the Department of Production and Non-production Management in Donetsk State University of Management, (Mariupol, Ukraine) *Chernyshov Oleksandr*, PhD of Economic Sciences, Professor, Associate Professor of the Department of Production and Non-production Management in Donetsk State University of Management (Mariupol, Ukraine), *Tanchyk Olena*, PhD in Economics, Head of the Department of Foreign Languages, Donetsk State University of Management (Mariupol, Ukraine)

objective evaluation of the authority body activities is essential and publications concerning this issue are constantly published<sup>1</sup>".

Under certain conditions, there are several approaches that include a simplified solution to the effective management subject matter:

firstly, attempts are made to rebalance the results of the quantitative factors of economic development or economic activity management (output, national income, productivity of the workplace, etc.);

secondly, the management expenses are identified with the expenses of the authority bodies support, which allows calculating the costs on one administrative act, a legal document, a resolution, a decision, etc. drawing up.

At the same time those simplifications do not make it possible to scientifically justify the share of the administrative effect in the general effect of the management object operation. In this regard, the authors propose to form effective methods for managing the city's economic development in the context of the city-system. That is, in order to assess the government's decision effectiveness, it is necessary to recognize all essential connections and to establish their influence, taking into account these interrelations, on the functioning behavior of the whole system but not only its part.

The systematic approach to the study of the city economic development management allows comprehending it as a function of several complex systems. among which there are:

administrative system – a category that determines the management subject essence;

management system – society as a whole and its components as management objects;

interaction system – various institutions that implement communications (direct and reverse. vertical and horizontal. subordinate and supporting).

Therefore, with regard to the aesthetic-territorial formation the subject-object connection will strengthen the essential characteristics of the governance system by the city economic development. The system of

---

<sup>1</sup> Mamonova V. Theoretical and Methodological Principles of Management of Territorial Development [Text]: Manuscript for Doctor of Science in Public Management, specialty 25.00.04 "Local Self-Government" / V. Mamonova. – National Academy of Public Administration under the President of Ukraine. – Kyiv, 2006. – 114 p.

economic development contributes to the interaction content that manifests itself as a dialectical combination of needs and interests of society and the opportunities of the region. The subject produces the administrative information, and the object provides feedback information.

The management system of the city economic development has to create conditions for the effective use of all existing resources in society: intellectual, financial, informational, demographic and others. Adoption of supervisory decisions may be based on an increasingly comprehensive and consistent application of the systemic approach. It is observed in the consideration of individual municipal objects of any administration level as special systems, interdependently linked and actively interacting with other systems in the context of the nationally-owned complex, in identifying the role of each of them in the general process of economy functioning.

In the systemic approach of the region's economy, individual cities are considered as a system that consists of functionally and structurally separated subsystems that form a series of stable, hierarchical levels of control for achieving the ultimate goal. The consequence of hierarchical organization of the city is the presence of vertical and horizontal connections. Vertical bonds mediate the interaction of subsystems of different levels of territorial formation, horizontally – one level. It has to be perceived that the management of the city economic development cannot be reduced to the realization of only its general functions. It represents a complex system, which consists of not only the geographically distributed structure, but also includes the process, goals and methods. As a matter of fact, the system has to be effectively coordinated.

A. Kozbenenko stated concerning this issue that: "The system of state governance, as well as any socially organized one, is composed of functionally united connections of subsystems (elements) that have specific characteristics, and therefore they acquire their place in the organization structure. The organizational-functional structure of government administration represents the definitely defined, functionally interconnected structure of system-constitutive elements (structural components): state and institutions that ensure the management system, their vertical and horizontal dependence, organizational interaction and accountability. It is characterized by factors of organizational-functional stability: subsystems of goals and principles; separation of competence,

division of functions and powers between subjects and objects of control; subsystems of applied management forms, methods, means and resources".

When tackling the cities' economic development matters it is important to proceed from a qualitative assessment of internally local ties and relations. Hence, the necessity of studying, defining and justifying the directions and trends of economic development of cities in the relation between two main levels of governance: the micro level (level of enterprises and organizations, cities and regions) and the meso-level (the level of the subject of the state) are essential<sup>1</sup>.

The fulfillment of the task was possible only on the basis of the comprehensive application of the principled provisions of the systemic approach. The approach precedes the need to study a complex of comprehensive structures of objects and processes in order to identify the essential ties and relations that take place both inside the analyzed structure, as well as its dependence from the external environment. At the same time, the system is considered as the set of interrelated and interconnected elements that create a single, integral whole that possesses integrable features<sup>2</sup>.

Each city is a complex economic system where the system of formation, functioning and development of a comprehensive perspective of relationships and connections between organizations, enterprises, institutions, settlements, social groups, and organizations of governance is functioning and is being developed. The positive tendencies of certain regional socio-economic processes fundamentally depend on these relations, connections and interaction development<sup>3</sup>.

In the conditions of certain social and economic transformations, the city acts as the most important object of governance, since this level of the national complex has a high degree of ownership over all the main features of the system: first of all, the union, integrity, and consistency of all the

---

<sup>1</sup> Vetrov G. Methodological materials on the project implementation of cities economic development / G. Vetrov, I. Pulman // Fund "Institute of Urban Economics". The "Economic development of cities" project. – 97 p.

<sup>2</sup> Bugai S. On the Directions of Improvement of Territorial Organization of Local Self-Government / S. Bugai, Ya. Zhovnirchik / Economics. – 2009 – No. 7 – 8 p.

<sup>3</sup> Berdanova O. Strategic Planning for Urban Development [Electronic resource] / O. Berdanova // Economic Journal-XXI. – 2006. – No. 9-10. URL: <http://www.soskin.info/ea/2006/9-10/20060918.html>.



constitutions of a certain territorial space. The system approach to socio-economic complexes, which is a city, has to be considered as a methodological basis for the appropriate exact actions formation aimed at positive attitudes to all relevant transformations. The systematic approach is physically based on the basic principles of regulation, control, reorganization, restructuring, reforming, development, improvement of economic systems, associated with the achievement of target directions. At the same time, the main benefit of the systematic approach is the formation of the necessary conditions for systematically organizing the social and economic environment with the consideration of the external environment for the certain activities in specific areas implementation and the targeted programs realization<sup>1</sup>.

Systemic urban development provides for substantiated and clear organizational changes, for example: achievement of structural compatibility; creating missing gaps (items, elements), their dissociation and re-grouping, liquidation of the new ones and (or) alleviation of the gap; eliminating the destructiveness of individual elements; stimulation within oblast and interregional relations; implementation of integration processes; achievement of multiplicative effect; social orientation of transformations. In the study of urban problems and the justification of possible ways of city development, it has to be noted that the Ukrainian state, which represents the interconnected elements in the national economic system, nevertheless, clearly differ from each other. These differences lie in the geographic distribution, the size of the territory, the natural and climatic conditions, the economic potential, the industry levels and the rural territories development, the levels of production and social infrastructure, the number of enterprises and organizations, the number of population and its employability, the inflexibility structure, the taxation potentials, scientific and practical basis, structures of legislative and executing authorities and others. In this regard, there is a certain specificity of the structure, functioning and development of specific cities.

These objectively existing differences, and some of the results of the transformations that are occurring in the country, have led to a rapid growth of interregional imbalances. The comparative analysis of the socio-

---

<sup>1</sup> Boyko-Boychuk O. Category "city": essence, definition / O. Boyko-Boychuk // Management of a modern city. – 2005 – No. 3-4 / 7-12 (19-20). – P. 47-60.

economic development of cities indicates trends in the differentiation growth. It is basically in connection with the heterogeneity of the Ukrainian government's space, hence, with different possibilities of adaptation to market conditions.<sup>1</sup> Currently, the beneficial positions belong to cities-exporters of products that use stable external demand for oil, gas, colored metals and aluminum, as well as large trade and intermediary centers and centers of banking capital. For a lot of other oblasts, the transition to market domination is connected with great difficulties, which is confirmed by the daily practice of present survival, functioning and adaptation of cities to changed conditions.

As a result, the several groups of cities and regions with a qualitatively different level of economy and social sphere have formed in Ukraine. One group consists of well-developed regions and cities with a fairly high level of production and people's well-being.

Another larger group consists of regions and cities with average economic potential and the level of well-being of the population. Consequently, the group has the so-called "problem" cities with a low level of economic development, among which there are depressive and deprived ones. At the same time, depressive regions have to be classified as those which are in the deep economic crisis that expresses in the production decline, including the traditional industries and specializations, as well as in the long-term economic stagnation, and are at the stage of radical structural adjustment, renewal and diversification of production. A depressed city is characterized by chronic signs of internal imbalances of government, high unemployment, the presence of unseized capacities, the absence or weak industries which are unable to ensure future progress.

As a result of the ongoing analysis of the economic development strategic planning of territories in Ukraine, the following features have been identified in the methodological approaches development. However, in the authors' opinion, the formulation of the goal, objectives, the main directions in the socio-economic development strategies at the regional and local levels are influenced by the presence of certain features in the socio-economic development of the territories.

---

<sup>1</sup> Bratuta O. General Characteristics and Assessment of the Regulatory Framework for the Regional Development Regulation in Ukraine / O. Brututaa // Regional Economics. – 2005. – No. 1. – P. 7-13.

Defining the particularity in the socio-economic development, it is possible to distinguish the Ukrainian territories that are located in problem oblasts.

Under the problematic oblast, authors mean a region in the development of which there are a number of unfavorable conditions of a permanent or temporary character: the economic crisis, socio-political and ethnic conflicts, man-made technological disasters or natural phenomena, etc. According to the apparent clustering, among the problem regions there are:

1) underdeveloped oblasts – territories that have traditionally low (in comparison with other oblasts in the country) level of economic development and the population well-being;

2) depressive oblasts that differ from developed by the fact that they, as usual, were better developed, but in the conditions of scientific and technological progress they began to stand back in their development.

The authors' view is that the settlements that are situated in problem oblasts are the most vulnerable in accumulating potential threats and dangers. In the course of the research, the hypothesis as for the presence of specific features of the development of localities, which need to be taken into account in the strategic planning of economic development has been checked.

The choice for the study of large cities is connected with the great contribution that these populated places make to the regional economy (Table 1). All cities belong to the category of cities with a low level of socio-economic development.

It is necessary to carry out the general characterization of the features of the small cities of Donetsk oblast.

#### 1. Activities of enterprises (Table 2)

It is possible to propose description of the development features of industrial regions territories.

#### 1. Characteristics of Urbanization Processes

Donetsk region is the most urbanized region of Ukraine. By January 1<sup>st</sup>, 2014, there were 52 cities, including 28 of regional importance, 18 rayons, 131 urban-type settlements and 1118 rural settlements, in which

4343.9 thousand people lived. The urban population was 3937.700 people and 406.200 people were rural ones.<sup>1</sup>

During the analysis of the socio-economic development of the small cities of Donetsk oblast, the following has been defined:

2. Economic features of small cities of Donetsk region development

2.1. Small cities of Donetsk oblast are characterized by a high volume of industrial products realization (Table 3).

**Table 1**

**The main indicators of the socio-economic development  
of the Donetsk oblast in January-February 2018**

	factual in January- May, 2018	Growth rate (decrease).%			
		May, 2018 until		January- May, 2018 to January- May 2017	January-May, 2017 to January-May 2016
		April, 2018	May, 2017		
Volume of sold industrial products (goods and services), mln.	57611.8	-	-	-	-
Industrial production index <sup>3</sup>	-	96.0	98.8	107.2	49.6
Index of agricultural production	-	-	-	94.1	65.5
Capital investments, UAH million	1954.4	-	-	120.9	29.1
Volume of executed construction works, ths. UAH.	725022	-	-	-	-
Construction products index	-	-	-	98.3	24.0
Freight turnover, mln tkm.	232.6	103.9	97.1	72.9	-
Passenger turnover, million pass. km.	643.7	114.1	68.9	69.7	-
Exports of goods, mln. USA	861.5	-	-	68.8	38.5
Imports of goods, mln. USA	308.2	-	-	78.8	47.2
Net balance	553.3	-	-	-	-
Turnover of retail trade, UAH million	16233.2	-	-	98.1	28.3
The average monthly wage of one employee					
nominal price, UAH	5656	100.5	121.4	125.8	116.2
actual wage, %	-	97.9	101.6	92.1	83.2
Debt Payroll, UAH million.	321.1	98.6	85.1	-	-
The number of registered unemployed at the end of the period, ths. persons	20.1	98.3	85.6	-	-
Consumer price index	-	99.9	111.5	103.6	136.5

1. Statistical Yearbook of Donetsk Oblast for 2016. – Bakhmut: Main Department of Statistics in Donetsk Oblast, 2016 – 496 pp.

**Table 2**

**Activities of non-financial services companies in Q1  
of 2016-2017**

City/town	Volume of implemented services (in market prices, ths. UAH) in 2016		Volume of implemented services (in market prices, ths. UAH) in 2017		The share of services implemented to population in total, %
	total	including population	total	including population	
<b>Donetsk Oblast</b>	<b>3881704.5</b>	<b>1254550.6</b>	<b>3162222.9</b>	<b>1087697.6</b>	<b>34.4</b>
Bahmut	50044.8	21904.7	44695.9	21527.0	48.2
Vuhledar	12677.8	12677.8	12389.0	978.1	7.9
Dobropol'ia	14414.3	7234.9	20613.6	8612.9	41.8
Druzhkivka	19360.6	4052.4	20278.8	5610.4	27.7
Kostiantynivka	18410.6	7654.2	16104.5	8084.3	50.2
Kramatorsk	454997.6	278504.3	180071.7	50835.1	28.2
Leman	4133.4	2803.3	6844.9	5071.0	74.1
Mariupol	775495.7	165341.9	654937.1	215088.0	32.8
Mirnograd	36442.9	5040.5	30892.9	5307.8	17.2
Novogrodovka	161.4	128.6	169.0	140.0	82.8
Pokrovsk	83836.9	8750.9	76732.7	7861.8	10.2
Selydove	5602.8	3382.0	6491.0	3907.8	60.2
Slov'iansk	78349.4	27597.2	78698.2	32567.3	41.4

**Table 3**

**Volume of industrial production realization in 2017**

City/town	y Volume of sold industrial products (goods, services) without VAT and excise	
	thousand UAH	in% to all sold products
<b>Donetsk Oblast</b>	<b>186076960.8</b>	<b>100.0</b>
Bahmut	244144.2	1.3
Vuhledar	622680.9	0.3
Dobropol'ia	2343156.0	1.3
Druzhkivka	3858732.6	2.1
Kostiantynivka	4515329.4	2.4
Kramatorsk	18473376.8	9.9
Leman	140975.8	0.1
Mariupol	67397360.8	36.2
Mirnograd	2339598.2	1.3
Novogrodovka	4399975.9	2.4
Pokrovsk	429383.6	0.2
Selydove	1409635.8	0.8

The considerable contribution of small cities to the gross regional product of Donetsk oblast (Table 4) was observed. Donetsk, Luhansk, Dnipropetrovsk and Zaporizhzhya oblasts companies accounted for 29.6%

of the total gross product in Ukraine. It has to be noted that over the past ten years the number of Dnipropetrovsk oblast companies has increased significantly in the bulk product. Donetsk oblast is at the second-place with the contribution to the country GDP, and Dnipropetrovsk oblast is the third among the oblasts in Ukraine.

**Table 4**

**The region's share in the gross domestic product of Ukraine (in%)**

Oblasts	2004 year	2013 year	2017 year
Dnipropetrovsk Oblast	8.7	10.1	11.1
Donetsk Oblast	13.2	11.7	7.6
Luhansk Oblast	4.3	4.0	2.0
Zaporizhzhya Oblast	4.4	3.8	4.2

It ought to be noted that the majority of small cities are characterized by a mono-profile economy, where such industries as coal industry, metallurgy and mechanical engineering is strongly developed. The structure of industrial production in Donetsk oblast can be illustrated with the data (Table 5).

Most of the settlements in the Old industrial appeared and developed on the basis of industrial enterprises oriented to local raw materials, and transport-oriented industrial enterprises.

**Table 5**

**The Structure of industrial production by main types of activities  
in the Donetsk oblast, %**

Indicators	2005 year	2011 year	2012 year	2017 year
Industry	100.0	100.0	100.0	100.0
Including:				
- extractive industry	14.3	14.0	12.8	11.7
- processing industry	82.4	83.0	80.2	75.0
Proportion of certain industries:				
- food processing industry	5.3	5.1	6.6	6.7
- light industry	0.2	0.2	0.2	0.3
- production of charred coal	8.5	8.4	6.8	5.2
- metallurgy	44.8	42.1	35.1	45.1
- chemical and petrochemical industry	4.3	4.1	5.2	4.4
- mechanical engineering	9.7	10.2	11.2	12.2
- production of mineral products	1.9	1.9	2.0	2.6
(construction materials. glass)	7.7	11.0	13.1	10.5

The author's team under the guidance of B. Müller outlines three factual factors for the industrial regions development:

- the sensitivity to changes in external conditions (i.e. mono-profile of the economic basis);
- the integrity of the economy in order to adapt to changes;
- the integrity of the political and administrative system to support structural adjustment.<sup>1</sup>

Among the economic peculiarities of the city development it is necessary to name the following:

- a) the impact of external factors such as economic and technological shocks (e.g. energy crisis);
- b) issues of a mono-profile economic structure that arise with the completion of the life cycle of the main product (reducing the competitiveness of products. low innovation activity);
- c) the deformation of the structure of industrial production with a significant shift to the heavy industry.<sup>2</sup>

The result of the new economic conditions, which caused a crisis of a number of industries, one-profile cities and settlements, which are represented by coal mining and metallurgical enterprises, are in a very difficult economical situation currently.

- d) the outdated transport and logistics infrastructures, which does not meet the flexible production requirements;
- e) the closed market structure, which is manifested:
  - in the formation of oligopolistic structures among mono-industrial producers, which increases the barriers of market entry and reduces the effect of agglomerations for new firms;
  - in the absence of flexibility (inelastic supply) in the markets of production factors, which reduces the enterprise efficiency;
- e) functional blocking (interconnection and vertical integration of enterprises), which burdens the innovation technologies introduction.

As there are evident and potential internal deficiencies in the settlements development it is necessary to point out:

---

<sup>1</sup> 157. Tarnarutsky A. Implementation of social contracts (compacts) practice URL: <http://crps.sumynews.com/policy-development/implementing-practice-social-contract/item/6-vprovadzhennya-praktyky-suspilnyx-dogovoriv-kompaktiv.html>.

<sup>2</sup> Tarshina O. Formation of State Social-Economic Policy in Ukraine / O. Tarshina // Economy and the state. – 2006. – No. 3. – P. 63-65.

- high level of fixed assets depreciation;
- dependence of export-oriented enterprises on the world market situation;

- high material, energy and assets capacity of goods production.

It ought to be noted that due to the military conflict in Donbas, there was a significant breakdown of industry. There were about twenty thousand enterprises closed, which comprised 70% of the total number. Out of 95 state-owned mines in 2014, there were only 24 in Donbas. The production at promising mines as "Sverdlovantratsit", "Rovenkiantracit", "Zhovtnevyi rudnik" was stopped; the entire mine colliery groups such as "Lisichanskugol", "Luganskugol", "DVEC", "Makiivugol" were closed.

2.2. For some cities of Donetsk oblast there is a noticeable decrease in the amount of housing taken into exploitation (Table 6). Construction activity should be considered as the most important one for the economic and social development of the regions.

**Table 6**

**Acceptance of housing exploitation in the cities of Donetsk oblast during 2015-2017**

City/town	2017 year		2016 year		2015 year	
	m <sup>2</sup> of gross area	% until 2016	m <sup>2</sup> of gross area	% until 2015	m <sup>2</sup> of gross area	% until 2014
<b>Donetsk Oblast</b>	<b>57621</b>	<b>132.6</b>	<b>43454</b>	<b>22.8</b>	<b>190706</b>	<b>45.9</b>
Bahmut	4064	248.0	1639	106.7	1536	25.9
Vuhledar	-	-	791	374.9	211	65.9
Dobropol'ia	181	39.1	463	102.0	454	227.0
Druzhkivka	867	373.7	232	34.4	675	24.0
Kostiantynivka	116	11.2	1032	560.9	184	10.5
Kramatorsk	4473	81.8	5467	125.7	4349	22.2
Leman	3569	72.5	1408	26.6	5297	92.7
Mariupol	8769	158.1	5546	42.9	12931	36.0
Mirnograd	801	-	-	-	598	47.8
Novogradovka	-	-	-	-	-	-
Pokrovsk	2019	41.4	4877	211.6	2305	74.4
Selydove	1105	682.1	162	-	-	-
Slov'iansk	7273	776.2	937	15.1	6205	69.8

2.3. For the settlements of the Donetsk oblast there is an invariable growth of investments and innovations, territorial differentiation at their level in the territory of the oblast (Table 7).



**Table 7****The capital investment (in actual prices, ths. UAH)**

City/town	Assimilated (used) capital investments					
	2015 year		2016 year		Jan-Mar of 2017 year	
<b>Donetsk Oblast</b>	ths. UAH	% to total sum	ths. UAH	% to total sum	ths. UAH	% to total sum
Bahmut	<b>12875670</b>	<b>100.0</b>	<b>6640736</b>	<b>100.0</b>	<b>1954355</b>	<b>100.0</b>
Vuhledar	245671	1.9	102003	1.4	22335	1.1
Dobropol'ia	11380	0.1	11057	0.1	9815	0.5
Druzhkivka	428949	3.3	171908	1.6	81231	4.2
Kostiantynivka	145224	1.1	176123	3.1	50044	2.6
Kramatorsk	58098	0.5	26824	0.3	125974	6.4
Leman	783672	6.1	549146	9.8	235552	12.1
Mariupol	26096	0.2	17762	0.2	8134	0.4
Mirnograd	2000756	15.5	1876236	19.8	645872	33.0
Novogradovka	41421	0.3	3533	0.1	1573	0.1
Pokrovsk	640767	5.0	313072	1.6	194700	10.0
Selydove	90621	0.7	31251	0.5	14945	0.8
Slov'iansk	36394	0.3	75647	0.6	26735	1.4

Less than 50 percent of investments in the main capital were concentrated only in the oblast centres and adjoining regions. in the largest cities. During the last years there was a significant decrease in the size of capital investments. including % to the total volume. The factors of low investment attractiveness of the populated places of Donetsk oblast include the following:

- remoteness from the centre, mass markets for sales and services;
- a low degree of diversification of the economy, a mono-characteristic of specialization;
- outdated funds of industrial enterprises;
- shortcomings in social infrastructure;
- risks connected with the conduct of the ATO in the territory of Donetsk and Luhansk Oblasts, etc.

2.4. Notwithstanding the high scientific and technical potential, old industrial region is characterized by an unprofitable level of industrial innovations realization, which manifests itself both in an infinite number of enterprises that initiate innovation activity, as well as in an inaccurate part of innovation products in the total volume of products, active

transformation of scientific ideas in technology and products. Only the cities of Mariupol and Slavyansk during recent years have initiated scientific-technical activities (the total volume of scientific and scientific-technical works performed by the own forces of the city is 20569.9 thousand UAH and 18168.2 thousand UAH, respectively).

3. The social peculiarities of the small towns in Donetsk oblast development include the following:

3.1. Despite the military conflict, there is a high level of average monthly salary (Table 8). Although the salary in the cities of Donetsk oblast increases by an average of 6-10% in comparison with the previous year, in value terms a substantial increase is not visible.

**Table 8**

**The Average monthly salary of employees**

City/town	2015 year		2016 year		2017 year	
	UAH	% to the previous year	UAH	% to the previous year	UAH	% to the previous year
<b>Donetsk Oblast</b>	<b>3858</b>	<b>102.7</b>	<b>4980</b>	<b>129.1</b>	<b>5495</b>	<b>110.3</b>
Bahmuth	3665	107.2	4012	109.5	4204	104.7
Vuhledar	5572	102.7	5668	101.7	6506	114.8
Dobropil'ia	4801	102.4	5082	105.9	5960	117.3
Druzhkivka	3073	104.8	3953	128.6	3978	100.6
Kostiantynivka	2885	107.7	3276	113.6	3497	106.7
Kramatorsk	3603	108.9	4504	125.0	4939	109.7
Leman	3205	105.6	3047	95.1	3952	129.7
Mariupol	3924	107.0	4802	112.4	5029	104.7
Mirnograd	4136	105.2	4672	113	4752	101.7
Novogrodivka	5735	94.9	6415	111.9	7239	112.8
Pokrovsk	4818	90.8	5804	120.5	6499	111.9
Selydove	3815	99.4	4218	110.6	4740	112.4
Slov'iansk	3140	103.5	3732	118.9	4516	121.0

3.3. There is an unsatisfactory level of competitiveness of cities from the pioneers of "education", "culture" and "health care". The number of schools of education, culture and health does not correspond to the number of settlements in cities, there is a tendency to decrease their amount.

3.4. Due to ATO 20 libraries, 200 schools in Donbas are not working, 17 more are destroyed or seriously damaged.

3.5. High unemployment, especially among young people. The total number of registered with the State Employment Service for unemployed persons at the end of August, 2014, was 32.2 thousand people in Donetsk oblast which is 5% less than at the end of July, 2014, and 5.6% less than at the end of August, 2013. In 2016, 14.6 thousand unemployed were registered (not including the territory of the anti-terrorist operation).<sup>1</sup>

#### 4. Characteristics of ecological factors for the old industrial regions development

The negligent concentration of industrial production, transport infrastructure and the high density of population created a huge impression on the biosphere of the industrial regions – the highest in Ukraine and in Europe. The concentration of industry in the industrial regions has led to the emergence of scientific ecological and social problems. Thus, the density of emissions from stationary sources of pollution from discharges to one quarter kilometer of the territory of the Donetsk Oblast amounts to 61.8 tons of harmful substances and 352.7 kg per capita which is respectively 8.4 and 3.7 times higher than the average level within the country. In 2013, Donetsk oblast accounted for 24.1% of all revenues of contaminants in atmospheric air.<sup>2</sup>

The main amount of emissions of harmful substances (95%) is the result of the work of the metallurgical, power and coal industry. Air pollution is released from the high concentrations of mercury in the soils of the Donbas, solid burning waste coal mines. The populated areas of Donetsk Oblast took the first place in Ukraine in terms of pollution levels.

During the military conflict, the environmental damage has increased. Nine mines were flooded and were not subject to restoration. It caused poisoning of drinking water, soil, flora and fauna of these territories. Because of the hostilities, the land of Donbas was contaminated by explosive ammunition, the emissions of chemical enterprises and other enterprises. Thus, one of the obligatory sources of strategic planning has to

---

<sup>1</sup> Strategic Planning as an Instrument for the Regional Governance Implementation / Yu. Ivashkov // Scientific Intelligence from State and Municipal Management. – 2014. – Issue 2. – pp. 242-249.

<sup>2</sup> Stechko D. Formation of mechanisms of regional management of socio-economic processes / D. Stechko // Bulletin of the Khmelnytsky Institute of Rational Governance and Law. – No. 3. – P. 240-244.

be the establishment of contradictions between the territories stable functioning issues and regions development.

During the last few years, the issues have arisen in various spheres of society. The presence of a number of issues is characteristic for certain territories that are known to be specific. This is due to the uneven placement of productive forces across the territories of the country, a fairly large differentiation of various cities at the level of socio-economic development, their financial and budget security and so on.

The main goal is to create an advanced management system for managing the city economy that has to be carried out in two directions:

vertical – between state, regional and local levels of government;

horizontal – between the cities.

It is a complex but necessary and possible way. Its result may be the economic forecast development for 3-5 years as a whole in the city, as well as in each of its local territories. As a result the social control system will take a complete form.

The improvement of the city's administration has to be carried out not episodically, but on a permanent basis. It is evident that in the structures of the system of social control, permanent units (departments for the social control improvement) ought to be created. The main directions of such units have to be the preparation and realization of measures in order to improve the existing management system.

The main task of the successful development of such practical management methods is the refinement and the completion of the concept of staff vocational training, the fulfillment of the requirements that the current practice of administration entails to the supervisor.

Therefore, in the long run, there are the necessary theoretical and scientific and practical prerequisites for a broad expansion of tasks in order to enhance the urban economic development management and the relevant plans and programs realization, which promotes not only the efforts of the city leadership but also support from state organizations.

Scientific publication

PUBLIC ADMINISTRATION  
FOR SUSTAINABLE DEVELOPMENT

Collective Monograph

Responsible for the issue *Chechel Anna*

Computer layout *Fedoriachenko Olga*

Cover design *Poplavskaya Nataly*

Signed for printing on 10/19/2018. Format 70x100 / 16.

Headset Times New Roman. Paper offset.

Um.-print. the arch 15.3. Oblast-view the arch 14.8.

Circulation 300 copies

*Publisher:*

University of Economics and Humanities,

ul. Sikorskiego 4 i 4c

43-300 Bielsko-Biała, Poland

e-mail: [wseh@wseh.pl](mailto:wseh@wseh.pl)