

INTERNATIONAL CONFERENCE

**“Sustainable Spatial Development
Nowadays on the European Continent:
Challenges and Perspectives”**

25-26 November 2015



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ISSN 2273-2640

Regional Innovations is indexed in:

Advance Science Index
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Registry of Open Access Repositories
IDEAS REPEC
OCLC WorldCat
RINC
Google Scholar

Under evaluation:

Ulrich's Periodicals Directory
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InterRegioNovation is the International Association devoted to the transfer and exchange of knowledge and innovations at all regional levels (country, region, city, community etc.) between knowledge transfer professionals (business, research institutions, policy makers, government agencies, individuals, others) in all countries of the enlarged Europe, CIS countries and from other continents for stimulating and enhancing economic and social growth in the regions.

This is a policy and research association that brings together all knowledge transfer professionals who are interested in delivering efficient, flexible, innovative and cost-effective services across the private and public sectors. We work closely with business, research and educational institutions, government agencies, policy makers, NGOs, media, individuals and other stakeholders to promote the interests of their industries.

Our members understand the changing needs of the transfer and exchange of knowledge and innovations and through continuous professional development, marketing and networking opportunities offered in this association, we keep current with the latest knowledge trends and issues that challenge people in their work and life journey. We also offer expansive opportunities for partner connection through our networks.

Journal "Regional Innovations" is one of the Association's tools for innovators and everybody who is interested in any aspects of innovation development.



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About journal

On behalf of the Editorial Board, it gives us a great pleasure to welcome you to the third issue 2016 of the Regional Innovations Journal. This is a special issue dedicated to **the International Conference “Sustainable Spatial Development Nowadays: Challenges and Perspectives”** (25-26 November 2015).

The aim of the conference was involving a wide range of experts in discussing the issues of sustainable spatial development nowadays, modern economic geography and spatial planning, innovations and knowledge transfer in sustainable spatial development, present challenges and perspectives, dissemination and intensification of professional communication and establishment of network for joint research, experience exchange based on the best practices. The Conference participants included scientists, PhD students, experts, business, NGOs from many countries.

This is an independent, peer-reviewed, Internet-based international journal devoted to publishing original research papers of highest quality, sharing ideas and discussing innovation sector within regional dimensions. Normally, four issues are prepared each year. The journal welcomes to submit research papers by exceptional innovators, leading universities, globally recognized business, government agencies, policy makers and political leaders. The Regional Innovations publishes original research papers, policy analyses, review papers and book reviews in order to establish an effective channel of communication between business, research institutions, policy makers, government agencies, and individuals relative to the analysis of various aspects of knowledge and innovations transfer and exchange within regional dimensions.

We intend that our readers will be exposed to the most central and significant issues in innovations development. We wish to publish papers that exemplify the highest standards of clarity, and that promise to have significant impact on existing front-line debates or to lead to new ones. The journal explores key priorities of the knowledge and innovations transfer and exchange in terms of critical aspects of human life (economy, law, science, business, health, education, culture etc.). We therefore welcome submissions not only from established areas of research, but also from new and emerging fields and those which are less well represented in existing publications, e.g. engineering studies, biomedical research etc.

We are delighted with, and immensely grateful to the large numbers of colleagues, both members of the Associations InterRegioNovation and FranceXP (France), representatives from many universities in France, Ukraine, Latvia, UK, Azerbaijan, China and other institutions, who have supported the editorial process. And we are very proud of the expertise that they collectively bring, which we believe is unsurpassed by any contemporary innovative journal. We are immensely grateful to our colleagues for their support and advice through the process of setting the journal up, and for the confidence they have placed in us in supporting this initiative at a time of economic uncertainty.

In the development of the Regional Innovations to date, we would like to enlist the support of a number of organisations who wish to promote this online journal to their experts. To ensure its sustainability, we would also like to invite other organisations, networks, conferences and meetings to associate themselves with the Regional Innovations. We therefore aim for the Regional Innovations to become the leading online forum to globally disseminate outstanding research papers on innovation sector in regional dimensions. Being an online periodical, the Regional Innovations is also a forum for exchange of imaginative ideas readers wish to share. Contributions of articles on innovations sector and your comments about this issue are very welcome.

We do hope you enjoy and benefit from the Regional Innovations! And many thanks for staying with us in 2015!

Jean-François Devey
Publishing Director

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SECTION 1:

CURRENT STATE AND TRENDS IN SPATIAL DEVELOPMENT

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REFORMES DE LA GOUVERNANCE TERRITORIALE EN FRANCE ET EN UKRAINE : COMPARAISONS ET OBSERVATIONS GENERALES

Avertissement : les présentes observations sont présentées comme support de discussion à l'occasion du colloque des 3 et 4 décembre 2015 sur la gouvernance territoriale en Ukraine. Ils ne reflètent que la vision de l'auteur au moment de leur rédaction et ne sauraient en aucune manière refléter ou exprimer la position officielle du gouvernement ou d'une quelconque autorité française.

1/ Contexte de la réforme en projet

A/ Pertinence du rapprochement entre Ukraine et France en matière de gouvernance administrative et territoriale.

A 2000 kilomètres à peine de la France (moins de 1500 kilomètres de Strasbourg, chef lieu de la région Alsacienne, à Lvov, « capitale » de l'Ukraine occidentale, soit la distance de Paris à Rome, ou de Brest à Nice), l'Ukraine est un jumeau inconnu que la France a tardé à découvrir, notamment dans le domaine de l'Administration territoriale.

Une même tradition centralisatrice pour répondre aux mêmes risques centrifuges :

■ *La formation du pays et de son administration*

Les institutions locales en Ukraine ne sont, non plus qu'en France, le seul fruit d'une construction nouvelle ex nihilo. Avant l'indépendance du 24 août 1991, l'Ukraine était juridiquement une République soviétique, déjà divisée en régions et arrondissements. La première division en régions remonte aux années 1718-1720, lorsque Pierre le Grand divisa son empire en cinquante régions. Les évolutions ultérieures n'ont fait que confirmer les traits fondamentaux de l'administration locale, répartie en trois niveaux, la ville ou village, l'arrondissement, et la région ou pays.

Conquise progressivement au sud et à l'est (colonies allemandes implantées par Catherine II, conquête de la Crimée), réunie tardivement à l'ouest après la fin des occupations polonaise, autrichienne, et allemande (la région de Tchernovtzi ne fut rattachée qu'en 1940), l'Ukraine avait besoin, comme la Russie, qui s'étendait à l'est, d'un système centralisateur fort qui puisse réaliser l'unité d'aussi immenses étendues, aussi variées qu'en France... De fait, de la région russophone de Kharkov à l'Ukraine occidentale de Lvov, il y a autant de différence que de l'Alsace à la Bretagne, et des riverains kiéviens du Dniepr aux rivages de la mer noire d'Odessa, ou à la presqu'île de Crimée, il y a autant de points communs et de différences qu'entre Lille et Marseille, entre Paris et la Corse.

Un système uniforme, sous la houlette de «gouverneurs» nommés par l'impératrice ou par le tsar, s'est progressivement affiné avec la subdivision et la multiplication des «gouvernements», puis des oblasts (régions). Cette évolution est caractéristique du système centralisateur royal puis républicain qui ont permis à la France de réaliser assez tôt son unité. Elle est totalement à l'opposé, par exemple, des processus semi-consensuels qui ont mené à l'unification relative et le plus souvent tardive de la Grande-Bretagne, de l'Allemagne, de l'Italie ou même des Etats-Unis.

■ *La suprématie du texte et de la procédure*

En Ukraine comme en France, la plupart des procédures sont écrites, le texte prédomine, la coutume ou l'usage n'occupent qu'une place limitée. Il ne s'agit pas là des seules conséquences du placage du système soviétique pendant soixante-dix ans. Au contraire, comme en France, l'importance des règles et des procédures écrites est profondément enracinée dans l'histoire de l'Administration. Ainsi, par

exemple, l'obligation de se faire enregistrer auprès des autorités municipales dès que l'on change de résidence, n'est pas un héritage soviétique mais impérial. Comme en France, les lois, les décrets, les règlements, les arrêtés et décisions diverses s'enchevêtrent, se multiplient, s'empilent, jusqu'à n'être parfois plus ni accessibles ni compréhensibles au citoyen, voire aux fonctionnaires chargés de les exécuter.

De nombreux traits communs dans l'organisation territoriale:

Aujourd'hui, la construction administrative territoriale ukrainienne est assez largement comparable, dans ses fondements, à celle de la France, à l'exception notable près de l'absence de l'échelon départemental, ignoré totalement au profit de l'arrondissement.

En Ukraine, sur 603 700 km², se répartissent 27 régions (24 régions, la république autonome de Crimée, et deux villes à statut de région, Kiev et Sébastopol). Les régions se subdivisent en 490 arrondissements (à rapprocher de 340 arrondissements en France pour 550 000 km²). En outre, 30 199 municipalités au statut juridique théoriquement identique se répartissaient jusqu'à présent en 28 848 villages, 904 villes rurales, et 447 villes dont 167 de rattachement régional. A l'exception des villes de rattachement régional, qui échappent à l'emprise de l'arrondissement, seule l'importance de l'agglomération justifie semble-t-il le classement dans l'une ou l'autre de ces trois catégories de municipalités. Ce foisonnement, assez proche de celui des 36000 communes françaises, est cependant atténué par la limitation du nombre des conseils ruraux disposant de la personnalité juridique et d'un budget – un peu moins de 11 000 -. Comme en France, quelques grandes villes sont en outre subdivisées elles-mêmes en arrondissements (9 à Kharkov, par exemple, et 14 à Kiev).

A chaque niveau de collectivité territoriale (municipalité, arrondissement, région), correspond une assemblée élue (conseil municipal, conseil d'arrondissement, conseil régional). Le maire est élu au suffrage universel direct en même temps que les conseillers municipaux, mais les présidents de conseil d'arrondissement et de conseil régional sont élus par leurs pairs. Au niveau de l'arrondissement comme de la région, un président des administrations d'Etat, remplit un rôle tout à fait comparable à celui des préfets de région ou des préfets de département d'avant la décentralisation de 1983. Ils sont à la fois les représentants de l'Etat et les directeurs des administrations civiles, et l'exécutif des assemblées territoriales correspondantes. Pour cette raison, le terme de « préfet » ou de « préfet de région » pourrait être utilement employé pour « président des Administrations d'Etat de la région », et le terme de « sous-préfet » pour « président des Administrations d'Etat de l'arrondissement ». Le terme de gouverneur

est employé, dans le langage courant, pour les préfets de région, par référence aux gouverneurs de l'ancien Empire russe. Il s'agit aussi d'un terme adapté en Français, dans la mesure où il évoque la toute puissance théorique des préfets de région en Ukraine.

Une organisation juridique proche de l'organisation française d'avant 1983:

Le corpus juridique qui préside à la définition des pouvoirs et des rôles au niveau local est assez semblable à l'édifice français : il résulte principalement des textes suivants et de leurs modifications:

- la Constitution du 28 juin 1996 modifiée;
- la loi du 21 mai 1997 sur l'autonomie locale (littéralement «autogouvernement local»);
- la loi du 15 janvier 1999 «sur la capitale de l'Ukraine - ville - héros de Kiev»;
- la loi du 9 avril 1999 sur l'Administration territoriale d'Etat.

En France, les principales références sont notamment:

- la Constitution du 13 mai 1958 modifiée;
- les lois de décentralisation de 1982 et 1983, et les réformes successives de 1992 (déconcentration), 1999 (intercommunalité), 2004 (décentralisation de nouvelles compétences), 2015 (regroupement des régions métropolitaines et diminution de leur nombre de 22 à 13 + 4 régions ultramarines et les territoires et communautés d'Outre-mer);
- Le code général des collectivités territoriales (qui reprend et développe une partie des réformes ci-dessus évoquées).

B/ La décentralisation

La décentralisation est en Ukraine un thème récurrent depuis la fin des années 90, qui a été porté avec un bonheur et des approches divers par presque toutes les formations politiques au pouvoir depuis cette période.

Le nouveau gouvernement et la nouvelle présidence ukrainienne ont cependant largement accéléré ce mouvement et créé une commission de réforme constitutionnelle en mars 2015 dont un groupe de travail, portant directement sur la décentralisation, était présidé au nom du Conseil de l'Europe par un spécialiste français, ancien secrétaire général du sénat, Alain DELCAMP VILLEFRANCHE. Sur

la base des propositions de ce comité, le Président POROCHENCKO a porté le premier juillet devant la représentation nationale un projet de loi constitutionnelle relatif à la décentralisation. Ce projet a été amendé, adopté par un peu plus de 260 députés et présenté à la cour constitutionnelle le 15 juillet, qui en a accepté le contenu le 31 août. Il doit être maintenant adopté définitivement par le parlement (la «rada») à une majorité de 300 députés pour devenir une loi constitutionnelle.

Un projet de loi du 26 août 2015 relatif aux préfets est parallèlement en discussion.

2/ Commentaires sur le projet ukrainien de loi constitutionnelle, dit de décentralisation, du 15 juillet 2015

Le projet adopté par la Rada et accepté par la cour constitutionnelle se présente sous la forme d'une modification de la Constitution du 28 juin 1996. A bien des égards, il rentre dans un détail qu'en France nous ne réservons qu'aux lois ordinaires, mais il n'épuise pas le sujet. Il nécessitera, pour sa bonne et complète mise en œuvre, des lois ordinaires en complément (notamment la loi en projet sur les préfets), sans pour autant que l'application de ses principales dispositions ne doivent, pour la plupart, être retardées. Il consacre en effet au sujet une quinzaine d'articles longs et détaillés là où notre Constitution se contente de quelques uns. Il porte en outre la marque la plus nette d'un rapprochement du système français de gouvernance territoriale, jusque dans la nouvelle dénomination des gouverneurs qui recevront désormais le titre de préfet («préfector»).

Les principaux changements peuvent se résumer comme suit:

1/ Création des préfets («préfector») en remplacement des gouverneurs («présidents des administrations locales de l'Etat»). Ces préfets seront des fonctionnaires à la différence de leurs prédécesseurs, nommés et révoqués comme eux (et comme en France) par le Président sur proposition du gouvernement.

2/ Les préfets relèvent du Président et du gouvernement qu'ils représentent au niveau local. Ils coordonnent l'action des services de l'Etat dans leur circonscription. Ils peuvent suspendre les actes des collectivités locales qu'ils jugent illégaux sous réserve d'en référer immédiatement au juge. Le Président ou, selon le cas, le gouvernement, peuvent annuler les actes du préfet. Mais il n'est pas certain que le préfet de région puisse annuler les actes du préfet d'arrondissement (la possibilité existait mais n'apparaît plus dans le projet actuel), ce qui laisserait supposer qu'il n'y aurait plus de hiérarchie entre préfet de région et préfet d'arrondissement (là où la

France a elle-même établi récemment cette hiérarchie entre préfet de région et préfet de département). La procureure n'a plus de compétence constitutionnelle sur le contrôle des actes des collectivités locales. Celui-ci est dévolu à un ensemble composé, comme en France, du préfet et du juge administratif.

3/ Le Président lui-même, dans les cas les plus graves (atteinte à l'unité de l'Etat ou à son intégrité territoriale par exemple), peut suspendre les actes des collectivités locales qu'il juge illégaux sous réserve d'en référer immédiatement au juge constitutionnel. Cette possibilité n'existe pas en France et n'est pas nécessaire dans la mesure où si l'idée venait à un préfet de ne pas exécuter les consignes du Président, il serait immédiatement mis fin à ses fonctions au plus prochain Conseil des ministres.

4/ Le préfet perd sa qualité d'exécutif des pouvoirs locaux et ne peut plus recevoir délégation de pouvoirs des collectivités locales. En revanche les collectivités locales peuvent comme en France recevoir délégation de compétences d'Etat, sous réserve d'une juste compensation financière, et dans ce cas, comme en France, elles agissent alors sous l'autorité hiérarchique du préfet.

5/ La structure territoriale générale à trois niveaux (commune, arrondissement, région) est conservée mais le niveau de base, la « collectivité » (« Gromada »), est uniformisé (plus de villages ou villes de différents statuts comme évoqué plus haut dans la présentation introductive).

Les collectivités peuvent s'associer comme auparavant mais aucun dispositif particulier n'est prévu pour faciliter ces associations. Il est à craindre que l'intercommunalité reste embryonnaire comme elle l'est aujourd'hui, cependant son intérêt est fortement diminué par le regroupement des communes à marche forcée (de 11000 municipalités aujourd'hui à environ 1000 ou 1200 après la réforme, soit moins que le nombre de cantons en France). Le président de collectivité locale est aussi le chef de l'exécutif (il faut sans doute comprendre qu'il est mis fin au système actuel de type allemand ou l'assemblée municipale, par exemple, élit séparément le secrétaire général - équivalent du directeur général des services).

6/ La Crimée, Sébastopol sont concernées par cette loi (qui n'entérine donc pas leur perte de fait), mais les régions de Donetsk et Luhansk, actuellement sous contrôle des séparatistes, ne le sont pas et devront faire l'objet de lois spécifiques.

Observations générales:

- La nouvelle organisation est très proche, dans l'esprit, du système français actuel.
- Le préfet, à la différence du gouverneur, est un fonctionnaire. Il faudra donc prévoir la création, la formation, la gestion et l'encadrement d'un corps préfectoral (sous réserve que le modèle de fonction publique de carrière s'impose, ce qui n'était pas réellement le cas jusqu'à présent – voir observations du rapport d'audit de 2006). C'est à ce besoin que répond le projet de loi du 26 août 2015 sur les préfets.
- Il faudra séparer les services d'Etat des services locaux, y compris se répartir les bâtiments, comme en France à partir de 1983, et probablement avec les mêmes risques et difficultés. Des observations avaient été faites à ce sujet sur le cas de l'oblast de Vinnitsa en 2006.
- Le contrôle de légalité devra être complètement repensé : en France, un système de visa préalable existait avant le contrôle de légalité, mais ce n'est pas le cas en Ukraine. Il est primordial de penser un système d'information systématique du préfet sur les actes des collectivités locales ou mieux, comme en France, de subordonner l'entrée en vigueur de ces actes à la transmission au préfet. A cet égard, des questions peuvent se poser sur la viabilité du système prévu par le projet de loi sur les préfets, qui envisage un système de transmission systématique de tous les actes (seuls les actes les plus importants sont soumis en France à l'obligation de transmission) et oblige le préfet à réagir sous 15 jours (deux mois en France, sans obligation de réaction).
- Qui dit décentralisation dit mécaniquement risque d'augmentation des dépenses, voire risque d'augmentation de la corruption (par le simple effet de la multiplication du nombre des décideurs et des décisions notamment). L'efficacité du contrôle de légalité n'en est que plus nécessaire.
- Pour le reste, certaines des autres propositions faites à l'occasion de l'audit de 2006 peuvent conserver un certain intérêt dans la mesure des changements intervenus depuis (notamment création d'une direction des affaires juridiques par regroupement et transformation de certains services existants).

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MODELING OF ECONOMIC GROWTH TRENDS IN UKRAINE

The paper explores the international experience of econometric modeling of economic growth trends. It was identified four areas of modeling trends of economic growth. The models of macroeconomic dynamics by Prescott and Kydland, by Samuelson and Hicks and by Tevez were constructed for Ukraine's economy. Models are based on different special assumptions and limits, because each of them presents separate school of macroeconomics. The trend in the dynamics of variables (the seasonality is taking into account) is shown and the dynamics of trend fluctuations is analyzed. The fact, that investments have the largest standard deviation, causing the dynamics of GDP, is proved. The forecast of Ukrainian GDP reduction in 2015 (for 5% - 6%) was estimated using these models.

KEY WORDS

Economic growth, Models of macroeconomic dynamics, Econometrics

JEL CLASSIFICATION CODES

C51, E17

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DECENTRALISATION: KEY CHALLENGES FOR UKRAINE

Decentralisation is a top priority in the extensive reform programme that the Government of Ukraine has been undertaking since spring 2014. Important legislation was adopted during 2014 and 2015, providing an enabling environment for reforms. However, in order to succeed, decentralisation reforms will require an unprecedented re-enforcement in administrative capacities at the local community (hromada), district (rayon) and regional (oblast) levels. It equally needs a significant change in political and administrative culture among elected officials and public servants, so that they are able to adapt to their new roles and responsibilities. Citizens' trust and involvement in policy making at the various levels of governance needs to be strengthened.

The Ukrainian Constitution defines the country as a unitary state and guarantees principles of local self-governments to be applied in the country. Yet, Ukrainian local self-governmental bodies have not been able to realize their potential due to years of overcentralized policies and an extremely limited financial autonomy. Mainly the central government decided what type of policies and services sub-national tiers had to provide, often with insufficient knowledge of the actual needs of the population. Consequently, many local authorities currently fail to provide quality services (e.g. administration, health, education, water) to their citizens and need to rely on private sponsors for any major investments.

After the change of the Government of Ukraine in spring 2014, local self-government, administrative-territorial and regional policy reforms became top priorities. Since that

time, extensive work has been completed to enact these reforms. A concept on “Reformation of Local Self-Government and Territorial Organisation of Powers” was approved in April 2014 which sets the framework for an ambitious reform. Additional important legislation has been adopted during 2014 and 2015, including laws on state regional policy, fiscal decentralisation (Amendments to Budget and Tax Code) as well as on cooperation and amalgamation of local communities. This created an enabling environment for the implementation of reforms. As local budgets are increased due to revenues from locally generated taxes, the reform has created new incentives for local leaders to deliver quality administrative services and foster economic development¹. A new philosophy of horizontal fiscal equalization was introduced². The reform steps taken have already produced positive results: Local budgets increased by UAH 44.6 billion (37.7%) in the first half of 2015 in comparison to 2014.

The current version of the Association Agenda to prepare and facilitate the implementation of the Association Agreement was endorsed by the EU-Ukraine Association Council on 16 March 2015. The Agenda refers to the “(...) *strengthening of the functioning of local and regional self-government, and legal status of the service in local self-government bodies, including through a decentralisation reform devolving substantial competences and related financial allocations to them, in line with the relevant standards contained in the European Charter on Local Self - Government.*”³ Chapter 27 “Cross-border cooperation and Regional Cooperation” in the EU-Ukraine Association Agreement promotes “*mutual understanding and bilateral cooperation in the field of regional policy, on methods of formulation and implementation of regional policies, including multi-level governance and partnership, with special emphasis on the development of disadvantaged areas and territorial cooperation (...)*”. A recent Communication from the European Commission emphasizes the crucial role of Local Authorities for enhanced governance and more effective development outcomes⁴. The EU has provided substantial financial support to regional policy reforms in Ukraine. One major obstacle to a successful Decentralisation process in Ukraine is the fragmentation of sub-national governments. Too many territorial units are too small to perform delivery of basic service functions effectively⁵. To overcome this fragmented structure and increase efficiency, the

¹ From 1 January 2015, cities of *oblast* importance, *rayons* and voluntarily amalgamated communities receive 60% of locally generated personal income tax, 100% of so-called “single tax” (a lump-sum tax for small businesses). The Regional level additionally obtains 15% of personal income tax and 10% of the enterprise profit tax.

² Local communities with fiscal capacity above Ukrainian average by at least 10% are allowed to keep half of the revenue surplus. Poorer local governments, with fiscal capacity below 90% of the national average, receive a base grant which amounts to 80% of what this budget requires to catch up with the average.

³ http://eeas.europa.eu/ukraine/docs/st06978_15_en.pdf

⁴ https://ec.europa.eu/europeaid/sites/devco/files/communication-local-authorities-in-partner-countries-com2013280-20130515_en_4.pdf

⁵ OECD Territorial Reviews: Ukraine 2013.

Government of Ukraine launched an ambitious territorial reform. The reform aims to reduce the number of territorial entities at community level, from more than 12,000 to approximately 1,200-1,500 hromadas (local communities). At the intermediate level, there are plans to reduce the 490 rayons (districts) to around 100-120. The number and territories of oblasts (regions) will not be changed. Amalgamations are voluntary but only bigger cities and newly amalgamated communities with a sufficient size immediately benefit from the reform having access to increased budgets and more autonomy. Smaller, less competitive communities will receive fewer subsidies and benefit only in case of amalgamation with others. As of September 2015, 793 communities voluntarily decided to amalgamate and 159 new hromadas were formed.

In the area of regional development, the Government of Ukraine has displayed qualitatively and quantitatively new approaches. The State Strategy for Regional Development was adopted on 6 August 2014. With guidance and expert support from the EU funded Support to Ukraine's Regional Development Policy Project, the Ministry of Regional Development, Construction, Housing and Communal Services approximated to principles of EU Regional Policy and established a transparent funding mechanism for regional development: the State Fund for Regional Development. The fund is an innovation in the Ukrainian budgetary system: it provides stable and predictable funding, uses a fixed formula to calculate the distribution among regions and allows multi-annual development projects. In 2015, the Government of Ukraine allocated UAH 2.9 billion to the fund.

In 2015, for the first time since its inception, the fund has been providing financing for all types of investment programmes and regional development projects. In earlier years, the fund focused solely on the construction or reconstruction of social infrastructure. Important changes have been made regarding the basic selection criteria for investment programmes and regional development projects: namely, compliance with the priorities identified in the State Strategy of Regional Development, regional development strategies and in regional action plans to implement them. To support amalgamations of local communities according to the newly adopted legislation, the fund also provides funding for investment programmes and regional development projects that are implemented as cooperation projects of local communities and projects for voluntarily amalgamated local communities. The success of the mechanism for stimulating regional development through the State Fund for Regional Development is largely dependent on the ability of the authorities and non-state actors to properly apply new approaches in utilizing the fund's financing.

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DEVELOPMENT OF REGIONS OF AZERBAIJAN IN THE FALL OF OIL PRICES

Despite the drop in oil prices, Azerbaijan's economy continues to grow. In the first nine months of 2015, Azerbaijan's GDP grew by 3.7% and real growth of non-oil sector amounted to 6.4%, which was the result of the country's diversification policy.

Nowadays the main question becomes effective disbursement. This issue is discussed in the first year, but it is no coincidence that the relevance of this issue has increased in 2015. In early 2015, the President of Azerbaijan Mr. Ilham Geydar Aliyev touched upon the economic questions in his speech at the conference on the results of the first year of implementation of "State Program on Socio-Economic Development of Regions of Azerbaijan Republic in 2014-2018 years".

State budget revenues for 2015 are projected at 19.438 billion manat, expenses - 21.1 billion manat. The deficit of the State budget is approved in the amount of 1,662 billion manat. But before the end of the year may reduce costs, public investment the country will be reduced, which could become an obstacle to the growth of non-oil sector, and ultimately for the development of regions of Azerbaijan.

In the State Budget for 2016 revenues are forecasted at 14.566 billion manat, which is 25.2 % of GDP, while expenditures - 16.264 billion manat (28.2 %). The budget deficit for 2016 is forecast at 1 698 million manat, or 2.9 % of GDP [its volume is set at 57.7 billion manat.

Budget revenues in 2016 as compared to the expected rate for 2015 will be reduced by 25.1 %, and the actual index in 2014 will decline by 20.84 %. State budget expenditures compared to 2015 [taking into account expectations] will be reduced by 22.9 %, and from 2014 year - by 13.07 %.

Next year is expected to reduce the share of oil sector in general revenues to 53.5 % compared to the expected 2015 level of 65.3 %, while in 2014 the figure was 66 %.

If the current trend of reducing oil revenues will remain, at the subsequent stages, public investment will be further reduced. And this in turn will cause a decrease in economic activity in the country. Because the main point of repulsion for the development of non-oil sector and regions in Azerbaijan in recent years, public investment, soft loans allocated by the state, thereby creating new industrial areas, industrial enterprises, infrastructure development and agriculture.

In the current environment way out is to improve the business environment, the development of free enterprise, to create conditions for competition, antitrust measures, promoting initiatives in the field of small and medium-sized businesses.

The Government of Azerbaijan is planning to take serious steps to improve the business environment and to give impetus to the development of entrepreneurship.

To this end, the President of Azerbaijan instructed the Cabinet of Ministers of Azerbaijan to develop a mechanism of checks and free for two years from all tests (except tax) for small and medium-sized businesses. Another step is to streamline the number of licenses for economic activities and the issuance of one of the authorized government agency.

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AFRICAN ECONOMIES' PREPARATION FOR GLOBAL AND DOMESTIC TRANSFORMATION

Abstract

This paper examined the intricate linkages among rural and urban economics transformation in the African region, provision of basic infrastructure, and agricultural productivity that ensures food security. Highlighting Africa's macroeconomic performance and prospects. Rural development has been a front-burner issue in Africa, simply because majority of the populace are rural dwellers. Thus, the paper contends that massive investments on rural infrastructure, global view of international integration and sustainable management of same are required in enhancing accelerated growth.

Introduction

So far, African economies have been relatively resilient to the sharp fall of international commodity prices. Production of commodities has often increased despite the lower prices, and overall growth has also been boosted by other sectors. But if commodity prices remain low or decline further, growth in resource-rich countries might slow down as governments need to cut spending. Governments will be keeping a close watch on conditions in key markets, especially China and Europe. There are some positive effects, however, as lower oil prices ease inflation, increase real incomes and strengthen export markets.

When comparing the performance of individual countries between 1986-2000 and 2001-14, three main factors appear to have accelerated growth in the African region:

- **Greater political stability:** Many countries that recorded growth below 2% during the period 1986-99 suffered from civil wars, military coups or social unrest (Algeria, Angola, Burundi, the Central African Republic, DRC, Djibouti, Guinea-Bissau, Niger,

Rwanda and Sierra Leone). By contrast, between 2001 and 2014 violent conflict has receded overall and political stability improved – although several economies suffered again, at least temporarily, from political unrest.

- **High commodity demand and soaring prices:** During the 2000s, Africa has been benefiting from a shift of global wealth. World output growth has accelerated, mainly driven by China and other emerging nations. This has boosted demand for oil and minerals and increased commodity prices, which has benefited Africa's resource-rich countries, whose reserves are among the least exploited globally (AfDB et al., 2011; AfDB et al., 2013). Over the first decade of the century, African exports to Europe doubled, exports to emerging economies quadrupled and exports to China alone increased by a factor of 12. By the middle of that decade, foreign investment, stimulated by a global savings glut, poured into mines and agriculture (e.g. biofuels), but also into the infrastructure necessary to exploit them, such as ports, roads, electricity and support services (e.g. banking, insurance, transportation). Average annual growth in several resource-rich countries (Angola, Chad, Equatorial Guinea, Nigeria and Sierra Leone) rose to 8% and more between 2001 and 2014. In Zambia average growth accelerated from half a percentage point in 1996-2000 to almost 6% in 2001-14. Mozambique and Ghana, which are not classified as resource rich but where extractive industries have become more important, also attained high growth of almost 8% and close to 7% respectively.

- **Improved economic policies:** Lower inflation and stronger budgets due to more prudent fiscal policies, helped by debt relief, have improved macroeconomic stability and supported growth in many countries. Governments are improving the business environment and promoting structural transformation from traditional towards more productive activities. This has helped some countries without resources, such as Ethiopia and Rwanda, to attain high annual growth of 8% or above. In the coming decades, changes in the global context, rapid population growth and growing social demands will create new opportunities and new challenges to which African policy makers will have to respond with innovative development strategies.

Demographic growth will create both **opportunities** and **challenges** Africa's population of 1 billion in 2010 should double by 2050, although the magnitude of the increase will vary across the continent. South Africa and the region of North Africa will be less affected. Those demographic changes bring about both opportunities and challenges. On the one hand, the ongoing demographic transition opens a window of opportunity, as the working-age population increases. The ratio between those inside and outside the workforce, the activity ratio, will increase over the next several

decades and possibly create a demographic dividend for sub-Saharan Africa. The number of active people supporting inactive people will increase due to lower birth-rates; this will free up resources to improve living conditions (e.g. education, health care and housing) and boost savings and investment. And it will remove a long-lasting, heavy burden from Africa, although differences between countries will be significant. In the 1990s, there was practically one active person for each inactive one. The average activity ratio is expected to steadily rise and continue well beyond 2050. By that time it is forecast to reach 1.6 active people per inactive person in sub-Saharan Africa (still less than China's current level). Ahmed et al. (2014) estimate that Africa's demographic dividend could contribute 10-15% of gross GDP volume growth by 2030.

Strategic options for accelerating Africa's transformation: highlighted strengths and weaknesses:

Challenges

Perspectives

<p><u>Industrialisation:</u></p> <ul style="list-style-type: none"> • Increasing manufacturing costs in Asia, the shift to task-based production, outsourcing and intra-firm trade (GVCs) open up new opportunities for light manufacturing, which requires less capital, fewer technical and managerial skills and remains viable in fragile environments. • Africa may emulate export-led strategies of developed and emerging economies by improving trade facilitation, increasing access to energy, investing in skills and implementing smart industrial policies. 	<ul style="list-style-type: none"> • The hurdles related to appropriate public policies, institutions, governance systems and sustainability are many. • Technical change has gradually rendered manufacturing more capital- and skill-intensive, triggering premature deindustrialisation in many developing countries. • Manufacturing is increasingly service-intensive: underdeveloped service sectors may thus hamper its emergence and competitiveness. • Industrialisation alone may not suffice to create the almost 30 million additional jobs Africa will need every year.
<p><u>Service-led growth:</u></p> <ul style="list-style-type: none"> • Jobs in services continue to expand. • Services related to outsourcing, new information and communication technologies, and cloud computing present multiple possibilities. 	<ul style="list-style-type: none"> • Services are becoming increasingly tradable. The challenges associated with winning effective market shares are numerous. • Productive services require high-skilled workers, whereas the African workforce is mostly low-skilled.

<p><u>Natural-resource-based development:</u></p> <ul style="list-style-type: none"> • Investing natural resource revenues wisely and simultaneously developing industrial policies could diversify economies. • Under adequate conditions, extractive sectors can generate linkages and support the upgrading of suppliers. • Improving transparency, tax collection, public spending, the management of public companies, and the social and environmental impacts of mining would sustain growth. 	<ul style="list-style-type: none"> • Governance deficits exist in the extractive sector. • There are environmental limits. • International prices are volatile and global demand is uncertain as emerging economies slow down.
<p><u>Green growth:</u></p> <ul style="list-style-type: none"> • Dramatic changes in Africa's production and consumption modes could initiate the world's energy transition and lead to a more sustainable development path. • The potential to leverage renewable energy sources is huge. 	<ul style="list-style-type: none"> • Such a transition would take a long time. • The current resource extraction model will most likely continue to mobilise significant investments in the short to medium term.
<p><u>Agriculturally-based growth:</u></p> <ul style="list-style-type: none"> • Agriculture is the first employer; the population in rural areas and overall demand for agricultural products will continue to grow. • Agriculture plays an important role in structural transformation and directly reduces poverty. • Improved agricultural performance played a major role in the economic successes of East and Southeast Asia. 	<ul style="list-style-type: none"> • It is unsure how to reconcile absorbing a significant share of the workforce while dramatically improving agricultural productivity. • The debate over the best type of development model for agriculture, e.g. small- vs. large-scale farming, is inconclusive.

The Eight Millennium Development Goals in NIGERIA are to: National security. Eradicate extreme poverty and hunger. Achieve universal primary education. Promote gender equality and empower women. Reduce child mortality. Improve maternal health. Combat HIV/AIDS, malaria and other diseases. Ensure environmental sustainability. Develop a global bilateral partnership for development.

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INCREASE OF INTERNAL MIGRATION IN UKRAINE: ADVANTAGES AND DISADVANTAGES FOR NATIONAL ENTERPRISES, INFLUENCE ON COUNTRY'S COMPETITIVENESS

The article generalizes theoretical aspects and gives practical approaches for regulation of internal labor force migration. The influence of current political and economical situation on Ukrainian labor market is explained. Peculiarities, advantages and disadvantages of the internal labor migrants' employment are revealed. The necessity of using the labor migrants from Eastern Ukraine and Crimea in production process is argued. The influence of growing amounts of internal labor migration on international competitiveness of national economy is also analyzed. Global Competitiveness Index is used as a background of the research. Author shows the dynamics of foreign direct investment inflow in Ukraine and names factors that can cause changes in early mentioned figure in further period. The assumption for possible salvation of the unemployment increase problem and the problem of compulsory downshifting in Ukraine is done.

KEY WORDS

Internal labor force migration, Global Competitiveness Index, downshifting, direct investment

JEL CLASSIFICATION CODES

F22, J61

ANALYSIS OF THE WORLD MARKET OF STEEL PRODUCTS

Abstract

The article analyzes the trends of the world steel market and the prospects of its development. The volumes of production of leading steel supplying countries were analyzed for the period of 2005-2014 years. The comparative analysis of changes in steel production between different countries was carried out and in addition problems of the industry were singled out. The objective of this study is analyzation of the global steel market and its current trends, identifying key market suppliers of metallurgical production and development of forecast of its future trends. The metallurgical industry is one of the most important components of the global economy, that's why a lot of world scientists have dedicated their researches to the global steel market, its problematic aspects and benefits. However, despite the significant amount of scientific publications on research of the main advantages and problems of the global steel industry the development of future trends in the light of current market situation is still relevant.

For Ukraine, which is an active participant of the world market of steel products, the steel industry is also strategic, providing a large share of state revenues and about 26% of GDP, but there is the problem of obsolescence of the industry and its technologies. Therefore, the current study on implementing key aspects of modernization of obsolete enterprises to enhance their competitiveness in world markets is also required.

Keywords: *steel, iron and steel industry, the world market of metal production, export potential, internal usage, problems and perspectives, future development.*

Research results:

Over the past decade there have been significant changes in the steel industry not only in Ukraine, but also in the world. According to the World Steel Association (WorldSteel) world steel production in 2014 reached a record high level: 1,674 megatons (Mt), 4.2% higher than the previous year figure and 45% higher than in 2005. Till 2012 Ukraine confidently occupied the 8th place in the overall ranking among the leading countries in production of steel (tab. 1), but in 2013 it concedes Turkey which ousted Italy from the list. [8]

Tab.1

List of countries by steel production

Country	2005			2011			2012			2013			2014		
	Production (mega ton)	Rating	Share, %	Production (mega ton)	Rating	Share, %	Production (mega ton)	Rating	Share, %	Production (mega ton)	Rating	Share, %	Production (mega ton)	Rating	Share, %
China	355,8	1	31,6	695,5	1	45,5	708,8	1	45,9	730,3	1	49,4	822,7	1	49,1
Japan	112,5	2	10	107,6	2	7	107,2	2	7,1	124,4	2	6,9	110,7	2	6,6
USA	94,9	3	8,4	86,4	3	5,7	88,6	3	5,9	91,2	3	5,5	88,2	3	5,2
India	45,8	4	4,1	72,2	4	4,7	76,7	4	5,1	84,3	4	5,1	86,5	4	5,1
Russia	66,1	5	5,9	68,7	5	4,5	70,6	5	4,7	69,0	5	4,4	71,5	6	4,2
South Korea	47,8	6	4,2	68,5	6	4,5	69,3	6	4,6	68,6	6	4,2	71,6	5	4,2
Germany	44,5	7	3,9	44,3	7	2,9	42,7	7	2,8	41,0	7	2,7	42,9	7	2,5
Ukraine	38,6	8	3,4	35,3	8	2,3	32,9	10	2,2	28,97	10	2,1	27,2	10	1,6
Brazil	31,6	9	2,8	35,2	9	2,3	34,7	9	2,3	31,1	9	2,1	33,9	9	2,0
Italy	28,7	10	2,5	29,35	11	1,9	27,2	11	1,8	25,5	11	1,6	23,7	11	1,4
Turkey	21	11	1,9	34,1	10	2,2	35,9	8	2,4	32,4	8	2,2	34,0	8	2,0
Other	268,5	-	23,8	279,5	-	18,3	215,6	-	14,3	211,23	-	13,7	193,2	-	11,5
Total	1148	100	152	1537		100	1559	100		1606	100		1674	100	

Source: World Steel Association

Despite the fact that 2013 was not an easy year for the metal industry, taking into account such issues as: excess capacity and cost of raw materials, the demand for the global steel market had a positive growth of 3.6%. World steel production was 1,606 mega tones, which was a record for the industry.

Major steel producers, according to World Steel Association, in 2014 were: China (822.7 million tons), Japan (110.7 million tons), USA (88.2 million tons), India (86.5 million tons), South Korea (71.5 million tons), Russia (715 million tons), Germany (42.9 million tons), Turkey (34 million tons), Brazil (33,9 million tons), Ukraine (27.2 million tons), Italy (23.7 million tons). Top companies in steel production in 2014 were: ArcelorMittal, Nippon Steel-Sumitomo Metal Corporation, Hebei Group, Baosteel Group, POSCO, Shagang Group. [8]

2014 became a new stage in the global steel market. In spite of the growth of world production by 4.2%, the steel industry is now entering a period of pause, in particular because of China, which has had the most notable impact on the steel market for decades. Of course, experts expect market growth due to new players, noting that urbanization in countries with developing economies will play a key role for the steel market in the nearest future.

In 2012, among the leading countries, only six increased production, namely: China, USA, India, Russia, South Korea and Turkey. If we look at 2013, we can conclude that the rating of leaders remained the same, but almost all countries have reduced production of steel, except of China, which has an increase of 8.6%, Japan (1.1%) and India (3.1%), which in the aggregate reflected the general increase in global steel production by almost 2.3%. [6]

China, India, Russia, South Korea, Germany showed positive dynamics in 2014 while the US and Japan slightly reduced production.

Moving ahead we will perform comparative analysis of steel production between different countries.

Ukraine and Russia

Despite the common historical past of Russian and Ukrainian steel industry, differences in their performance increased significantly in the post-Soviet period, after the privatization of steel companies in 1990's. Positive and negative factors in the steel industry of both countries are similar, but profit margins of Russian steel companies outpaced indicators of Ukrainian companies.

One of the key common features, which remained in both countries are low costs, primarily due to low labor costs. This is an important factor for the industry, which conducts mostly standardized products. In addition, both countries kept export opportunities of products that contribute to the diversification of market position and - as markets of steel products are mainly regional - help in fighting risks of price fluctuations.

However, high capital expenditure requirements and financial policies of companies make the negative impact on the performance of companies. Both Russian and Ukrainian companies are faced with significant institutional risks that negatively affect the ratings, such as the uncertainty of the application of taxation and regulation.

This trend in broader terms - the creditworthiness of companies - determines such differences as assets, levels of corporate governance and disclosure, the size and growth of the domestic market and the prospects of transactions of mergers and acquisitions. [1]

Since 2009 all CIS countries, including Ukraine significantly reduced the production of ferrous metals. After the decrease of production in the steel industry by 12.3% and 26.7% in 2008 and 2009, there was an increase in the post-crisis period by 12.2% in 2010, 8.9% in 2012, 9.1% in 2013.

Europe

European leading countries in steel production in 2014 showed mostly positive dynamics.

Germany produced 42.9 million tons of steel in 2014 (+1.9% compared to 2013), but slightly decreased its share in world production, which is associated with the overall growth in other countries .Italy produced 23.7 million tons (-1,8% compared to 2013), steel production in Turkey was 34.0 million tons. (+ 1.6%).

The main advantages of Turkey's metal business are:

- geographical location. Nearest neighbors - large shopping areas: the EU, North Africa, the Middle East and the CIS.
- Turkey (as a member of NATO) has a special relationship with the EU and the US who are loyal to Turkish exporters of metal. In 1996 Turkey signed with the EU agreement on the country's accession to the EU single customs union, whose members have duty-free trade in steel. And adopted by the USA anti-dumping restrictions on imported steel products in 2002 didn't affect only Turkish metal producers because the country has been recognized as an emerging market.

- The country from the north and west is washed by the sea. The main volume of foreign traffic is carried by sea. Large and modern port facilities of Turkey are able to process quickly and cheaply large volumes of export-import cargoes, including steel products and raw materials.

The disadvantage is the fact that the country has a significant shortage of qualitative raw materials and cheap energy and is completely dependent on imports; in addition there is not very stable political and economic situation inside the country.

Germany ranks fifth in the world steel output. The main area of concentration of the steel industry is west of the Ruhr coal basin.

Italy for the entire study period had a positive trend, except for a slight decline in 2014. The country has developed machine building, production of cars, scooters, bicycles, ships, and therefore may further increase melting ferrous metals. Steel is based on import and scrap iron, coke, iron ore, alloy metals. Features of raw materials affect the structure and placing the companies in this sector. The largest plants are situated in ports. [5]

America

In 2007 in the US industry decreased steel consumption by 0.38%. GDP of the country continues to slowdown. Production of automobiles, industrial equipment and other durable products sharply decreased in the end of 2006 and is decreasing further due to falling demand. The slight increase in metal consumption may occur due to the construction - the future replacement and repair of bridges generates thousands of prospects for growing demand for high-strength steel. Optimistic forecasts of accelerated growth of the world economy and increasing annual steel consumption stimulated its production, which led to oversupply on the US market, excess inventory and falling of prices.

Steel industry of Brazil has a number of competitive advantages in the international division of labor, including:

- abundant natural resources for the steel industry;
- the most modern equipment and technology;
- relatively inexpensive labor;
- sufficient transport infrastructure;
- advantageous geographical position, which allows the transportation of raw materials.

Metallurgy of the region is rated as one of the biggest low cost production in the world. In Latin America is produced almost 25% of the global amount of iron, using the most promising methods of direct reduction.

Latin America's steel industry is characterized by a high degree of consolidation, as well as plans of expansion and development of production.

Asia

India and China are characterized by rapid economic development and a large capacity of their domestic markets. High demand for steel products in the region explains the increase in pig iron production in neighboring countries, such as China and India - Japan and South Korea.

There is speculation that India may become a world leader in steel production. Indian steelmakers argue that the country has in stock all competitive advantages. Including:

- availability of iron ore;
- low labor costs;
- high level of training;
- significant governmental support of the steel industry as one of the strategic sectors of the Indian economy.

However, at present India is largely inferior to the undisputed leader of China, which produces one-third of global steel production volume and is one of its largest customers. In 2014 China produced 822.7 million tons of steel, while the annual production in India is almost ten times lower. (86.5 million tons) According to [6], in China the average steel consumption per capita is 265 kg, while in India - only 30 kg. For example, China produces more than 5 million cars a year, while India - less than 1 million.

Conclusions

The world steel market is gaining the new format at the current stage, in which the speculative component of the cost of steel products is minimized. With the setback in prices for raw materials (ore and coal) to "fair" value, price of steel will be more determined by the underlying market factors and ultimately steel should become more accessible. Excess power will remain a major challenge for the steel industry. The growing gap between global steel production capacity and current demand has led to deterioration of the financial situation of the worlds steel producers, which threatens the long-term economic viability and efficiency of the industry.

In the nearest future the most important factor influencing the market of metal will be the new levels of prices on raw materials. And not only on raw materials, which is directly used in steelmaking, but also on other raw materials, especially oil, which value affects many sectors, including the steel industry.

It is expected that in 2015 growth of demand for steel will be moderate (optimistic) or zero (pessimistic forecast). According WorldSteel, world demand for steel in 2015 will grow by about 2%. The weakening dynamics of growth reflects a significant slowdown in the increase of the demand for steel in China and other large countries with developing economies. Although the demand of some developed countries, including the US, Canada, Japan and some EU countries, is restored, its level is not enough to offset the decline in developing countries, which provide over 70% of consumption of steel products in the world. According to WorldSteel, the global demand for steel has reached 1,562 mega tones by the end of 2014 and in 2015 the level of 1,594 mega tones is expected to be hit. Meanwhile steel consumption in developed countries increased by 4.3% in 2014 and is forecasted to grow by 1.7% in 2015, while in emerging markets consumption grew only by 1.7% in 2014, with the projected growth of 4.7% at the end of 2015. China steel consumption increased by 1% in 2014, this year will grow by about 0.8%. However, the current turbulence of financial markets and uncertainty about economic prospects of the CIS countries are likely to affect the forecast of moderate growth.

Up to these days Ukraine remains almost the only country in the world, companies of which export up to 80% of production and 20% sell on the internal market. [3] At the same time the production of high-tech products is significantly reduced, the main product groups in total exports are semi-finished and finished steel, which indicates its imperfections. Other problems in the metallurgical industry that prevent the country from strengthening its competitiveness on world markets are: production with high energy consumption and inefficient consumption of other resources, resulting in significant expenditures of natural gas, increasing dependence of industry on imports, lack of innovative developments, the decline of science industry and ineffectiveness of mechanisms of involving potential academic institutions in conducting applied research, which leads to technical and technological backwardness of steel industry (25% of steel is still smelted in Martin, the continuous casting machine spreads 53% of steel, to compare with averages worldwide: 1.1% and 93% respectively); high level of depreciation of fixed assets (70-80%), most domestic steel industries are equipped with old equipment, over time exploitation; reduction of foreign investments; low productivity at metallurgical enterprises; insufficient budget financing of the sector; growing environmental problems, especially in areas where the steel industry is dominant.

These deformations are reinforcing export orientation based on raw materials and are encouraging the country to adapt to the needs of the global market within the available internal capacity and ongoing competitive advantages. Current trends on world markets could lead to a reduction in demand for major export products of Ukraine and disrupt the stability of post-crisis recovery. There is an urgent need of modernization of metallurgical enterprises of Ukraine, introduction of energy saving technologies, shift in production cycle from open-hearth furnaces to converter steelmaking method. For domestic metallurgical industry very urgent is the task of adapting to changes in external market conditions.

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INDIVIDUAL CAREERS MANAGEMENT AND SUSTAINABLE EMPLOYMENT IN NIGERIA

Despite the upheaval in the workplace in terms of rampant retrenchment across different sectors of the economy, individuals can successfully manage their careers through a variety of strategies that includes lifelong learning, networking, training and retraining and making the right career choice.

We are currently living and working in times of unprecedented change. The traditional theories of career development focus on matching people to occupations. Yet, in contemporary times, trying to place an evolving person into the changing work environment is like trying to hit a butterfly with a boomerang. In today's fast-changing work-place, people need the skills and competencies to ensure future employabilities, and to manage new work and life realities, organizations need flexible people, who adopt to new organizational directions. Clearly, for career management to work with an organization, there is a need for "buy-in" from both sides. The forces of globalization, deregulation, privatization and downsizing have imparted on careers in the workplace, the result has been sudden loss of job by all cadre of employees.

In Nigeria the situation is not different. The banking industry consolidation exercise by the Central Bank of Nigeria, (CBN) reduced the number of banks in the country from Eighty-Nine to Twenty-Four. This exercise witness job losses by several banks. Recently the United Nigeria Textile Mill in Kaduna, Nigeria and Michelin Nigeria Limited in Port Harcourt, Nigeria were closed down and thousands of workers were retrenched. The retrenchment of workers is not restricted to the Textile and banking industries. Oil and Gas sector, Beverage sector, Chemical and Leather industry, Construction and Wood sector, Maritime sector and also the Federal Government of Nigeria was not left out. Parts of the changes noticeable in the Nigeria workplace is the increasing use of contract staff, casual workers, and a decrease in Unionization.

The knowledge of career management will there serve as an aid to potential and existing workers on how to manage their careers in a rapidly changing business environment with a view to sustaining employment. It is imperative that employees who will ride the crest of frequent corporate restructuring must be aware of the responsibility they have for consciously charting their careers for sustainability of their employment. The importance of achieving balance between and other life roles has also become an emerging topic in the career management. We will need to be able to manage these periods of downtime not only financially but psycho-logically. We will need to know not only how to be busy but how to stop to be busyness, how to use these breaks as times to nourish ourselves, reconnect with people, explore new avenues of work and play.

To summarize, then effective career management for individuals appears to entail a combination of specific personal attributes, attitudes and strategies. A commitment to Lifelong (based on ongoing, realistic self-assessment), alertness to opportunities and the ability to keep diverse options open (adaptability and flexibility), persistence, optimism, the willingness to take risks, and planfulness are all personal attributes theorized to foster career management success. In addition, networking and self-marketing, financial management, and balancing work with other significant life roles are seen as important components of a planful approach to career management. The outcome of effective career management is expected to be successful careers that meet the needs of both individuals and their employers.

INFLUENCE OF EUROPEAN INTEGRATION PROCESSES ON THE UKRAINIAN E-COMMERCE MARKET

Abstract

The paper provides the overview of the modern trends of the Ukrainian e-commerce market and compares the specific features of its development with the practice of EU countries. It defines the key drivers and restrictions of the domestic e-commerce market. Based on the influence of European integration processes, the paper provides the recommendations for the further development of the national e-commerce market.

Keywords: *e-commerce, e-commerce market, online technology, European integration.*

The development of the Ukrainian e-commerce market as well as the national economy as the whole is significantly influenced by the European integration process. Therefore, it is necessary to analyze the current state of e-commerce market in Ukraine and compare it with the practice of EU countries to identify the key areas for its further development.

The following paper is aimed to provide the overview of the key trends and prospects of the Ukrainian e-commerce market in the context of European integration.

According to Ecommerce Europe, Ukraine is among the top 5 leading European countries in terms of the market growth in 2014 (Fig. 1). In fact, in 2014 the Ukrainian market growth was estimated as 21.6% compared to 48% for the relevant period in 2013 was. However, the general market growth rate in Europe and Ukraine is characterized by the slowdown [2]. The abovementioned trend is caused due to the unstable economic and political situation in the country, the devaluation of the national currency, which led to the decline in the purchasing power of the population as well as the partial loss of markets (temporarily occupied territories) etc.

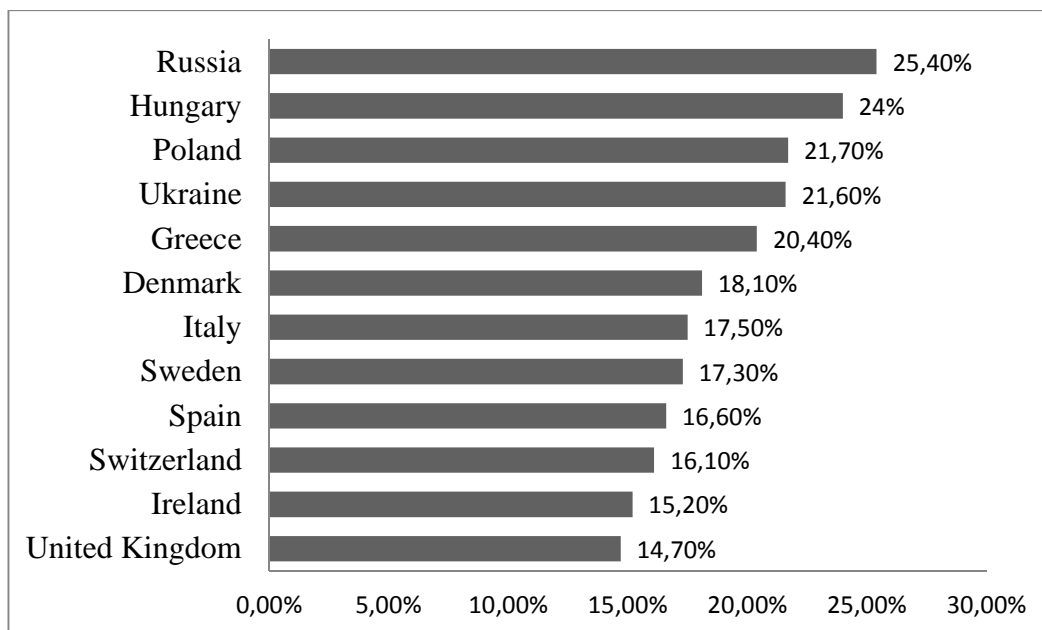


Fig. 1. The rating of e-commerce market growth in Europe [2]

Despite the abovementioned negative factors, the key driving forces which assure the growth e-commerce market in Ukraine imply the following:

- The consumers' transition from offline to online markets.
- The differentiation of the products' range, improvement of the service quality and increase of the competition due to the emergence of the new local and international players (Topmall, Chooos, Pufetto, Bazzilla, Lamoda etc.).
- The entrance of the venture capital investors into the market.
- The diversification of the distribution channels based on the increase in the share of sales through the mobile sites and applications.

Despite the current economic, political and social problems, the rate of the Ukrainian e-commerce market growth is significantly higher than the average in the EU and Europe in 2012-2014 (Table. 1). The abovementioned as well as the European integration process prove the significant prospects of the Ukrainian market for the further development. However, it requires the additional support of the governmental authorities to assure the stabilization of the political situation as well as attract the investors to the region.

Table 1

The dynamics of the e-commerce market growth in Ukraine, the EU and Europe in 2012-2014*

Region	Market size in 2012 (bn. euro)	Market growth in 2012	Market size in 2013 (bn. euro)	Market growth in 2013	Market size in 2014 (bn. euro)	Market growth in 2014
Europe	312	19%	363,1	16,3%	423,8	14,3%
The European Union	277	18%	317,9	14,7%	368,7	13,7%
Ukraine	1,25	47,1%	1,850	48,0%	2,25	21,6%

*Developed by the author [1, 2]

Due to the lack of infrastructure (especially in the rural areas), the Ukrainian e-commerce market suffers from the significant difficulties [3]. In fact, Ukraine belongs to the top 5 European countries with the lowest number of Internet users (Table. 2). Thus, the e-commerce market is more developed in the large cities.

Table 2

The number of Internet users in Europe*

Country	The number of Internet users in 2013 (million)	Percentage of the population (as of 2013)	The number of Internet users in 2014 (million)	Percentage of the population (as of 2014)
Russia	84	59%	85,0	59,2
Bulgaria	4	56%	-	-
Romania	11,7	55%	10,3	51,7
Ukraine	22,7	50%	17,1	37,9%
Turkey	34,7	46%	35,7	46,6%
Greece	-	-	6,3	57,8%

*Developed by the author [1, 2]

While comparing the development of e-commerce market in Ukraine with the practice of European countries in 2012, it should be mentioned the gap between Ukraine and the UK, Germany and France in the key indicators (Table. 3). The statistics of 2012 has purposefully been taken as the benchmark due to the specifics of the current

geopolitical position of Ukraine, i.e. the violation of the territorial integrity and economic downturn of the country can't be considered as the reliable factors to the objective and realistic assessment of the prospects of the Ukrainian e-commerce market.

Although 48% of the Ukrainian e-commerce market growth in 2012 belonged to the one of the highest in Europe and much intense than the growth rate in the UK, Germany or France, the quantitative indicators prove the considerable weakness of the domestic market. The volume of the market is in 76 times less and the expenditures per capita in 5 times less compared to the leader in the region).

This trend indicates that the number of e-consumers in Ukraine is much lower than in the EU due to the low level of Internet usage, the distrust to the online payment systems, etc.).The low level of expenditure per consumer is caused by the low purchasing power and the decline in dollar equivalent income, making people to focus on the meeting of the basic needs.

Table 3

The key indicators of e-commerce market in Ukraine and EU countries (2012)*

Indicator / Country	Ukraine	UK	Germany	France
E-commerce market turnover (bn. euro)	1,25	96	50	45
Share of e-commerce market sales in total GDP	0,9%	5%	1,88	2,21%
Market growth	48%	22,4%	21,6%	19,4%
The average annual cost of one e-buyer	510	2466	1351	1400
The share of e-commerce in the overall turnover	1,3%	13,7%	6,6%	4,5%

*Developed by the author [1]

The high rate of e-commerce market growth is caused due to the following factors:

1. The EU e-commerce market is characterized by the substantial development, which is coordinated and regulated by the legislative system of national regulations and EU Directives.
2. The Ukrainian e-commerce market is at the initial stage of development. Thus, the market growth rate is higher than the average in Europe due to the following aspects:

- The gradual development of market infrastructure, i.e. the implementation of 3G technology, the introduction of new payment solutions etc;
- The transfer of the offline shoppers into the online shoppers to save cash.

Based on the abovementioned, it has been determined that the key restrictive factors of the e-commerce market imply the following:

- The low purchasing power of the consumers;
- The unstable economic and political situation in the country, inflation and stagnation of the national economy;
- The insufficient infrastructure of the market.

Taking into account the specifics of the European integration processes, the following steps are recommended to assure the further growth of the Ukrainian e-commerce market:

1. The stabilization of the economic and political situation in the country;
2. The attraction of the additional investments into the market infrastructure;
3. The creation of the favorable tax conditions for the businesses;
4. The adjustment of the national legislation to the EU Directives as well as the Ukraine–European Union Association Agreement and potential prospects of Ukraine as the EU member state.

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SECTION 2:

MANAGEMENT TOWARDS HARMONIZED REGIONAL, URBAN AND RURAL DEVELOPMENT

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L'ÉVALUATION DES POLITIQUES D'ATTRACTIVITÉ DES TERRITOIRES

Que l'on parle d'aménagement du territoire ou d'égalité des territoires, la question conduit inéluctablement vers un débat sur les politiques en faveur de l'attractivité des territoires, leurs succès et leurs échecs.

Il convient en premier lieu de rappeler qu'il est des territoires que l'on ne cherche pas à rendre attractifs – en termes d'implantation de populations et d'entreprises ; il s'agit essentiellement des zones fragiles ou disposant d'atouts naturels significatifs qui pourraient être mis en péril par un afflux de population. En Europe, on pense immédiatement aux parcs naturels, certes attractifs pour les touristes mais pas pour les touristes. Dans une autre dimension, en Chine, le 11^{ème} plan quinquennal prévoyait la création de « zones de développement restreint » pour des régions faiblement dotées en ressources et à faible résistance environnementale, à faible attractivité pour l'économie et la population, et qui sont cruciales pour la sécurité écologique à l'échelle d'une zone plus vaste ou du pays tout entier⁶.

Il est aussi des territoires qui sont attractifs de manière perverse : les bidonvilles de métropoles en développement où la misère attire la misère, ou les vallées industrielles polluées. Enfin, des territoires ont connu une attractivité non durable, qui paient très cher aujourd'hui l'absence de vision à long terme, par exemple les métropoles mono-industrielles de l'Union Soviétique ou, dans le même registre, la ville de Détroit aux Etats-Unis.

⁶ « Politiques et pratiques d'aménagement du territoire en Chine » étude réalisée par le cabinet AEIDL pour la DATAR en 2009.
<http://www.aeidl.eu/images/stories/pdf/datarchine.pdf>

De fait, évaluer une politique d'attractivité des territoires nécessite non seulement, comme dans toute procédure d'évaluation, de comparer le résultat avec ce qui était attendu, mais également de porter un regard critique sur le résultat attendu et ses effets à long terme.

Cela nécessite donc qu'il y ait à diverses échelles du territoire, une véritable stratégie de répartition de la nature du développement et des types d'attractivité entre les territoires. Il ne s'agit pas de rétablir une répartition des compétences des territoires comme cela était pratiqué dans la planification soviétique, mais il faut garder à l'esprit qu'il n'est pas raisonnable de construire des «Silicon Valley» partout, au risque de faire émerger un phénomène insupportable de concurrence entre les territoires que certains élus appellent «déménagement du territoire».

Force est de constater, que ni les documents stratégiques de la politique régionale européenne, ni les débats sur le développement des territoires au sein des pays européens, ne portent sur la nécessité de cette complémentarité et des moyens d'y parvenir.

C'est seulement après que l'on aura pu, par un dialogue, certes difficile, concevoir des stratégies de complémentarité des territoires aux échelons, européen, nationaux, régionaux et de bassins de développement économique, que l'on pourra s'engager dans des démarches d'évaluation des politiques d'attractivité qui prendront alors tout leur sens et tout leur intérêt.

Mais la notion de complémentarité des territoires est bien difficile à mettre en œuvre, elle nécessite au préalable un dialogue serein et objectif d'autant plus difficile que l'on élève l'échelle stratégique du débat.

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PRINCIPLES OF TAX REFORMS MANAGEMENT

Effectiveness of the state tax reforms management is the subject of special studies and discussions in professional foreign sources, while Ukrainian scientists and experts do not pay sufficient attention to managerial aspects of reforming by laying a primary emphasis on the improvement of certain taxes and fees.

Relying on the general theory of taxes and experience of tax reforming in Ukraine and worldwide, we can distinguish the following principles of implementing an effective tax reform.

1. Tax reform should ensure a reasonable balance of flexibility and stability of taxation.

Tax legislation can be neither a dogma nor a set of rules that are constantly changing. In the first case, it will not meet the requirements of life, and in the second case - the requirements of tax environment predictability of entrepreneurial activity as a condition of planning. In practice, there is the effect of "tax fatigue", which lies in the fact that frequent changes in the tax system not only disorient economic agents and increase the costs of tax administration but also discredit reforms in general.

2. Tax reform should not be aimed at meeting timeserving political needs, but address real strategic problems of economy and public finance system.

The aim of a specific tax reform is determined depending on the degree of acuteness and priority of existing problems. The combination of economic crisis and the crisis of public finance system presents the governments with a difficult choice between the measures of fiscal consolidation that usually deteriorate economic situation, and the measures of stimulating economic growth, which require tax cuts and/or the introduction of new tax incentives and negatively affect the state of public finance, at least on a short-term horizon. If a country gets into debt dependence on international financial organizations and the condition for granting loans is the reduction of fiscal misbalances, then it has no choice but to implement a tax policy aimed at achieving

this goal. Only later (when improving the state of public finances) it is possible to make such changes to the tax system that would create fiscal space favorable for economic growth.

3. Measures (instruments) of tax reform implementation should be noncontroversial, adequate with regard to their goal and sufficient for its achievement.

If a reform envisages large-scale increase in the rates and broadening the base of certain taxes and fees in conjunction with the formal combination of several taxes into one, one should not proclaim it to be the goal of improving conditions for doing business with simultaneous increase of the country's indicators in international rankings. Such a goal cannot be achieved using the previously mentioned measures. However, its proclamation causes unjustified public expectations and eventually increases distrust of the government.

4. In the process of reforming the tax system, one should ensure a balance of different, often conflicting goals as well as take into account and harmonize interests of different economic agents.

Among the goals, the balance of which is of particular importance, is the formation of a tax system that would not hamper economic growth, and at the same time would not disrupt the budgetary balance; reaching a compromise between efficiency and fairness of taxation.

The draft tax reform should include measures aimed at smoothing the contradictions between the interests of subjects of tax legal relations: the state and taxpayers, the state and tax inspectors (dissimilarity of interests of these entities arise from the peculiarities of agency relationships, which are the relations between the state and the tax service), tax inspectors and taxpayers, the state and certain groups of taxpayers, for example, small and medium businesses, etc. Ignoring the interests of one of the subjects of tax legal relations (for example, of medium and small businesses during the preparation of the draft Tax Code in 2010 in Ukraine) can lead to an exacerbation of socio-political situation in the country, manifestation of which was the Tax Maidan.

5. Tax reform should be conducted together with the reformation of other spheres of public life.

Change in the tax rules not supported by change in the regulatory rules as well as general conditions of doing business related to protection of ownership rights, development of competition, reduced corruption levels etc., will hinder achieving the

goals and implementation of tax reform tasks. The same will happen in case of inconsistency of changes in the tax system with changes in budgetary policy.

6. While drafting tax reforms, one should take into account peculiarities and losses of the transitional period.

Transitional period is the period of implementing new tax rules when there is an adjustment of behavior of firms and households in response to changes in taxation. Economic and fiscal effects of tax reform during the transitional period may be different from those that will occur after its termination.

For example, with regard to income tax and unified social contribution, the transitional period will last approximately two years. To avoid budget losses during this period while drafting these rate reductions of mandatory payments, compensators should be foreseen.

7. When drafting the tax reform, it is important to choose the right time for its conduct (taking into account the state of economy and public finances as well as political environment).

Experience shows that often incentives to implement tax reforms targeted at enhancing entrepreneurial activity emerge during the economic crisis, since such reforms can mitigate its effects; however, the broadest fiscal space for their conduct exists in conditions of economic growth.

8. Effectiveness of the tax reform depends on the right choice of strategy for its implementation: "big bang" (integrated, simultaneous reform of taxes, which can be combined with the reform of public expenditures⁷, incremental (phased) reforming and a combination of comprehensive reform with incremental changes in certain taxes or their elements (most often - in tax rates).

Making such a choice, one should remember that simultaneous reformation of several taxes coupled with the reform of public expenditure allow to raise efficiency of resource allocation by way of compensating tax expenditures with budgetary ones, while gradual tax reform creates the opportunity to avoid shocks of considerable losses in tax revenues of the budget as well as cancel events planned at one stage of the reform in case their effects prove to be unacceptable, or the socio-economic and political situation in the country undergoes changes.

⁷ Tax Policy Reform and Economic Growth. Tax Policy Study № 20. OECD Publishing, 2010. – 154 p. [Electronic resource]. – Access mode: http://www.oecd-ilibrary.org/taxation/tax-policy-reform-and-economic-growth_9789264091085-en.

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STRENGTHENING THE EU URBAN DIMENSION FOR ECONOMIC GROWTH IN EUROPE

Urban development has always been a topical issue in cohesion policy; nevertheless discussions on urban development trends and the role of cities in economic, social and cultural development have, so far, been irregular. In previous years, while preparing for the 2014-2020 programming period, and responding to the economic crisis, discussions on the role of cities in long-term economic development have increased. Cities are increasingly being considered as significant innovation and growth promoters.

More and more people choose to live in urban areas due to their higher potential for growth.⁸ An ESPON study on small and medium sized cities pointed to the fact that it is often neglected that most of the EU population still live in 'smaller' urban settlements.⁹ These areas are also different from larger cities in terms of the labour market and economic activities. Often these and other characteristics of small and medium sized cities remain neglected and unused in EU and national level policies.

Population growth in European cities makes it necessary to improve the EU's urban development policy and to facilitate the co-ordination and coherence of various EU policies towards more sustainable urban development in the long run. It is essential to build an integrated development model to avoid the concentration of resources in certain areas and to establish a more balanced territorial development model.

The development of EU Urban agenda is one of the EU's initiatives aimed at enhancing and integrating the urban dimension in European and national policies. It emphasizes the importance of the territorial development potential of urban areas of all sizes, including small and medium sized cities, towards achieving common Cohesion policy goals. The Urban Agenda is being slowly integrated into the European policies. During the Latvian Presidency of the EU Council a Declaration

⁸ Between 1950 and 2014 the population of European cities has increased from 50.5% to 72% of the entire population. It is projected that by 2030 the city's population could rise to 78%. Source: United Nations, World urbanization prospects, The 2005 Revision working paper NO ESA/P/WP/200.

⁹ Servillo L., Atkinson R., Smith I., Russo A., Sýkora L., Demazière C., Hamdouch A. (2014) TOWN, small and medium sized towns in their functional territorial context, Final Report, Espon, Luxembourg.

towards the EU Urban agenda (Riga Declaration)¹⁰ was developed and agreed. It calls for better cooperation between the EU institutions and other Member States at national, regional and local level. The Riga Declaration clearly points out the need to acknowledge the importance of small and mediums sized cities, something which has been the priority of the Latvian Presidency. It mentions the key elements to be considered in further work on EU Urban Agenda during the Luxembourg and Dutch Presidencies. Among them are the following elements:

- Recognition of the diversity of urban areas;
- Recognition of the role of small and medium-sized urban areas in regional development;
- The need to enhance the urban dimension of European policies.

Also the report on the urban dimension of EU policies highlights the importance of a well-coordinated, integrated and a place-based approach.¹¹ Further efforts are needed to facilitate the earlier involvement of cities in policy making and to better coordinate urban dimension issues at EU level across different services.

The implementation of the New Urban Agenda, once it is developed and agreed, will have a strong ambition to address long-standing issues of socioeconomic development, however it might also create some new forms of inequity. Therefore good governance and the rule of law will be very important for a more sustainable, smart and inclusive urban development.

¹⁰ Declaration of Ministers towards the EU Urban Agenda. Informal Meeting of EU Ministers Responsible for Territorial Cohesion and Urban Matters. Riga, 10 June 2015. Available at: https://eu2015.lv/images/news/2015_06_10_EUUrbanDeclaration.pdf

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LA CONSTITUTION DU TERRITOIRE «NUMERIQUE» DANS LE SYSTEME DE L'ADMINISTRATION REGIONALE DE LA REPUBLIQUE DU BELARUS

L'intégration active de l'économie nationale et des régions du Bélarus dans l'économie mondiale; le perfectionnement du système de l'administration régionale et de la planification en tenant compte du développement des relations de l'économie de marché; la voie innovatrice du développement et de création des systèmes régionaux innovatrices; l'orientation à l'informatisation de relations économiques et publiques et la solution du problème de l'écart «numérique» entre les régions, la population urbaine et la population rurale – tout ça définit la nécessité et l'importance de création de ce qu'on appelle les territoires «numériques».

Qu'est-ce qu'on comprend sous le nom du territoire «numérique»? C'est un projet réalisable au niveau d'un ou de plusieurs régions/villes avec des organes du pouvoir. Ce projet a pour l'objectif de créer un certain nombre des plate-formes qui unissent les ressources d'information, l'infrastructure d'information et de communication y compris les chaînes de communication qui permettent l'accès des utilisateurs à l'information, aussi bien que le secteur des firmes de conseil qui développent et présentent aux utilisateurs les produits de l'information qui sont liés au développement régional.

L'objet le plus convenant pour la création du territoire «numérique» est l'économie urbaine. Cela s'explique par une haute concentration de l'industrie et du secteur tertiaire, par un secteur développé d'entrepreneuriat comme qui est un utilisateur potentiellement le plus actif des services de l'information, la structure de l'économie diversifiée, par un niveau de l'informatisation plus élevé par rapport aux autres types de régions. Les mégapoles et les grandes villes ont des avantages évidents à ce sujet. En même temps, l'idée du territoire numérique appliquée à ces types de villes peut avoir la réalisation plus réussie dans le cadre de conception de la «ville intelligente».

Au présent les petites villes et les villes moyennes sont les villes les plus à problèmes parmi les villes biélorusses. Leur économie dépend normalement de 1 ou 2 entreprises, on sent la manque de l'éducation et de qualification de main d'oeuvre qui va de pair avec les problèmes démographiques (la diminution de poids de population en état de travailler, les disproportions du sexe et de l'âge). Le développement successif des petites villes et des villes moyennes doit être réalisé à la base jointe avec les autres économies municipales et en relations étroites avec les grandes villes et les territoires adjointes.

La formation de territoires «numériques» à la base des petites villes et des villes moyennes peut être un des conditions les plus importantes de résolution des problèmes des villes mentionnées. En résultat de la réalisation de ce projet l'accessibilité du territoire d'une petite ville peut être élargie à la base des informations de l'information et de communication; peut apparaître la possibilité de formation à distance et du perfectionnement du niveau de qualification des employés; les citoyens peuvent être mieux informés dans les domaines de droit, de la politique et de l'économie.

Le territoire numérique possède les conditions informationnelles plus favorables pour la participation des entités commerciales dans la création des clusters et aussi pour l'unification des villes petites et moyennes dans les réseaux, surtout dans les réseaux en domaines hautement spécialisés (tourisme, traitement des produits agricoles etc.).

Project le territoire «numérique» au niveau de la petite ville doit inclure au minimum la création de trois plate-formes informationnelles qui sont les plus actuelles pour le Bélarus aujourd'hui.

Premièrement le territoire numérique c'est la base innovative et informationnelle nouvelle pour **l'amélioration du système de gestion du développement régional**.

Comme on le sait, l'informatisation de tout système de gestion favorise la hausse de qualité de l'activité de gestion grâce à la réduction du temps pour le rassemblement, transmission et traitement de l'information, ouverture de l'activité des organes de gestions.

La base de réalisation du nouvel paradigme de la gestion régionale est formée concernant les régions et les villes dans le cadre de la création du territoire «numérique». Cette base est le fondement de la nouvelle politique régionale du Bélarus et elle est liée avec les directions suivantes:

- le renforcement de la gestion territoriale sur le fond d'un certain affaiblissement de la gestion sectorielle dû à l'introduction de l'approche à base de cluster, à l'interaction entre les secteurs et entre les départements des entités commerciales et à leur unification sur les principes de coopération et de concurrence dans les structures de clusters;
- l'élargissement du nombre des participants régionaux à côté des entreprises d'Etat et l'inclusion dans l'activité économique de petites et moyennes entreprises, des organisations publiques et des communautés locales;
- constitution d'un nouveau type de relations entre les entités des différents domaines d'activité, basés sur le principe de partenariat;
- l'ouverture des pouvoirs locaux et une large participation des instituts civils et des structures publiques dans l'administration, la responsabilité des organes de pouvoir aux citoyens ce qui est liée au problème de débureaucratization d'administration d'État;
- la garantie d'accessibilité des services modernes d'information et de communication et de l'approvisionnement de l'information et de référence pour les couches de la population des régions/villes.

Deuxièmement, le territoire «numérique» peut jouer un rôle important dans la **formation du milieu d'innovation de la ville/région et tant que la partie intégrale du système régional d'innovation.**

Comme on le sait le milieu d'innovation de la région est caractérisé, au minimum, par les propriétés suivantes:

- **l'accessibilité** de la région ce qui est défini par la présence d'infrastructure y compris celle de l'information et de communication, la proximité aux marchés;
- **le pouvoir du territoire**, sous forme des entités commerciales et de population, **d'accepter** les nouvelles connaissances, d'appliquer les innovations, par l'orientation des innovations à l'offre et la solution des problèmes régionaux, ce qui dépend du niveau de formation, la présence des réseaux professionnels dans la région;
- **la diffusion/propagation** des connaissances et des innovations ce qui s'exprime par les flux de commerce des biens et des services de haute technologie, les investissements étrangers, la mobilité des ressources humaines ce qui dépend également de l'approvisionnement en infrastructure de la territoire.

Ainsi les conditions mentionnées du développement innovatrice peuvent se constituer au niveau du territoire numérique sous forme de ces fonctions.

Troisièmement, dans les conditions de la montée des processus de globalisation de l'économie mondiale et une ouverture accrue de l'économie biélorusse la création de la plateforme d'information est **importante pour le développement des relations économique extérieurs de la région, l'attraction des investissements étrangers, la recherche de nouveaux débouchés pour les produits biélorusses.**

L'approvisionnement par les ressources de cette plateforme doit être dirigé à l'assurance des utilisateurs par l'information sur les tendances du développement des marchés mondiaux des biens, l'état de leur conjoncture, la politique sociale et économique extérieure des pays-partenaires, être lié à la création au Bélarus du système d'une «seule fenêtre» dans le domaine de réalisation des transactions économiques extérieures.

Il est important non seulement de créer une banque de données des entreprises qui s'occupent de l'activité économique extérieure mais d'une large liste des données sur le développement socio-économique, le niveau de leur revenus, les objets de l'infrastructure ce que présente un intérêt pour les investisseurs étrangers. En considérant que les réseaux internationaux des villes de l'Hiérarchie différentes se forme par les flux financières, par les infrastructures de transport, par les interactions culturelles, on a besoin du système de l'information dans la coupe des directions mentionnées.

On peut supposer que en dehors de résultats directs de fonctionnement des plateformes d'information mentionnées un certain nombre des effets secondaires est achevé en résultat de l'unification dans une ossature unie des ressources d'information qui sont différents par son destination fonctionnaire:

- le nombre d'utilisateurs potentiels est élargie, ce qui représente le procès régional et inclue les entités commerciales ayant les différents formes de propriété (d'Etat, y compris communale, privée), le secteur publique (communautés locales en forme des organisations non gouvernementales, des groupes d'initiative, des particuliers), les organes de gestion d'Etat représentés dans la région, les companies étrangères etc.;
- on obtient l'effet de synergie grâce à l'interaction entre les réseaux (par exemple les réseaux touristiques se trouvent interconnectés avec les interactions financières, culturelles et les relations scientifiques et technologiques interconnectés avec les interactions commerciales et d'investissement etc.);
- se forme la base pour l'administration de l'économie de la ville/région sur le fondement complexe cohérent.

On a déjà une certaine expérience dans le domaine de l'informatisation. D'après de rapport de l'Union International de télécommunication (International Telecommunication Union) «La mesure de la société numérique. Année 2013» par l'indice de développement de TIC (ICT Development Index) pour l'année 2013 Bélarus occupait le 38^{ème} place parmi 157 Etats et le premier place entre les pays de la CEI.

Pour les 10 dernières années on a élaboré un certain nombre de systèmes informatiques nationaux et de départements, on a fabriqué le système national de création et d'enregistrement des ressources informatiques. Les centres nationaux majeurs sont: le Centre National des services électroniques, le Système national automatisé informationnel, le Régistre d'Etat des systèmes d'information, le Régistre d'Etat des ressources d'information, le registre de la population de la république, le registre de données de différents domaines (de protection sociale, d'éducation, de santé etc.), le système d'échange électronique des documents des autorités d'Etat.

Les systèmes d'information et d'analyse dans le domaine de santé «Santé publique», «L'équipement médical» fonctionnent, on exécute le sous-programme d'Etat «L'emploi électronique et la protection sociale de la population», qui inclut la création des postes de travail éloignés (téléemploi) y compris pour les personnes avec des possibilités limitées; l'organisation des services d'emplois électroniques dans les régions, le monitoring éloigné d'état des personnes âgées. On a mis en service dans les territoires pilotes dans tous les régions du Bélarus le système d'informatisation automatisé «Les conseils locaux», qui assure la présentation des services d'information aux citoyens qui habitent dans la campagne (les attestations, les permissions etc.).

En considérant la pratique existante dans le domaine de l'informatisation de l'économie du Bélarus la construction du modèle d'informatisation le territoire «numérique» peut être basée sur les principes suivants:

- l'accès aux ressources d'information pour toutes les catégories d'utilisateurs et en même temps la création du système d'identification des personnes physiques et juridiques;
- le principe d'intégration avec les plateformes informatiques et de ressources déjà fonctionnantes;
- la création du système local de la sécurité informatique;
- les services informatiques vendus en combinaison avec l'approche différentiel envers l'utilisateur;
- l'intégration dans l'espace uni de paiements par le biais duquel on effectue les transactions de paiement;

- la garantie de l'interaction avec les autres Etats et les organisations internationales dans le domaine du développement régional sur l'accès dans l'espace global informatique etc.

Le projet le territoire «numérique» dans la République de Bélarus» au niveau d'une petite et moyenne ville, dont les aspects particuliers sont décrits plus haut est dans le temps actuel au stade d'élaboration. Il a été initié par les chercheurs et spécialistes de l'Institut de l'économie et de l'Institut unie de l'informatique de l'Académie des sciences nationale. Le plan des mesures pratiques concernant la création du territoire «numérique» au Bélarus incue les clauses suivantes:

1. L'élaboration du modèle du territoire numérique dans les petites et moyennes villes au niveau de conception, d'algorithme et d'information.
2. Création du prototype du logiciel analytique pour le territoire numérique.
3. La justification des recommandations méthodiques sur la création du territoire numérique.
4. Le choix des territoires pilotes pour la réalisation du projet «la territoire numérique» au niveau de certains petites et moyennes villes interconnectés au Bélarus.
5. L'organisation du stockage des données pour le modèle pilote du territoire au niveau de la ville.
6. L'initiation du projet du partenariat public-privé sur le financement de l'infrastructure de la TIC comme d'un des composants du «territoire numérique».
7. La participation dans l'élaboration des premiers produits d'information:
 - L'Atlas «numérique» d'une petite ville qui inclue également la section d'investissement de la zone pilote.
 - Le modèle informationnel intersectoriel du développement du territoire à la base des clusters.

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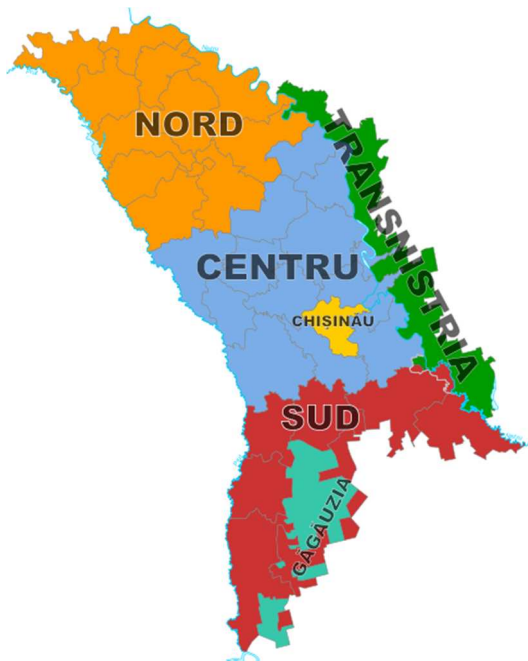
CONTEXT OF THE REGIONAL DEVELOPMENT IN MOLDOVA

The Republic of Moldova (RoM) is a landlocked country situated in Eastern Europe between Romania and Ukraine. Formerly part of the Soviet Union, following independence in 1991, the country faced severe economic and social decline. Alongside the disruption to the economy, a number of regional imbalances emerged in the post-independence period.

Currently, effective regional development (RD) institutions became a priority for the Moldovan Government which is committed to raising living standards in the regions outside the capital city that suffered significant economic and social decline following the break-up of the Soviet Union.

Under the country’s RD legislation, the state is divided into six development regions (DRs): North, Centre, South, Chisinau, Gagauzia and Transnistria. In the first three regions, RD institutions were created in 2010 and are now fully operational with around 16 staff working for each Regional Development Agency (RDA). In Gagauzia, a RDA is currently under the opening procedure and a decision has not been taken yet regarding the timing of the opening of RDAs Chisinau and Transnistria regions.¹²

¹² There are specific reasons behind the delay in opening regional institutions in the latter three regions. Chişinău, the capital city, has a more developed business environment and is therefore not a priority. Transnistria is not controlled by the RoM authorities. For these regions, RD institutions have to be created in the near future, according to the law or legislation.



While RD institutions take many different forms from country to country, the Moldovan legislation defines an RDA as a “public non-commercial institution”, subordinated to the implementing authority of the RD policy, created for the implementation of the regional development strategy (RDS) and regional operational plan (ROP). The literature on RD generally describes RDAs as being “any publicly-financed institution, outside the mainstream of central and local level government administration” that aims at promoting economic development at the regional level in priority areas (Haklier, Danson and Damborg, 1998:17).

Figure 1: Map of regions in the Republic of Moldova

Source: The Ministry of Regional Development and Construction

Whilst the role of the central authority is to elaborate policies at the national level and to deal with inter- and intra-regional disparities, a regional institution charged with supporting economic growth can bring several advantages. First, a body at this level will be better placed to develop strategies that address the problems of the region. Second, a relatively autonomous body will reduce direct political influence at this level. Third, RDAs can target specific priorities and make their areas attractive from the growth and investment point of view in order to stimulate competitiveness (*idem*, pp.18-20).

In Moldova new regional institutions were set-up in 2009. At the national level, the National Co-ordination Council of Regional Development (NCCRD), the Ministry of Regional Development and Construction (MRDC) and the National Fund for Regional Development (NFRD) were the institutions established to manage the drafting of rules, regulations and strategic issues regarding RD. At the same time, new regional level institutions were also established at the regional level: Regional Development Councils (RDCs) and RDAs. Their main role is the implementation of the RD policy in their respective geographical areas. At the local level, the pre-existing local authorities (districts and communities) were to be involved in the implementation of the RD policy even if they were not mandated by the law as the bodies directly managing it. Thus, decision-making competencies are to be shared amongst a

variety of actors located at different territorial levels, in this way empowering and mobilising sub-national actors. This is the first set of RD institutions in Moldova and they were developed to meet the specific challenges of post-Soviet economic and social decline.

Despite the fact that the law on RD was approved in December 2006, RD policy in Moldova is, de facto, only three years old. In 2010 significant progress in the implementation of RD policy took place following the election of a new coalition government that was more committed to a decentralised approach to development. The institutional solutions aim to support the objectives provided by the law on RD, which are to: a) achieve balanced, sustainable socio-economic development for the entire territory of the Republic of Moldova; b) reduce inter- and intra-regional imbalances in the socio-economic development levels; c) strengthen financial, institutional and human opportunities aimed at socio-economic development of the regions; d) support Local Public Administration (LPA) authorities and communities with the aim of socio-economic development the localities and coordinating action between these and the national, sectoral, RD strategies and programmes.

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BUDGETARY POLICY OF UKRAINE IN THE CONTEXT OF EUROPEAN INTEGRATION PROCESSES

The public funding of priority economy sectors in Ukraine is considered compared with the EU countries. The recommendations on the definition of the state support priorities are elaborated.

The limited financial resources in the public sector of Ukraine on the one hand dictates the need for clearly defined priorities for their use, funding of which will ensure the achievement of strategic goals for the State development and the reduction of budget expenditures on the other hand.

In times of crisis the Policy of reduction of public expenditure was conducted in many EU countries, and in countries with the largest fiscal imbalances - even in the post-crisis period. As a consequence, the share of total government expenditure in GDP of 28 EU Member States has decreased from 50.6% of GDP in 2010 to 48.6% in 2013 and 48.1% in 2014 [1]. Among the EU Member States the general government expenditure in 2014 ranged from 34.9% of GDP in Lithuania and Romania to 58.7% of GDP in Finland, 57.2% in France and 57.0% in Denmark.

In Ukraine the share of expenditure of General management sector in GDP has increased from 46.9% in the 2009-2010 up to 47.1% in 2012 and only during 2013-2014 it began to decrease to 45.9 and 45.8% respectively [2], remaining above its average level in the post-socialist countries of the EU (41.6%).

Let's consider the structure of budget expenditures in Ukraine and compare it with the structure of budgetary expenditures in the EU countries. This analysis will highlight the priorities of the budgetary policies, which in their turn show the importance of certain functions of the State in a market economy and the adequacy of actions of the State for their funding. The similarity of budget priorities in different countries with a market economy is a consequence of the similarity of functions that the State performs in these countries. While the significant differences in the budget priorities are likely to testify the implementation by the State in which such variations occur, not peculiar to it functions, its interventions in the spheres are not specific to the market economy.

The largest share in the consolidated budget of Ukraine and in the GDP is allocated on social protection and social security (9.2% of GDP or 26.8% of the total expenditures of the consolidated budget of Ukraine, on average for the period). The second priority of budget expenditures is the expenditures on education (6.9 and 20.2%, respectively). The expenditures on general public services occupy the third place in the structure of government expenditures (4.3% and 12.7%, respectively). Health care expenditures (4.0% and 11.7%, respectively) and economic affairs (3.6% or 10.4% respectively) are followed by.

Fig. 1 shows the priorities of government expenditures in Ukraine during the period of 2012-2014.

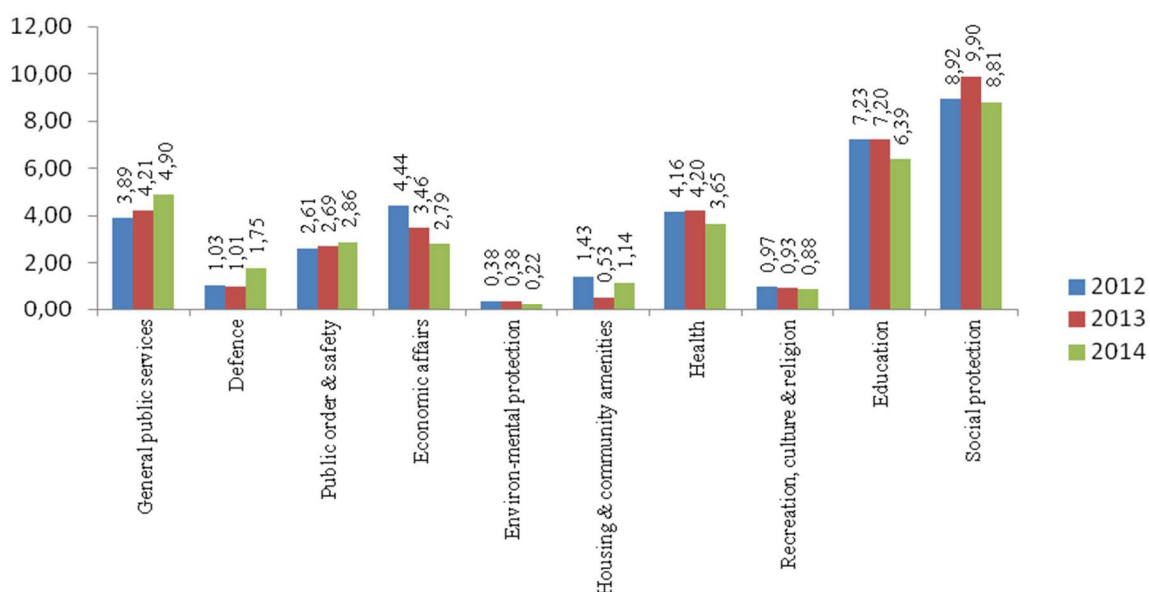


Fig. 1. The expenditures of the consolidated budget of Ukraine for the principal functions in 2012-2014, % of GDP

Compiled according to: Reports of the State Treasury Service of Ukraine on the implementation of the Consolidated Budget of Ukraine during the period of 2012-2014.

Retrieved from <http://www.treasury.gov.ua/main/uk/doccatalog/list?currDir=146477>

Priorities of the budgetary policy in Ukraine are little different from the priorities of government expenditures in the EU. Having analyzed the available statistical information concerning the expenditures of the principal functions in 2013 in 28 countries of the EU, we note that most of the expenditures were directed on performing such functions as social protection and social security (19.6% of GDP), as well as health care (7.2% of GDP). The other priorities of government expenditures were the expenditures on general public services (6.8% of GDP), education (5.0% of GDP) and economic affairs (4.3% of GDP).

Figure 2 shows the distribution of general government expenditures on the principal functions in the EU during the period of 2012-2013.

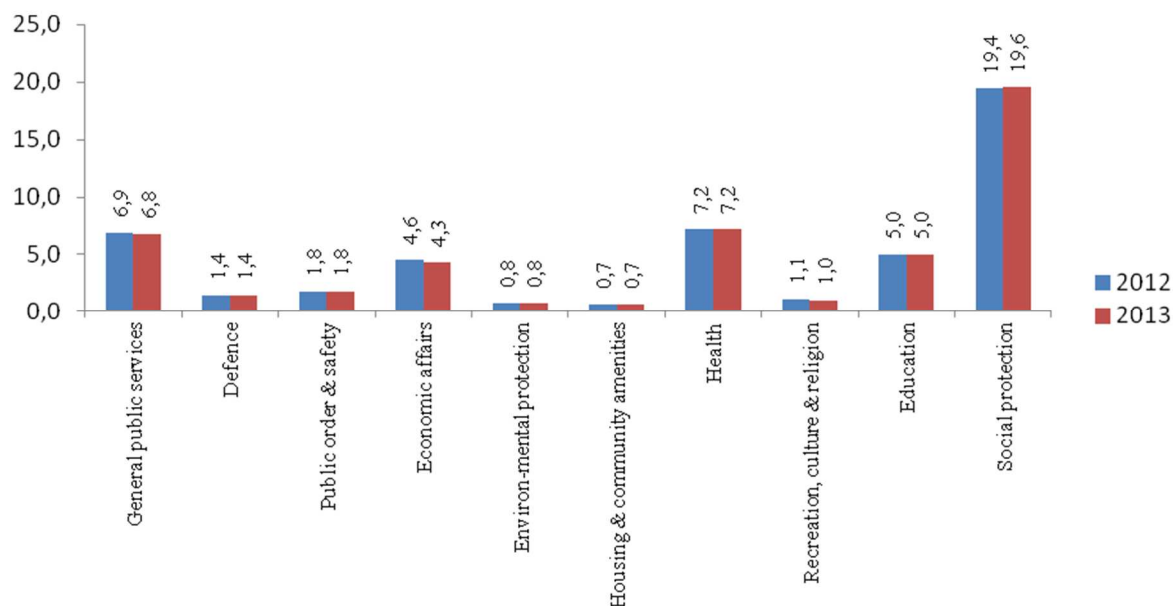


Figure 2. Distribution of general government expenditures on the principal functions in the 28 EU countries during the period of 2012-2013, % of GDP

Compiled according to: General government expenditure by function (COFOG) / Eurostat.

Retrieved from

<http://ec.europa.eu/eurostat/web/government-finance-statistics/data/main-tables>

The comparative analysis shows that in Ukraine the arrangement of the principle budget priorities is not very different from their arrangement in the EU, with the exception of expenditures on education and health care, that in Ukraine occupy the second and fourth positions, while in the EU-28 it is on the contrary. But differences in the quantitative value of the share of GDP allocated to the implementation of the State principal functions are greater. In particular, in Ukraine, in comparison with the

EU-28, despite the same position in the system of priorities, a smaller percentage of GDP is allocated on implementation of general public services and on national economic affairs.

Let's analyze the structure of public expenditures on economic affairs in Ukraine and in the EU countries.

It should be noted that the majority of EU governments do not refuse the state support for certain types of economic affairs, although such support, as it is shown in Fig. 2, tends to decrease. Almost half of the funds allocated on the "economic affairs" - are the expenditures on transport, which accounted for 2.0% of GDP (Fig. 3). The second and the third priorities of the expenditures on economic affairs were the expenditures on the general economic, commercial and labor affairs, as well as on R&D Economic affairs (1.0 and 0.4% of GDP, respectively). 0.3% of GDP was allocated on the expenditures on agriculture, forestry, fishing and hunting, as well as on Fuel and Energy.

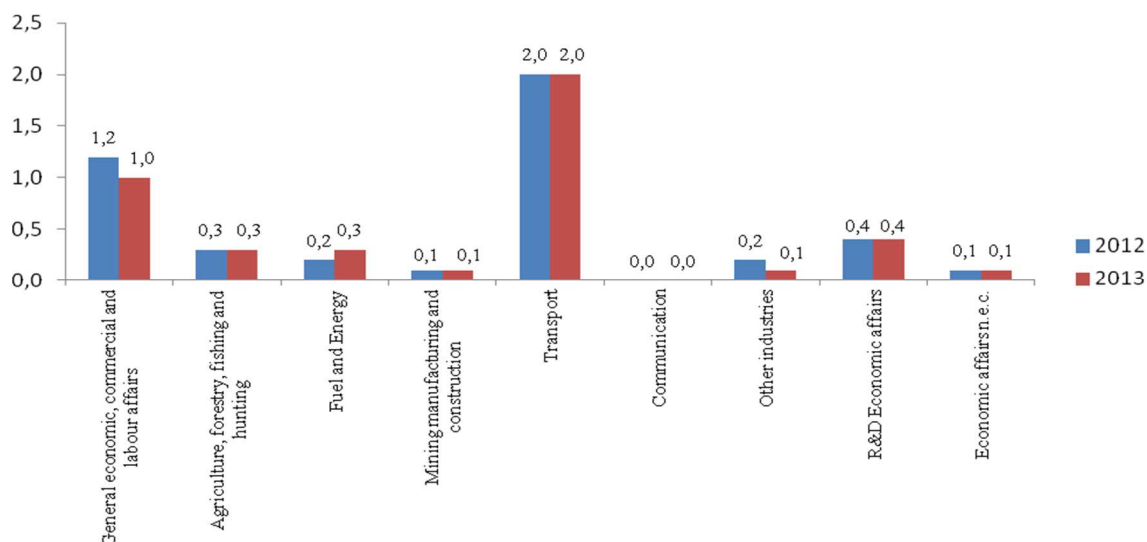


Fig. 3. Distribution of general government expenditures on economic affairs in the 28 EU countries during the period of 2012-2013,% of GDP

Compiled according to: General government expenditure by function (COFOG) / Eurostat.

Retrieved from

<http://ec.europa.eu/eurostat/web/government-finance-statistics/data/database>

As noted, transportation is the priority of state support of economic affairs in the EU.

In 2013 among the 28 EU countries the most of funds in this area was directed to Hungary and Romania (3.7% of GDP), the Czech Republic (3.3%), Croatia (3.2%),

and the least - to Cyprus (0.8% of GDP), Malta (0.9%), Lithuania (1.3%), Ireland (1.5%).

A significant difference in the proportion of expenditures on transport in the GDP in different countries is due to the presence or absence of subsidies for public transport and classification of public transport companies.

We note that countries with developed economy and countries with developing economy have different priorities in the development of transport infrastructure. Construction of infrastructure, improving of networks and renewal of rolling stock are the key points for many Central and Eastern European countries. The countries with developed economy, where there are extensive transport networks, prefer to improve efficiency and security of infrastructure and to minimize its negative impact on the environment (noise reduction, reduction of CO₂ emissions).

Let's consider the second-largest direction of state support in the expenditures of economic affairs - the expenditures on the general economic, commercial and labor affairs of GDP.

The largest share of these expenditures in 2013 was observed in such countries as Greece (11.1% of GDP) and Slovenia (10.8%), the smallest - in Italy (0.2% of GDP) and Lithuania (0.1%). A significant share of the expenditures on the general economic, commercial and labor affairs in Greece and Slovenia in 2013 is mainly due to the one-time support of financial institutions. In Slovenia such significant amount of expenditures was the result of capital infusions into banks in the total amount of 3.6 bln. of Euro or 10.1% of GDP. Excluding capital expenditures of banks the expenditures on economic activity have increased by 0.4 percentage points of GDP [3].

Another significant share of the expenditures of economic affairs is the expenditures on agriculture, forestry, fishing and hunting. The largest share of these expenditures in 2013 was observed in such countries as Croatia (1.0% of GDP), Bulgaria (0.9% of GDP) and Lithuania (0.9% of GDP), the smallest - in the UK, Greece and Belgium (0.1% of GDP).

Analyzing the distribution of expenditures of the consolidated budget of Ukraine on economic affairs during the period of 2012-2014 we observe the tendency to decrease both in absolute values (from 62.4 billion of Hryvnas in 2012 up to 43.6 billion of Hryvnas) and in percentage of GDP (from 4.4% in 2012 up to 2.8% in 2014). In 2014, the share of expenditures on economic affairs was lower than the share of the expenditures on public order and safety, which during the period of 2012-2014 gradually grew up (from 2.6% in 2012 up to 2.9% in 2014) [4].

During this period, the principal amount of the expenditures of economic activity was divided into three areas: agriculture, forestry, fishing and hunting (13.5% of the consolidated budget expenditures on economic affairs, on average for the period); Fuel and Energy (26.6% of the consolidated budget expenditures on economic activity, on average for the period); transport (35.0% of the consolidated budget expenditures on economic activity, on average for the period). Their total share in the consolidated budget expenditures on economic affairs was 75.1% on average for the period of 2012-2014. At the same time there was a decrease of the expenditures share on Fuel and Energy (from 1.2% of GDP in 2012 up to 0.6% in 2014), as well as on agriculture, forestry, fishing and hunting (from 0.5% of GDP in 2012 up to 0.4% in 2014). The share of transport expenditures remained stable at the level of 1.2% of GDP in 2012-2014, but their share of the consolidated budget expenditures on economic affairs gradually increased from 26.8% in 2012 up to 43.0% in 2014 (see. Fig. 4).

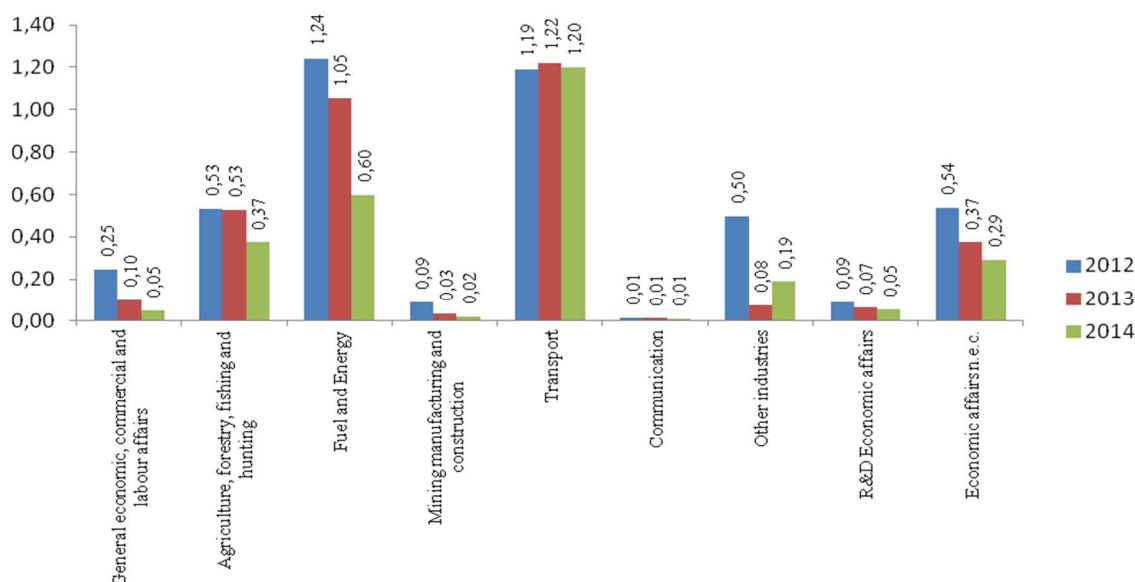


Fig. 4. Expenditures of the consolidated budget of Ukraine on economic affairs in 2012-2014, % of GDP

Compiled according to: Reports of the State Treasury Service of Ukraine on the implementation of the Consolidated Budget of Ukraine during the period of 2012-2014.

Retrieved from <http://www.treasury.gov.ua/main/uk/doccatalog/list?currDir=146477>

Considering the expenditures of transport, we note that almost all of them were spent on the support of public road (92.5% of transport expenditures on average for the period 2012-2014). As for the cost of the Fuel and Energy, their principle share was allocated on supporting the coal industry and other industries of solid fuels production (89.5% of the expenditures of Fuel and Energy, on average for the period 2012-

2014.). In case of expenditures on agriculture, forestry, fishing and hunting the principle share constitute the expenditures on agriculture support (89.4% of expenditures on agriculture, forestry, fishing and hunting, on average over the period 2012-2014).

Comparing the expenditures of budgets economic affairs of the EU countries and Ukraine mention the following their differences. First of all, it is a priority of government expenditures on Fuel and Energy in Ukraine unlike the development of transport in the EU-28 (the second priority of the State support of economic affairs in Ukraine). Secondly, it is not significant expenditures on the general economic, commercial and labor activities and on R&D Economic affairs in Ukraine, which are the government priorities in the EU.

The share of the consolidated budget expenditures on support of the Fuel and Energy in Ukraine as a percentage of GDP in 3.7-5 times exceeds its value in the EU countries. As noted above, the basic expenditures on support of Fuel and Energy were allocated on restructuring of coal and peat industry; on partially covering the expenditures of cost of finished marketable coal products; on state support for the construction of coal and peat extraction enterprises and their retooling.

The direct budgetary funds for the development of the coal industry (along with its indirect forms of support) have been allocated during the years of Ukrainian state existence, although their share tends to decrease. However, because of the nature of the provision and use (unlimited terms of public financial support for the industry, that do not encourage to solve its basic problems; the lack of effective control of public funds, leading to their misuse and theft) the State support has not led to radical changes in the development of coal industry.

In addition, a significant problem of the Fuel and Energy complex functioning is the high energy consumption and low efficiency of energy recourses usage. In order to solve this problem, it is necessary to implement effective instruments for governmental stimulation of economic entities and population of Ukraine for energy saving. These measures combined with the cessation of the practice of embezzlement of budget funds will allow reducing the government support for the coal industry and directing free financial resources for fundamental and applied researches and developments in the fields of economy allowing to rebuild them on the basis of innovation.

It should be noted that important role in the implementation of post-crisis strategy for Ukraine's development and modernization of the real sector plays the development of the transport industry for which at present is allocated almost half as much of the

share of consolidated budget expenditures (as a percentage of GDP) than in the EU countries. Given that a large part of the transport infrastructure in Ukraine needs urgent renovation or complete reconstruction, and in the eastern regions of the country has undergone significant damages and destructions from the military operations, the expenditures on transport infrastructure in the coming years should be the first priority in the structure of public expenditures on economic development.

In summary, we note that in times of economic crisis and significant budget deficit, it is important to identify a limited number of priority directions of the allocation of government economic expenditures and namely on the development of strategically important for the country's economic sectors (transport industry, agriculture, Fuel and Energy complex in the direction of energy saving and reduction of energy consumption), and to eliminate their theft and to ensure their effective use. This will create the preconditions for reducing the state burden on the economy while increasing the volume and improving the quality of public goods, financed by the budgetary funds.

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STRATEGY OF A SUSTAINABLE DEVELOPMENT OF THE MOGILEV OBLAST AS A NEW APPROACH OF SPATIAL DEVELOPMENT IN BELARUS

Mogilev oblast is located in the east of the Republic of Belarus, borders on the Smolensk and Bryansk regions of Russia to the east, the Vitebsk region in the north, the Gomel region in the south, on the Minsk region in the west. The area of the Mogilev oblast is 29, 100 square kilometers. The population of Mogilev oblast is 1070.6 thousand persons (11, 3% of the population of the Republic of Belarus). Largest city of Mogilev oblast: Mogilev -374.7 thousand persons, Bobruisk-218.2 thousand persons. Mogilev oblast has a number of local environmental problems, such as affected areas by radionuclide contamination from the accident at the Chernobyl nuclear power plant, high level of industrial pollutions, intensification of farming and logging practices, growth of mining. The main branches of the Mogilev oblast economy are mechanical engineering, chemical and light industries, mining, agro-industrial complex, logging and woodworking industries.

Strategy of a sustainable development (SSD) of the Mogilev region is developed by joint efforts of local general public and specialists within the Project of the international technical assistance «Assistance to regional and local development in the Republic of Belarus» financed by the European Union. It was first experience of elaborating of the regional sustainable development strategies at the middle level of administrative territory division in the Republic of Belarus- oblast level.

Strategy determines the potential, the main problems of the region, priorities and practical steps which need to be undertaken for ensuring stability of a development of the region in medium-term (2016-2020) and long-term (till 2025) prospect.

Strategy is one of the tools to implement territorial strategies in an integrated way. The conceptual basis for elaborating the Strategy is the complexity which is based on a triad of a sustainable development: social, ecological, and economic aspects of development.

The following regional initiatives of devising of priorities of the Strategy was taken into account: consideration for the interests of many participants of regional process (the national and local government, business, institutes of civil society, local community); feasibility of tasks within competence of local authorities and self-government according to the current legislation; priority of measures which realization is followed by a synergy of effects (simultaneous achievement of positive results in economic, social and ecological spheres); existence of the corresponding financial security and the accounting of the operating financial and budgetary mechanism and prospect of its improvement.

The best international and national practices of strategic planning and regional development were considered in the course of work on Strategy. Definition of priorities of regional development of the Mogilev oblast was based, besides the accounting of national priorities; first, on an assessment of natural resources and social and economic potential; secondly, on identification of the existing region problems from positions of the concept of a sustainable development; thirdly, the account of developed and realized now and in the forthcoming prospect of the state and regional programs and projects in various directions of development of the Mogilev area. As a result of the carried-out work the following priorities were offered:

1. Strengthening of human potential, increase of level and quality of life of the population.
2. Favorable environment – a necessary condition for development of present and future generations.
3. The Mogilev region – an attractive and reliable platform for internal and external investment.
4. A sustainable development of an industrial complex of the Mogilev area, competitive in foreign markets, on an innovative basis.
5. Complex development of rural territories, actions, small and average towns of Mogilev

The Strategy is finding logical sequence as the whole unit document after the process of elaboration of the priorities of sustainable development of Mogilev oblast was held out. The main collaboration researches were conducted by experts in the peculiar spheres on this stage of work. The scheme of strategy is classical for such kinds of documents and consists of the next Chapters:

1. The strategy of Mogilev region in the context of national and international instruments for sustainable development.
2. Detailed analysis of socio-economic status of oblast, analysis of environmental problems, SWOT analysis.
3. Image of the desirable future of the Mogilev oblast.

4. The strategic goal, priorities, directions and tasks of the Mogilev region.
5. Regional growth points of the Mogilev oblast.
6. Sustainable development indicators Mogilev oblast.
7. Organizational support and monitor the implementation of Strategy.
8. Financial support for implementation of the Strategy.

The peculiarities of working-out of the Mogilev oblast SSD consists in implementation of the new approaches in spatial development in the Belarus. Sub-regional zoning are offered as base for regional study. The center of sub-regions in Mogilev oblast is three industrial centers: Mogilev, Bobruisk and Krichev. The status of these towns is not mentioned as the centers of sub-regions at the legislative level. Inner-migration process, spatial features of geographical configuration of Mogilev oblast, and industrial development of these centers give a reason for such kind conditional zoning. More than 80 % of all private companies in Mogilev oblast are registered in these towns and in the surrounding the same name administrative region. It specifies the leading role of these towns in inner-oblast socio-economical development.

It should also be noted, that some regions of Mogilev oblast were strongly affected by radionuclide contamination from the accident at the Chernobyl nuclear power plant. The most suffered regions by the effects of radioactive pollution are situated in the south-east part of Mogilev oblast. Regional policy of state authorities is built on understanding of the significance and uniqueness of socio-economic development of these distinctive areas. It was approved by local authorities of Mogilev oblast the special regional development program of peculiar regions in the south-east in 2015year. Socio-economical situation in the south-east is characterized as depressive with high level of depopulation processes, due to ecological problems, poorly-developed industry sectors, mono-specialization of regional economy. The special regional development program envisage the measures for development new branches of regional economy, as alternative energetic, transport and logistic sector, tourism sector. Decree of President of Republic of Belarus- № 235 adopted in 2015 year «On the socio-economic development of the south-eastern region of the Mogilev oblast» provides the measures for implementations for intensification of socio-economic development by special tax privileges for business and workers, social benefits for local people (long-term special credit for housing building programs with lowest interest rate in the Belarus and others stimulating programs). All these initiatives of authorities were reflected in the Strategy.

It is planning, that the strategies of a sustainable development (SSD) will be one of strategic documents for Belarus local authorities of oblast level in the nearest future. These strategies will be additional for indicative plans of socio-economic development of territories and of spatial development schemes. Integrating

approaches of targeting process are new for Belarus. It was elaborated the system of indicators which allow to estimate the step-by step progress in regional development, according with chosen priorities of Strategy. The targets and objectives of sustainability are reflected by indicators that characterize the living standards and quality of life, the level of economic development and changes in the state of the environment.

The chapter of the regional growth points of the Mogilev oblast is important part of Strategy. The methodical instruments for determination of these regional growth points were based on statistical data, specialist conclusion, clusters and the sub-regional division approaches, elements of scientific foresight methods. Clusters are suggested as regional growth points. There is not firm definition of *cluster* in the Belarusian law. Belarus economy is making first steps on clusterization of its economy. There are prerequisites in Mogilev oblast for appearance classical *Porter's clusters*. We could say that we have *proto clusters* in Mogilev oblast. Now it is just the group of companies in the same branch of economy. Emerging competition on foreign markets, deficit of some resources on the regional economy level are key factors for genesis of clustering in Belarus. The following regional growth points of the Mogilev oblast were suggested on mid-term perspective till 2025:

- Cluster of agricultural mechanical engineering and tractor construction (Bobruisk)
- Chemical-technological cluster in the production of tires and rubber products (Bobruisk)
- Chemical-technological cluster (Mogilev)
- Cluster of light industry (Mogilev)
- Cluster of production of cement and industrial house building(Krichev)
- Sector of tourism (The territory of Mogilev oblast with tourist attraction sites)

It could seem from first sight that these traditional industrial clusters contradict of objectives of sustainable regional development. Cluster approach means creation of the new type production (ecological-friendly) by new players within cluster structure and modernization of existing industries. Mid-term character of Strategy, also become one of the reason for choosing traditional activities as points of growth.

Strategies of a sustainable development (SSD) in Belarus on oblast level could become real instrument for noticeably improving the quality of life of population, and suggest the solving for environmental problems.

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STRUCTURED DIALOGUE OF COUNTER INTEGRATION: HOW TO FORM COMPLEMENTARY CROSS-BORDER SPACE WITHOUT BREAKING SYMMETRY

Geopolitical processes in the European continent over the past thirty years are determined by the redistribution of influence between three centers - USA, EU and Russia. Consolidation of the European countries through successive stages of integration led to emergence of economically developed political union - the European Union. At the same time USA kept levers of political power in Europe in the form of the North Atlantic Alliance. While that time Russia going through economic and social upheavals that are typical for the former Soviet Union restored its military and political potential and started to return the status of a global player, articulating own interests in the Syrian crisis and Ukrainian.

At the same time Ukraine has defined its long-term choice. It is aimed towards the European integration through the sequence of steps of associated membership.

Escalation of the East-Ukrainian crisis of 2014-15 passes in conditions of increasing collision of integration on the continent - European and Eurasian ones. Their contact is projected on the Ukrainian-Belarusian-Russian borderlands. Shift of interface zone from the new EU members to the east means to reformat relations in the triangle of EU - Ukraine - Russia. This spatial transfer (shift) is accompanied by the armed conflict in the Donbas region, extensive destruction of its infrastructure, mass movements of refugees from fighting area (over 1 million), loss of well-established trade and economic relations between Ukraine and Russia, as well as freezing of cross-border cooperation between them.

Minsk Agreements signed on February 12, 2015 regulate the sequence of steps to de-escalate the armed conflict and its transfer into the political plane. Agreements provide support of cross-border cooperation of Donetsk and Lugansk regions with the regions of the Russian Federation by central authorities of Ukraine. This means that the Ukrainian side has an opportunity to demonstrate an ability to implement proactively the European regional policy instruments which provided sustainable development on both sides of the Ukrainian-Russian border during last 10 years prior

to the conflict in the form of Euro-regions. Today it is a reliable, but insufficient tool to meet adequately the challenges of smart, sustainable growth which are parts of strategic objectives of 2020 on the external borders of EU.

In response to the global challenges of mid-2000s the European Union expanded its range of instruments INTERREG at the regional level to support territorial cooperation and economic growth. These new tools, along with URBACT, INTERACT and ESPON have become macro-regional strategies.

Macro-regional strategies are designed to overcome problems that some geographically close countries cannot cope with. Currently Baltic, Alpine, Danube and Adriatic-Ionian strategies are active. Four regions of Ukraine are involved in Danube Strategy - Odessa, Ivano-Frankivsk, Chernivtsi and Zakarpatya regions. Belarus and Russia are involved in the Baltic strategy. All strategies aimed at enhancing cooperation in the vital areas of the participating countries - transport, environment, energy, tourism, and competitiveness of small and medium-sized businesses, innovations.

It is necessary to take into account macro-regional approach similar to the European one for the Belarusian-Russian-Ukrainian border region as a large segment of the European continent with a population of 50 million people over area of 900 thousand sq. km in order to realize a joint strategy. This will synchronize tasks of stabilization of regional economies of neighboring countries in the current programming period up to 2020 and develop a pan-European formula of further talks as continuation of Normandy format. Thus, resolution of the armed conflict in the east of Ukraine will become a part of macro-regional strategy; will be linked with the tasks of spatial development and complementarities of counter integration. Firstly, expert work should be organized, and then youth forums have to be held, which have shown their effectiveness in the framework of Task Force on External Borders of the Association of European Border Regions in the discussion of problems of the Danube region. A moderator of this process may be at first the Expert Council on cross-border cooperation, created in 2014 from the representatives of Ukraine, Russia, Belarus and AEBR.

Emergence of a new macro-regional strategy would largely remove the knot of contradictions, which arose as a result of Ukraine's European choice. This tool should be realized through the structured dialogue: experts - young people - government of the participating countries and the European Commission, it will bring rational mutual benefit in the next already synchronized programming period of sustainable development of the European continent. Discussion (2016), training

(2017) and adoption of such strategy (2018) will mean restoration of the EU-Russia political dialogue and emergence of European subjectivity of Ukraine.

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AGRO-SECTOR SUSTAINABLE DEVELOPMENT OPPORTUNITIES

The author studied the works of eminent scientists who were involved in consideration of economics, ecology and sustainable development. The author researched important national and international legal documents for the implementation of sustainable development principles in Ukraine.

The author also defined key experts in Ukraine who have international implementation experience of sustainable development. The article is constructed matrix of risks and opportunities that allowed the agricultural sector to determine the place among other industries. As the final point of the article include recommendations for implementation SPP-approach for the agrosector in Ukraine.

Keywords: *sustainable development, agriculture, public procurement, competitiveness, the life cycle of products, innovative development, state strategy, sustainable public procurement, opportunities*

As an active participant in international relations Ukraine in terms of economic, environmental and social development. In view of this, the introduction of sustainable public procurement prior study of international agreements and conventions strategies, priorities recognized by the international community, which is the anchor point for sustainable development programs.

The international trend towards the foundations of sustainable development require governments and guidance organizations consider social, economic and environmental aspects of its activities without giving preference to any of them, i.e. in the complex. In terms of technological and resource exhaustion of national resources should be viewed through the prism of government procurement of "sustainability". A new approach to consumption and production should ensure restructuring of the economy and particularly the agricultural sector of the country [1].

National or global regulations on sustainability have major impacts on agribusinesses. While these policies have the potential to lead to positive change,

they can also create major disruptions to existing business models. Accenture can help organizations navigate the uncertainties of new sustainability policies and regulations by evaluating and developing sustainability modeling and planning solutions, allowing clients to better understand future sustainability challenges and opportunities for their organization [2].

As sustainability becomes more of a focus for governments and consumers, agribusinesses are finding themselves at the center of increasing pressure to build sustainable practices [4]. From increasing sustainability in the supply chain without sacrificing efficiency to sustainable consumption and environmental health and safety management, Accenture uses proven methodologies to help organizations integrate sustainability into the fabric of strategies and operating models under the banner of an intelligent infrastructure.

Summarizing the analysis of scientific papers, it should be noted that the issue of sustainable public procurement are not widely known among economists consider Ukraine as the author relies on the opinions and conclusions of modern achievements of government, public and private organizations and experts [6].

Sustainable public procurement - a lever that can benefit the state sector of the economy to procurement by introducing new policies to improve the environment, promote energy and resource efficient production methods, create or increase the market of safe goods and services, to identify incentives for development green innovation and investment to achieve high standards of living [5].

In the European Union public procurement generally make up about 20% of the national GDP (from 18% to 30% in some developing countries), and each government procurement - an opportunity to direct market to innovation and sustainability. Steel government procurement contribute to environmental goals: reducing greenhouse gas emissions, improve energy efficiency and water resources, support for the processing industry [8].

Ukraine's accession to European and world integration processes is impossible without geopolitical factor that is largely determined by the current state of Ukraine's economy and its further development. Unlike most European countries, Japan, Korea, Taiwan and other countries that have already steady practice of law in SPP-regulated sphere, Ukraine is making the first steps in this direction [5]. To implement the mechanism of sustainable public procurement in the public sector need appropriate regulatory support, methodical and informational support, providing communication.

The Ukrainian government is now taking steps to improve the investment climate, reforming the economy in general and its industry in particular. "Reforming the economy, Ukraine creates favorable conditions for the inflow of investments." Systemic reforms are planned that will provide the industry's transition to innovation-investment model of development. Technological upgrading must turn in a competitive industry in domestic and foreign markets.

The principle of "sustainability" has a positive effect on the increase in the volume of public procurement (and investment), creating additional demand for goods and services, which stimulates the growth of primary income, equal to the growth of public spending [3].

Public procurement procedures in Ukraine are based on the rational and efficient use of public funds and meet the two main principles: price / quality ratio and fair competition. If the subject of the procurement provides for the delivery of goods or provision of services, technical and quality characteristics may include requirements (not exhaustive):

- the required level of quality;
- environmental performance;
- construction;
- ensuring access for people with disabilities;
- operation, use or size of the product;
- use of terminology and symbols;
- tests and their methods;
- packaging, labeling and instructions for use;
- processes and production methods.

At the conclusion of agreements on the performance of work with external technical and quality characteristics are defined as requirements for materials, products or objects used in the performance of the contract, in particular:

- requirements for environmental protection;
- requirements for the design;
- requirements to ensure access for people with disabilities
- features;
- functional requirements;
- safety requirements;
- requirements on sizes;
- requirements for the control system;
- requirements for the use of terminology and symbols;

- rules and testing requirements and methods;
- requirements for the methods or techniques of construction and other technical requirements that may relate to the completion of work or the materials used [4,10].

Perspectives of SPP. The procedure of formation of priorities based on expert assessments of external factors for each group of products. Guided by the principles and priorities of the National Environmental Policy of Ukraine till 2020, adopted by the Cabinet of Ukraine of 17.10.2007 № 880-p data and information portal on Government Procurement established risk table, where discussed: environmental threats; social and economic risks; reputational risks.

Based on the author's technique, industry experts evaluated on several parameters. The high estimates of the impact on the environmental and economic component category received №1 and 2, indicating the need to give sufficient attention to these categories while implementing SPP enough for the existing low level of activity. Highly appreciated the development potential sectors, which will contribute to further sustainable development.

Undoubtedly, the EU accession mechanism allows the use of communications for solving the problems of agriculture, creates the necessary conditions for improving the effect of integration activities and stimulate economic growth. But it would be wrong to assert that the benefits of integration are immediately and automatically received by all countries without exception [9].

Further development of market-sector business environment in agribusiness should be formed in the context of consideration of both the benefits of large-scale enterprises, and improving the competitiveness of medium-sized farms, which requires appropriate institutional environment in Ukraine. Ukraine's policy on sustainable consumption and production should focus on economic growth and the creation of a competitive market economy, improving the structure of the national economy through innovative development model, significant reduction in energy intensity of gross domestic product. The new strategic course for sustainable development at the global level is the creation of conditions in which such a development would be economically viable. To "green economy" a reality in the present conditions, it is necessary to examine the system, supported by international partnerships and funds organizations cooperating with Ukraine.

Promoting the principles of sustainable public procurement is a case of complex methodological support, organization of training seminars for organizations that public procurement. Steels public procurement can include purchasing energy-

efficient technologies and recycled paper for office purposes, purchase of food products (organic, vegetarian, purchased at fair trade agreements) for schools, dining establishments and hospitals, to ensure the availability of "green transport" to the public and use electricity from environmental sources in public buildings.

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THE FUTURE OF NIGERIAN SPORTS IN THE FRAMEWORK OF SUSTAINABLE DEVELOPMENT

This article highlights some of the problems with the Nigerian sporting system within sustainable development and is focusing on football and also points out some possible solutions.

Football is one of the world's largest sports, being the number one sport in most countries in the world it is also turning into one of the most lucrative businesses, it has been a source for many talented youth especially the less fortunate in various parts of the world to come into spotlight.

In this article, we focus on the Nigerian football level, seeing as it has refused to grow and not many people are keen on aiding the growth of the sport. Nigeria had in the past one of the most popular national teams but over the years the level has depreciated vastly leaving only very few prominent names in the squad.

Now focusing on grass root football in the country, there are no standard facilities where the Nigerian youth are trained, no proper fields or proper clubs that recruit young players to give them a chance for a professional future this has now created a huge problem with the consistency in growth of Nigerian football. Nigeria recently claimed the U17 world cup but because of the problem with the consistency of growth many of these players tend to have difficulty progressing to the next level as has happened to many other youths in the past, many just fade away after claiming such major tournaments because of this issue. This has been an ongoing issue in the Nigerian system and still nothing has been done to better the situation, even the selection process of the youth teams has no standard criteria, a huge number of youth have not been given a fair trial seeing as corruption is quickly taking over the sport, so many talented Nigerian youth have been forced into many other alternatives, even going as far as saving up an amount of money, leaving the country and then applying for citizenship in many other countries where they feel they will get a fair chance to showcase their talents.

If this continues the way it's going in a couple years the country will have no prominent names to present on the world stage. I can speak of this having personally faced the situation being discussed, after playing for 10 years in Nigeria without getting a fair chance at any of the national squads, simply because the football authorities are not doing enough to reach all parts of the country to see the talent it possesses.

POSSIBLE SOLUTIONS

A lot can be done to better this situation but there are no immediate solutions, these possible solutions have to be implemented and then worked on continuously for it to continue to grow and help the standard of football in the nation to grow. Firstly affordable football schools with high standard facilities can be built in various states in the country and open to many youths to be trained and developed. This will be the first step of a very huge development.

The standard of the Nigerian league can also be increased by gradually reducing the level of corruption in the sport, which would allow more and more investors to come back into the game in Nigeria and the teams in the different leagues in Nigeria can then gradually increase their standards as well and go out to scout youths and introduce them into the professional system.

If steps like these can be taken regularly, over the next few years, the standard of Nigerian football will increase reasonably and in more years to come the country will be a force to be reckoned with.

JOINT IMPLEMENTATION BY KYOTO PROTOCOL: UKRAINE IN FOCUS

Abstract

In this paper concerns the topic of specified mechanisms of Kyoto Protocol – Joint Implementation projects – and its importance for Ukraine. As a matter of fact Ukraine is the country with big potential in this field, thus the search and analyses of the problems with the real implementation of the mechanism is needed. The author analyses the situation during 2004-2012 in Ukraine with the main carbon units' trade – assigned amount units (AAUs) and emission reduction units (ERUs). Also the list of traditional is supplemented that need to be taken into account in the perspectives of institutional, legislative and economic frameworks in Ukraine. The conclusions about the problems with the signing of agreements in this field were made.

Keywords: *Kyoto Protocol, Joint Implementation, greenhouse gases emissions (GHG), assigned amount unit (AAU), emission reduction unit (ERU).*

The Kyoto Protocol was ratified by the Law of Ukraine «On Ratification of the Kyoto Protocol to the Framework Convention of the United Nations Climate Change» from 04.02.2004, but came into force for Ukraine only on 16.February 2005. A legal framework for the implementation of the projects under the flexible mechanisms of the Kyoto Protocol was adopted on February, 2008. Already in 2009 the first contracts for the sale of quotas for greenhouse gases emissions (GHG emissions) to Japan and Spain were signed. Ukraine also signed bilateral Memoranda of Understanding on cooperation in the field of climate change, the development of joint implementation projects, progress on application and participation in international emissions trading under the Kyoto Protocol between different countries (Italy, Spain, etc.).

The main institution that regulates the application of the Kyoto flexible mechanisms is the National Environmental Investment Agency of Ukraine, which is the central executive body of Ukraine (under the coordinating initiative of the Cabinet of Ministers of Ukraine). Within its jurisdiction the Agency provides implementation of state policy in the sphere of negative anthropogenic impact on climate change and

adapts the requirements of the UN Framework Convention on Climate Change and the Kyoto Protocol to the Ukrainian legislative field.

Even before the first obligation period (2008-2012) in 2007 Ukraine expected to involve from the sale of assigned amount units (AAU) – quotas for GHG emissions – from 1.5 to 10 billion US-dollars. Then, according to the chairman of the National Environmental Investment Agency of Ukraine, it was planned to sell for 2008-2012 from 1 to 1.2 billions of AAUs. However, during this period, Ukraine managed to realize only 243 million carbon units, or 20% of the planned amount. But the share of Ukraine in the intergovernmental emissions trading by the number of sold emission certificates has placed her on the 3rd position after the Czech Republic and Estonia (Figure 1).

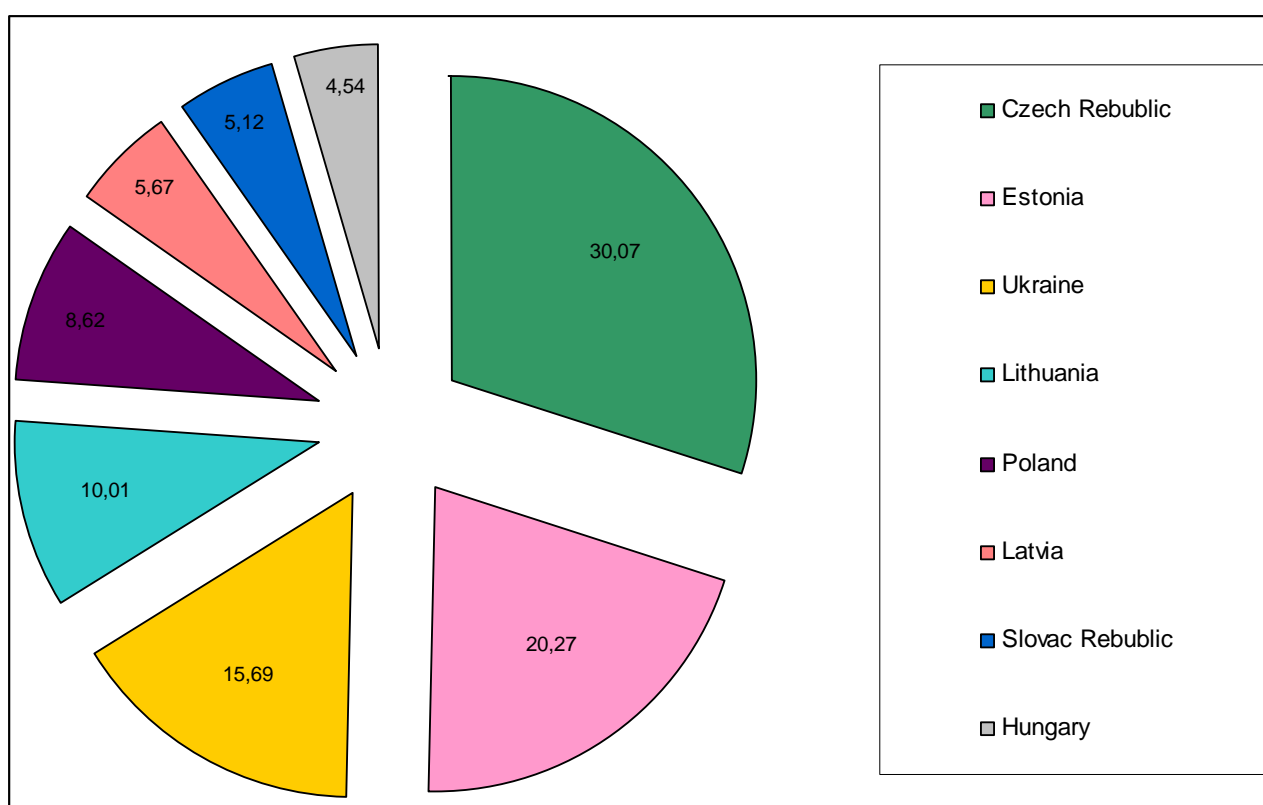


Fig. 1. The share of the countries in intergovernmental emissions trading by the number of sold quotas for GHG emissions

Based on: [6]

By the way, during 2008-2011 it was sold at least 300 million AAUs in the whole world. Due to the economic downturn, other mechanisms to reduce emissions and specific causes the demand for quotas for greenhouse gas emissions was limited.

Financial ratios of Ukraine during the first commitment period are controversial: figures of the financial resources involved into the economy and these actually used for national projects are quite different. So, Ukraine has got about 470 million euro for the 2-year period (2010-2011), but the money spent for the national environmental projects (total amount is 363 projects) is insignificant - 165 million hryvnas (about 16 million euro). With the other words it is less than 4% of the obtained funds. The opaque schemes for implementation of these projects that have taken place in Ukraine during this period, led to the removal of Ukraine from the list of countries eligible for the flexible mechanisms under the Kyoto Protocol¹³. So, Ukraine has failed to realize the potential emission reductions and did not use the opportunity to involve environmental investments in its economy¹⁴.

The assigned areas for green investment scheme during 2008-2012 were: thermal rehabilitation of budgetary organizations' buildings and switching the boiler plants to alternative fuels, upgrading infrastructure, mine water treatment and so on. Sectoral distribution of projects that generate GHG emission reductions is presented in the diagram (Figure 2).

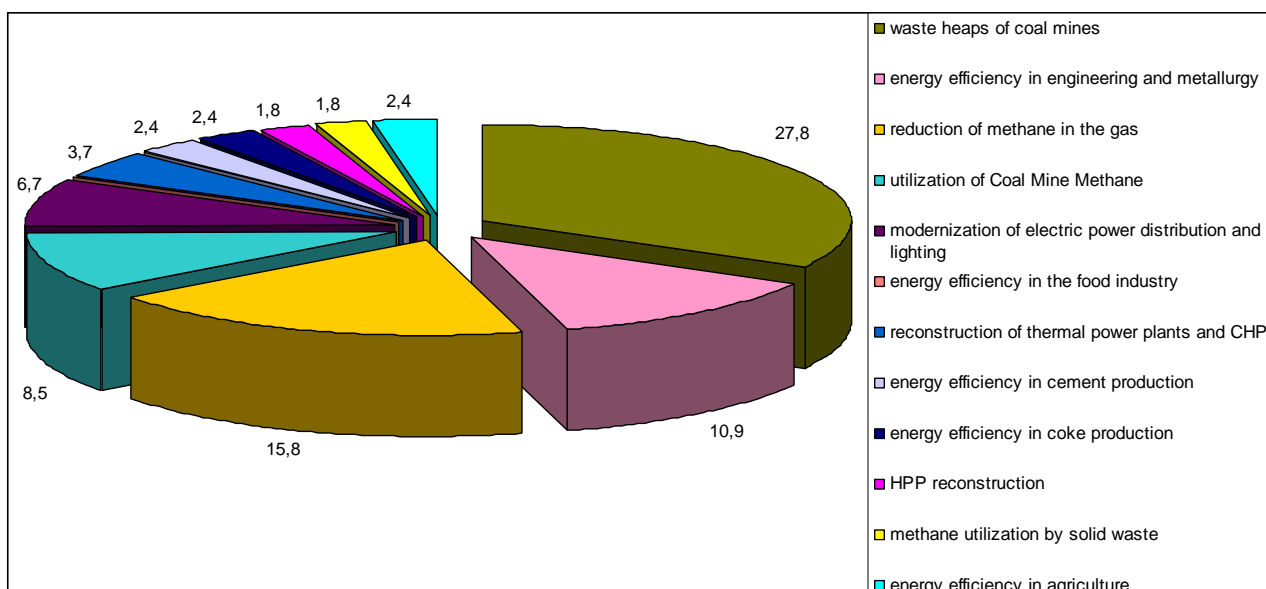


Fig. 2. Projects' structure in the areas that generate GHG emission reductions (26.12.2012)

Based on: [7]

¹³ On the 9th of March the decision was made about Ukraine's right to participate in the flexible mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol.

¹⁴ The Ministry of Economy estimates Ukraine's surplus AAUs to be around 2.2 billion for 2008-2012. The conservative estimate is 1.5 billion for 2008-2012 (Report «Options for a green investment scheme for Ukraine» (2013))

Ukraine has made its decision to participate in the second commitment period under the Kyoto Protocol (2013-2020 years), in which the goal is to reduce emissions by 24% than the level of 1990. The total reduction in 2020 should be 20%, although Ukraine's emissions today are only at the point of 40% of the level 1990. Based on reporting by the State Environmental Investment Agency of Ukraine, the dynamics of JI projects in Ukraine (both preparation and coming into force) on 01.01.2013 is as follows (Table 1):

Table 1

Dynamics of preparation and implementation of JI projects in Ukraine

Year	Number of issued letters of support	Number of issued letters of approval	Number of approved JI projects, units		Current number of carbon units in circulation	
			Track 1	Track 2	AAU	ERU
2004	14	0	0	0	0	0
2005	1	0	0	0	0	0
2006	31	4	0	0	0	0
2007	32	7	0	0	0	0
2008	34	10	5	2	2586512	0
2009	45	10	4	4	2155683	3238322
2010	40	30	16	9	4319207	11286616
2011	59	53	44	5	20530277	48332099
2012	178	179	171	7	-	281965553
Total	434	293	240	27	29591679	344822590

In 2012, under the national procedure (Track 1) it was approved 2.5 times more of JI projects than in 2011. The amount of emission reduction units (ERUs) is more than 3 times exceeded.

As a next step, let us examine the number of approved JI among Annex B to the Kyoto Protocol (Table 2) and the share of these countries in the global market of ERUs (Figure 3):

Table 2

Number of approved JI among Annex B countries to the Kyoto Protocol

№	Country	Number of approved JI projects, units		
		Track 1	Track 2	Total
1	Ukraine	240	27	267
2	Russia	96	1	97
3	Czech Republic	85	0	85
4	Germany	25	0	25
5	Bulgaria	24	1	25
6	Poland	26	0	26
7	France	20	0	20
8	Romania	16	1	17
9	Lithuania	0	17	17
10	Estonia	12	0	12
11	Hungary	11	0	11
12	New Zealand	8	0	8
13	Finland	3	0	3
14	Spain	3	0	3
15	Belgium	2	0	2
16	Sweden	1	0	1
Total		572	49	621

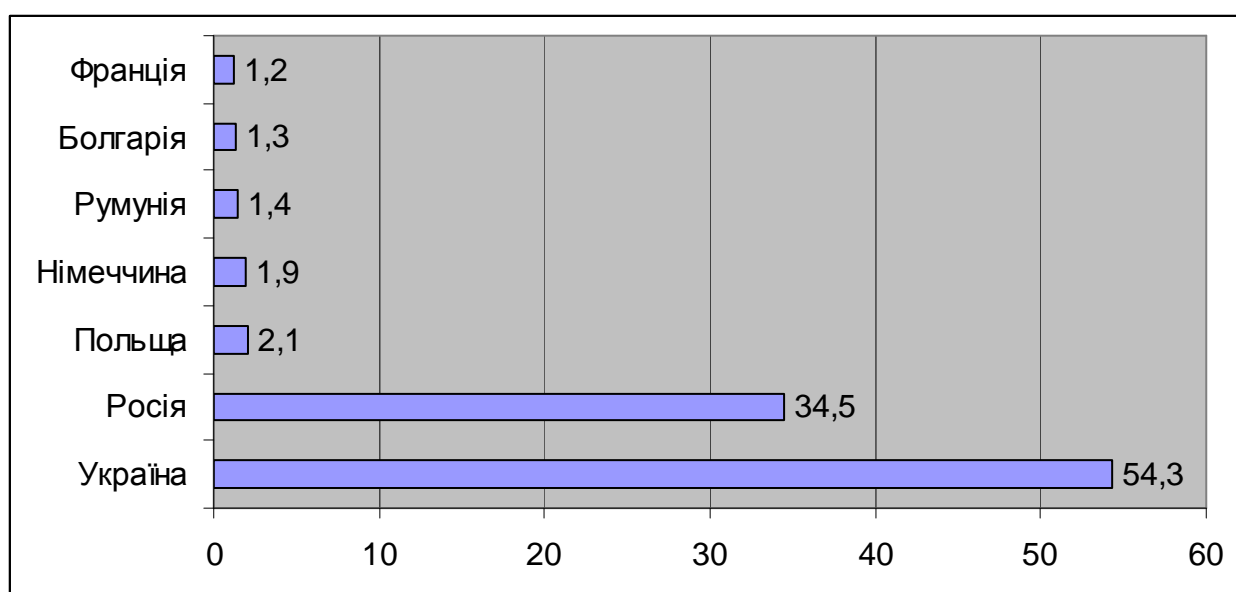


Fig.3. Country's contribution in the world market of ERUs in 26.12.2012, %

Thus, as illustrated by tables and figures, currently Ukraine is a leader in the adoption of the JI flexible mechanism, namely:

- by the number of JI projects approved under the Track 1;
- by the number of JI projects approved under the Track 2;
- by the total amount of approved JI projects;
- by the number of issued ERUs¹⁵.

But despite the country's championship in this position, there are many comments on additionality of these projects, transparency and consistency of decisions to implement them etc. (Женчук, М., 2012).

As for the degree of elaboration and implementation mechanisms at the national level, it allows to confirm the insufficient extent implementation. National legislation mainly concerns the implementation of flexible economic mechanisms of the Kyoto Protocol. As for the reduction at the national level, the necessary legislation must be developed. The most required update is needed for protection and enhancement of sinks and reservoirs of greenhouse gases, promotion of sustainable forms of agriculture and forestry etc. In 2012 a working group began its work due to support the legislation's field for regulation of emissions and removals of greenhouse gases. The main mission is to develop a bill on public policy in preventing climate change and adapting to these changes as well as in the prospects of national system of emissions trading (Вебер, Ш. et al., 2014).

However, the experts also point out that there are some problems with public participation in discussions and decision-making on the implementation of the Kyoto Protocol in Ukraine. Thus, it is signed out that the public is not appended to the decision-making in the implementation of the Kyoto Protocol. The public participates in the Public Council under the SEIA, in the discussion of draft documents, quantitative goals to reduce GHG emissions and so on. The mechanisms for public participation should be improved in terms of considering proposals of the public, providing full information on the reasons for ignoring offers public disclosure of this information and more. In addition, the public is given access to information in the field of flexible economic mechanisms of the Kyoto Protocol. But there are problems with providing access to information about signing such international agreements as the sale contracts for AAUs (mainly with the participation of SEIA). Such agreements are not published in breach of current legislation on access to environmental information and to international agreements of Ukraine.

¹⁵ The actual information about JI projects is under the following links: www.ji.unfccc.int, www.neia.gov.ua, www.carbonunitsregistry.gov.ua

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IMPLEMENTATION OF STATE INVESTMENT PROJECTS UNDER THE INFLUENCE OF INSTITUTIONAL CHANGES

The paper highlights the real steps of the government aimed at implementing European living standards in Ukraine. The changes in Ukrainian legislation are expected to harmonize the management of public investments with the budget process by creation the mechanism of state capital investments distribution.

Ukrainian government decided to amend the Budget Code after negotiations with the World Bank and adoption of new strategic documents. Amendments to the Budget Code of Ukraine lie in distribution of state capital investments directed to the development and implementation of public investment projects and inclusion of distribution results of public investment projects to the State Budget of Ukraine for the year.

In July 22, 2015 the Cabinet of Ministers of Ukraine implemented the procedure for selecting public investment projects (hereinafter - Procedure) and established the Interdepartmental Commission on public investment projects (hereinafter - the Interdepartmental Commission).

The key tasks of the Interdepartmental Commission are consideration and selection of public investment projects.

According to the Procedure, the selection of state investment projects by Interdepartmental Commission is carried out in two stages:

- the first stage - each member of the Interdepartmental Commission considers documents, identifies the priority areas for public investment projects and distributes costs accordingly;
- the second stage - Interdepartmental Commission selects public investment projects.

Ministry of Finance defined marginal costs for state capital investment aimed at development and implementation of public investment projects in 2016 and the indicative forecast figures in 2017 and 2018 for 1 billion UAH annually.

Ministry of Economic Development proposes that the Interdepartmental Commission should consider on the allocation of state investments in 16 state investment projects with a total estimated cost of 16 830.7 million. UAH, Incl.: in 2016 - 2252.2 million UAH, in 2017 - 5322.7 million UAH, in 2018 - 3990.3 million UAH.

These projects are distributed in the following areas:

- Social and cultural area and healthcare - 11 projects, estimated cost is 13057.3 million UAH.
- The area of environmental protection - 3 projects, estimated cost is 1301.8 million UAH.
- Functioning of the authorities and their services - 2 projects, estimated cost is 2471.6 million UAH.

Conclusions

The new developed distribution of state capital investments is the transparent mechanism, which helps to select important for the state projects with clear economic rationale.

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SECTION 3:

INNOVATIONS, KNOWLEDGE TRANSFER AND CULTURE EXCHANGE IN SUSTAINABLE SPATIAL DEVELOPMENT

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现代经济学研究的文化学方法

CULTUROLOGY METHOD FOR MODERN ECONOMICS RESEARCH

现代经济发展的全球化要求我们从多元角度看待经济行为。其中文化因素对经济政策的制定和经济发展具有更深远的影响。文化意识决定社会行为，而经济行为是社会行为的一部分，必然受文化因素支配。因此，从文化价值观出发的经济学研究是不可缺少的学术途径，它有助于我们看到市场效益的根本动力，有助于还原经济发展机制的真相。

Globalization of modern economic development requires us to consider economic behavior from diversified perspectives. Cultural factor can impose more profound influence on the formulation of economic policy and economic development. Cultural awareness decides social behavior, while economic behavior is one part of social and will certainly be controlled by cultural factor. Therefore, economics research from the perspective of cultural values is an inevitable academic approach, which is favorable for us to see fundamental power of market efficiency and is conducive to restoring the truth of economic development mechanism.

以文化为切入点研究经济问题不是对政治经济学的补充而是深化，因为人类的政治选择也仍然是基于相应的文化价值观作出判断。包括宗教的流行，文明的传播，科技的进步。战后德国和日本的经济发展超过战胜国苏联和中国，原因在于教育和文化观念的进步。谈世界经济和国际问题最终还是要归结到文化观念上来。当代有些学者如美国的亨廷顿甚至认为文化冲突是当今国际政治、军事冲突的根本原因。说明文化研究是解决国际政治经济关系的重要手段。我们认为，文化传播与经济贸易是相互

促进的，如：郑和七次下西洋，既是庞大的文化、政治宣传，也是成功的国际贸易。同样，丝绸之路和茶马古道由于商品的文化特质而让这个国际贸易持续了上千年。

Studying economic issues with culture as the entry point is not the supplement but the deepening of political economy since people's political selection is also based on corresponding cultural values, including the popularization of religion, propagation of civilization and improvement of science & technology. After the war, economic development of Germany and Japan exceeded the victorious nations - Soviet Union and China because of the improvement of educational & cultural concept. The discussion of world economy & international issue will be attributed to cultural concept eventually. Some contemporary scholars such as Huntington in America even believe that cultural conflict is the fundamental reason for international political & military conflicts in modern times, which indicates that cultural research is a significant means to solve international political & economic relationships. We're convinced that cultural transmission and economy & trade can promote each other mutually. For example, Zheng He has traveled to the West for 7 times, which is not only great cultural & political propaganda, but also successful international trade. Similarly, the Silk Road and Ancient Tea-Horse Road enable the international trade to last for over a thousand years due to cultural traits of the commodity.

从

文化分析入手有利于了解社会变革所需要的根本动力。例如：普遍认为中国的改革开放是个经济奇迹，但从文化角度看，中国的经济发展是国家政策与民族文化观念有机融合的结果：从农村开始改革，土地承包到户的经济政策满足了中国农耕文化中的小农个体经营思想，农民的积极性被调动起来，粮食多了，其它产业链发展有了保障，整个经济活跃起来。而同样的政治体制下，50年代毛泽东推行的人民公社集体合作化模式却失败了。因为这种生产模式要求的公共意识、集体主义精神与中国农耕文化的家庭意识、自给自足的小农思想是格格不入的。失败的根源在于经济政策脱离了文化现实，超前的经济模式与落后的文化观念难以协调。

Starting with cultural analysis is favorable for learning about the fundamental power required for social transformation. For example, we generally believe that China's reform and opening-up is an economic miracle. However, from the perspective of culture, China's economic development is the result of organic integration of national policy and ethnic cultural concept. The reform begins from rural area. The economic policy of land contracting to each household has satisfied the peasant's individual management thought in Chinese farming culture and peasant's enthusiasm has been aroused. Since there are more grains, the development of other industry chains has been guaranteed and the whole economy becomes alive. However, under the same political system, people's commune collective cooperation mode promoted

by Mao Zedong in 1950s failed since the public consciousness and collectivism spirit required by such production mode are antipathetic to the peasant thought of family consciousness and self-sufficiency in Chinese farming culture. Source of the failure lies in that economic policy breaks away from cultural reality, and the advanced economic model and behind cultural concept can't be coordinated.

正

因为文化与经济是不可分割的有机体，中国引进西方现代工业化生产模式时，没有培养与之相关的企业文化、责任意识和诚信精神，缺少西方的现代化设计理念，使中国制造业难以跨入世界工业的先进行列。跨区域引入生产模式也要融合当地文化习俗。如：中国长江以南地区以家庭为生产单位的传统手工业非常发达，如：轻工业配件加工、水产养殖、工艺制作、日用品加工、食品加工等。南方传统的家庭文化强化了这种以血缘关系为核心的作坊式生产形式，具有灵活、高效、创收快的特点。而北方地区缺少这种文化传统，缺少劳动密集型生产所需要的廉价劳动力。因此，南方的成功经验难以在北方推广。

Since culture and economy are an inseparable organism, when China brings in modern industrialized production mode in the West, it doesn't cultivate related enterprise culture, consciousness of responsibility and honest spirit, and lacks modernized design philosophy in the West, which results in the difficulty of Chinese manufacturing industry to become worldwide advanced industry. Therefore, trans-regional introduction of production mode also needs to combine local cultural customs. For example, traditional handicraft industries with family as production unit in south region of the Yangtze River in China are very developed, such as light industry accessory processing, aquaculture, craft making, daily necessities processing, food processing, etc. Traditional family culture in the south has strengthened the workshop-type production form with blood relationship as the core, and it's featured by flexibility, high efficiency and quick profiting. However, the north region lacks such cultural tradition and is short of cheap labor force required for labor-intensive production. Therefore, it's difficult to apply the successful experience in the south to the north.

文

化分析帮助我们看到国际贸易中形成的商品价格差异的文化背景。尤其中国艺术品市场、拍卖行、收藏业、服装业、中国传统中医药材市场、奢侈品和高端时尚用品等行业。文化分析有助我们在现代产品设计中合理应用文化元素。同时，在保护文化资源的同时，如何通过开发本地产品的文化性把原生态资源转化为经济价值，这也是不发达国家和地区要发展经济的一个值得尝试的模式。

Cultural analysis helps us to see the cultural background of commodity price variance formed in international trade, especially such industries as Chinese artwork market, auction house, collection industry, garment industry, traditional Chinese medicinal material market, luxury, high-end fashion articles, etc. Besides, cultural analysis is favorable for us to apply cultural elements reasonably in modern product design. In addition, while protecting cultural resources, how to transform the original ecological resources into economic value by virtue of developing local product culture is also a pattern worth trying by underdeveloped countries and regions to develop the economy.

文

化艺术遗产本身具有经济价值。目前中国文化市场有各类文化传媒公司、影视制作中心、艺术策划中心等机构通过经营文化产业而获利。经营欧洲油画作品的画廊和法国古典家具市场，同法国奢侈品一样，共同丰富了现代中国白领阶层的时尚消费需求。例如：法国高端时尚产品在中国的流行，是基于法国文化在中国社会拥有的广泛而深刻的认同心理。法国文化在中国的知名度构成了法国时尚产品总体意义上的品牌形象，也为其它法国产品奠定了信誉基础，使文化优势转化为市场优势，为国际贸易带来边际效益的延伸。

Cultural & art heritage itself has economic value. At present, there are various cultural media companies, video production centers, arts planning centers, etc. In Chinese cultural market, which make profits through operating cultural industries. Art galleries operating European oil paintings and French classical furniture market, just as French luxury, have enriched the fashion consumption demands of modern white-collar workers in China. For example, the high-end fashion products from France becoming popular in China is based on that Chinese society has wide and profound approval psychology to French culture. The popularity of French culture in China has constituted the brand image of French fashion products in overall significance and also laid the credit foundation for other French products to transform the cultural advantage into market advantage, bringing the extension of marginal benefit of international trade.

文化学的认知，有助艺术品获得经济价值的最大化。如：名人的收藏，名人的作品，可以通过艺术机构的合理运作产生巨大的经济效应。如：拍卖和购买马云创作的绘画作品，著名企业家王建林在欧洲购买毕加索的名画。通过文化机构的运作将这种文化事件与巨大的商业利益紧密联接起来。

The cognition of culturology is favorable for gaining maximum economic value of artwork. For example, collections and works of celebrities can generate huge

economic effects through reasonable operation of arts institutions. For example, auction and purchase the paintings created by Jack Ma; the renowned entrepreneur Wang Jianlin purchases Picasso's famous paintings in Europe. Such cultural events can be connected with huge commercial benefits closely by virtue of the operation of cultural institutions.

从

文化哲学角度看，现代科技文明高度发达，物质极大丰富，但人类仍然面临生存与人生幸福的困惑，每天仍有因饥饿而去世的儿童。穷人和富人、小国和大国都一样缺少安全感。很多社会问题是人类贪婪本性造成的。许多现代化建设是以发展经济为名实际在破坏传统文化、损坏人类幸福赖以存在的自然环境。如；房地产开发、化工产业、发达国家对经济落后国家的援建。因此，试图通过经济举措解决社会问题的同时也要考虑如何从文化教育和人的精神价值观出发寻找出路。

From the perspective of cultural philosophy, modern scientific & technological civilization has been highly developed and materials have been enriched greatly, but human beings still face the confusion of survival and happy life, and many children die from hunger every day. Both the poor and the rich, both the small countries and great countries lack the sense of security. Many social problems are resulted from people's nature—voracity. Many modernized constructions, in the name of developing economy, actually destroy traditional culture and damage the natural environment which people depend on to live a happy life, for example, real estate development, chemical engineering industry, developed countries' assistance for the construction of the backward countries. Therefore, while trying to solve social problems by economic measures, it's also required to consider how to seek for a way out from the perspective of cultural education and people's spiritual values.

文化是最宝贵的再生资源，因为它是人类创造思维的养料。信息时代的经济实力来自创意思维，强大的竞争力和幸福感属于有文化自觉的民族。工业制造的优势需要深厚的文化积淀，人类发展高科技的同时，一定要关注生命本身的意义。在快速发展的后工业化时代，人类更需要强调经济行为中的精神追求。

Culture is the most precious renewable resource since it's the nourishment of people's creative thinking. Economic strength in the information age comes from creative thinking. Powerful competitiveness and happiness belong to the nation of cultural self-consciousness. The advantage of industrial manufacturing requires profound cultural sediment. While developing the high technology, people shall also pay attention to the significance of life itself. In the rapidly developing post-industrialization time, people are more required to highlight spiritual appeal in economic behavior.

综上所述，我们作出如下结论：

To sum up, we have reached the following conclusions:

1, 文化蕴涵着人类追求幸福的理想，人类社会行为受这一理想的支配，包括经济行为。

1. Culture contains people's dream of pursuing happiness, and people's social behaviors are dominated by the dream, including economic behavior.

2, 从文化认同性入手，有助深入了解经济发展的内在动力，作到积极主动地掌握市场发展趋势。

2. Starting with the cultural cognition is favorable for deepening the understanding on internal impetus for economic development. It's required to master the market development tendency positively.

3, 从边际效应的角度看，只有恰如其份地使用文化元素才会增加产品价值。

3. From the perspective of marginal effect, only by using cultural elements appropriately can product value be increased.

4, 人类文化也要从哲学层面做自身的反思和优化，以满足人类精神存在和物质存在的时代需求。

4. Self-introspection and optimization of human culture shall also be carried out from the perspective of philosophy to meet the demands of the age with people's spiritual existence and material existence.

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AUTHORITY, BUSINESS AND CIVIL SOCIETY IN REGIONAL POLICY: COMPETITION OR COOPERATION?

Regional development is influenced by some factors appeared recently. New institutions for regional policy are among them, in particular, civil society, competition in administration, new forms of cooperation between the state and business. Above institutions impact socio-economic situation in regions. Civil society acts as arbitrator for decisions made by official authority, besides, civil society as a group of non-governmental organizations (including a lot of non-profitable organizations in political spheres) can accompany subjects for decision making. At the regional level it means the mutual intergrowth of official regional administration and the sphere where organizations of civil society can perform better than other organizations.

Activity of civil society is crystallized in competition between both central and local authority, on one hand, and civil society, on the other hand, which results in better choices for regions or communities. It could be seen, for example, in local taxation, working out the city-planning documents, some project for environment saving. Similarly, the growing role of cooperation and coordination between the state and business is observed at the regional level. For instance, some peculiarities of doing business are eyed in the sphere of governmental administration (switch to indirect and indicative methods of regulation instead of direct levers, more openness and transparency in decision making, electivity of positions in authorities). Contrariwise, some features of official administrative approach are marked in business, especially, in big corporations (hard subordination and hierarchy of administration). It means that regional reality gradually becomes more flexible and able to accept new trends which can only improve management of regions and communities.

These changes of institutional organization of regional management will stream up in improvement of some economic development indices (regional investments inflow, gross regional product) and also, these changes rise the quality of coordination between subjects of regional policy – for example, it will be more simple to make contracts, arrange deals and enter a sector market, as well as general attractiveness

of business climate will be improved. Above mentioned new styles of civil society realization, competitive administration, cooperation and mutual linking of business and the state have huge inestimable impact on social situation. It appears in rising of everyone's feeling about personal involvement in the process of local administration and influence on the daily life. Also, these changes can maintain the higher level of social security through use of different ways and possibilities to finance social sphere. Thereby, the wellbeing could be improved as well as the dynamics of regions' and communities' development could be intensifying.

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TRANSFORMING EDUCATION SYSTEM IN NIGERIA

The predominantly rural but public education system in Nigeria, whose transmission was basically a blend of both oral and tutorial approach of learning, that made possible the emergence of what was characterized to be popularly known as pidgin and its perfection thereof, - an endogenous vernacular in perspective as such, with a specific pronunciation that might be tied and attributed to any of the multi-ethnic parts that constituted the tribes or the regions, and, as it were, was coded and though assumed as an authentic language of instruction for development and growth- made up the outreach possible throughout the Federal Republic of Nigeria.

Thanks to the existence of cross-cultural trade or globalization through trade, which gave rise to the recognition and the existence of other cultures and civilizations, and hence, the contact with foreign commercial English language on the west coast of Africa some centuries ago. However, the passing away from the use of pidgin to the perfecting of the use of modern English by scholars in Nigeria became so prominent as many successfully trained professionals in all fields of work were embarked on national development efforts for growth.

Nevertheless, can it be ascertained that the Education system in Nigeria has aroused patriotic citizen's awareness to identifying their varied inputs and the outcome of such functional inputs for National character building model, despite the push-pull factors that tended to impoverish the old education standards? The Nigeria education system has, for long taken for granted, that it could compete on equal ground with other growing nations that have got the perception, that education is but the backbone of any growth-seeking nation, and if so, with what educational equipments, can the nation fight for a certain rank in Africa and a specific position amongst nations in constant frictional momentum, where there is the illusion, and the plight for geopolitical influence as well as economic interest?

This paper will tend to analyze the pertinent questions and the need for transforming the education system in Nigeria while taking into account, the salient but distributional missing factors such as the non-identification of the relevance between

education and the strategic industrial sector for the enhancement of Nigeria's economic and social growth processes; the inadequate positioning and endorsement of the Nigeria's trained and skilled professionals that kills the tangible economic time element daily in the wrong sectors of the Nigeria's economic system; the Nigeria's education trade unions inability to recall the "once upon a time UDOJI awards scheme - where the Federal government misplaced the collectable taxes susceptible to promote and reinvest in the productive sectors of the economy, "- and to reason with the federal ministry of Education towards the upholding of the very specificity of education- the backbone for progress in a big society such as Nigeria; the failure of the education ministry to recognize the paramount role of teachers, professors, students and researchers and the entire supportive branches, in their distinct institutions of higher learning towards the Nation building paradigm of which, a solid national education system per se, is a sine quoi none and the subvention of it by the Federal government, in her capacity as to reorienting the education budget policies in perspective; the lack of infrastructural facilities for students and researchers in different fields in their various universities, such as national and state and local government libraries and the non-stimulation of prominent publishing houses and printing presses; the revitalization of existing university colleges and school campuses, and if need be, the restructuring and the dissemination of local university campuses within the states, and hence, empowering both the local governments and their respective states to continue to identify and work, in giving college and university graduates the appetite to think, to reflect, to innovate and to be involved in the state building efforts for good citizenry, and thus providing to the citizens through education, that that could upgrade the intellectual capabilities that are needed on a constant basis as these inputs becomes the steadfast light for the federal Republic of Nigeria to shine amongst the developing nation states; even when some scholars might be delighted to maintain an opinion as it were, that presently the hopes of local students were seemed to be dampened.

The long term objectives of the transformation of Nigeria's education system has to be one of re-engineering the aspirations of both the college and the university graduates to continue to hope on the qualitative skills they are bound to achieve or to sustain through a rigorous theoretical training that has to be sanctioned by an industrial training scheme, as these are vital for their future career, and their supportive attitude to continue to foresee their future as one of active players in industries and the society at large.

These are but some salient facts that ironically, called for the need for transformation of Nigeria's education system in perspective, despite the supplementary question as to what went wrong indeed? And at what point in time did the educational values in a great nation such as Nigeria fell apart, even though globalization and its aftermath in

terms of the emphasis on perfection through higher education to very many families in the Nigerian society has dominated the present era? The paper will continue to evaluate these missing factors so far raised, while providing internationally acceptable models of education that are bound to reinforce our approach, even though these may not be too far from that that operates presently in Nigeria's education system, if conceived with an objective thought and might inherent in man and in its leadership for advancement of the society.

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EDUCATION AS A COMMON PRECONDITION OF ECONOMIC, SOCIAL AND POLITICAL DEVELOPMENT

The level of development of modern society is characterized by the favourable conditions for the development of a person in all spheres of social life. Nowadays most countries try to create ideal conditions for the development of a personality, having realized the importance of human capital in providing effective changes in the national economy. It should be stressed that UN uses three main criteria for estimation of the level of development of every country: life expectancy at birth, people living standard and gross enrolment ratio in tertiary education.

Education is a common precondition of economic, social and political development, the only proper path towards democracy and social justice. To interpret the dialectic interrelation between the level of education of the society and the main social-economic factors of the state development – life expectancy at birth, crimes recorded and average wages, the equation of three regressive models has been analyzed, built on the options of the Eastern Europe countries, Ukraine in particular, and the Middle East countries. We have concluded that there is a direct sufficient relationship between the Gross enrolment ratio in tertiary education and Life expectancy at birth and Average wages. When Gross enrolment ratio in tertiary education increases, Life expectancy at birth and Average wages are increased too. The values of determination coefficients ($R^2 = 0,9395$ and $R^2 = 0,9171$ correspondingly) testify, that the growth of Life expectancy at birth by 93,95 % is caused by the growth of Gross enrolment ratio in tertiary education. The growth of Average wages by 91,71% is caused by the growth of Gross enrolment ratio in tertiary education too.

The relationship between Number of students in tertiary education per 100 000 inhabitants and Crimes recorded is medium retroactive – the growth of Number of students in tertiary education causes the decrease of Crimes recorded. Determination coefficient ($R^2 = 0,2002$) shows the decrease of Crimes recorded by the police in 20,02% of cases. Thus, the change of the established social-political society, improvement of economic-social conditions becomes possible only when the level of people education and their awareness are increased. That is why nowadays the task of the University is to train educated personality, who is able to provide the stability of the economic development of the state.

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DEVELOPMENT OF PERSPECTIVE BUDGET FORECASTING IN CONTEXT OF THE STRATEGIC BUDGET PLANNING

Abstract

The article is devoted to the long-range budget forecasting in context of the strategic budget planning as an effective way to protect against the accumulation of excessive public deficit country whose economy is weak. Also the article presents foreign european experience that the medium-term budget planning requires tough validity of resource needs relative to medium-term priorities, which should be clearly outlined in the policy documents of socio-economic development, which, unfortunately, today in Ukraine is not clearly described and not coordinated.

Key words: *strategic budget planning, budget forecasting, development strategy*

The transition to multiyear budget planning is a common practice of public finance stabilization in all developed countries in the world. In the recent years the problem of public finance imbalance appears especially acutely, that is connected with the increase of budget deficits caused by significant debt loading on GDP exceeding 60 % established by Maastricht criteria's and unregulated increase of budget expenditures. All of these facts had caused the necessity of introducing fiscal

consolidation measures, it is only instrument to stop falling the country in the deep economic crisis. Fiscal consolidation is the governance policy aimed to balance public finances by achieving the safe indexes of budget deficit (≤ 3 % of GDP) and state debt (≤ 60 % of GDP). Such a police cannot be conducted during 1 year with visible results, it must at least 3-year period of recovering of public finances.

That's why appears the acute necessity in the strategic budget planning system, that is clearly structured, defined methodologically, institutionally and organizationally. Under conditions of state debt increasing and growing military expenditures, annexation of significant territories in the Ukraine the strategic planning system becomes of exceptional necessity as an effective way of defense from uncontrolled rise of budget deficit, which appears from structural imbalances of economy, irrational determination of budgetary incomes and directions of budget resources allocation. Medium-term budgetary planning requires formation of budget requests in accordance with strategic priorities, clearly defined in program documents of social-economic development, such documents are absent. Unclear budget policy turn State budget not into instrument-regulator of social-economic development, than into financial resource which covers new and new economic, social and political problems.

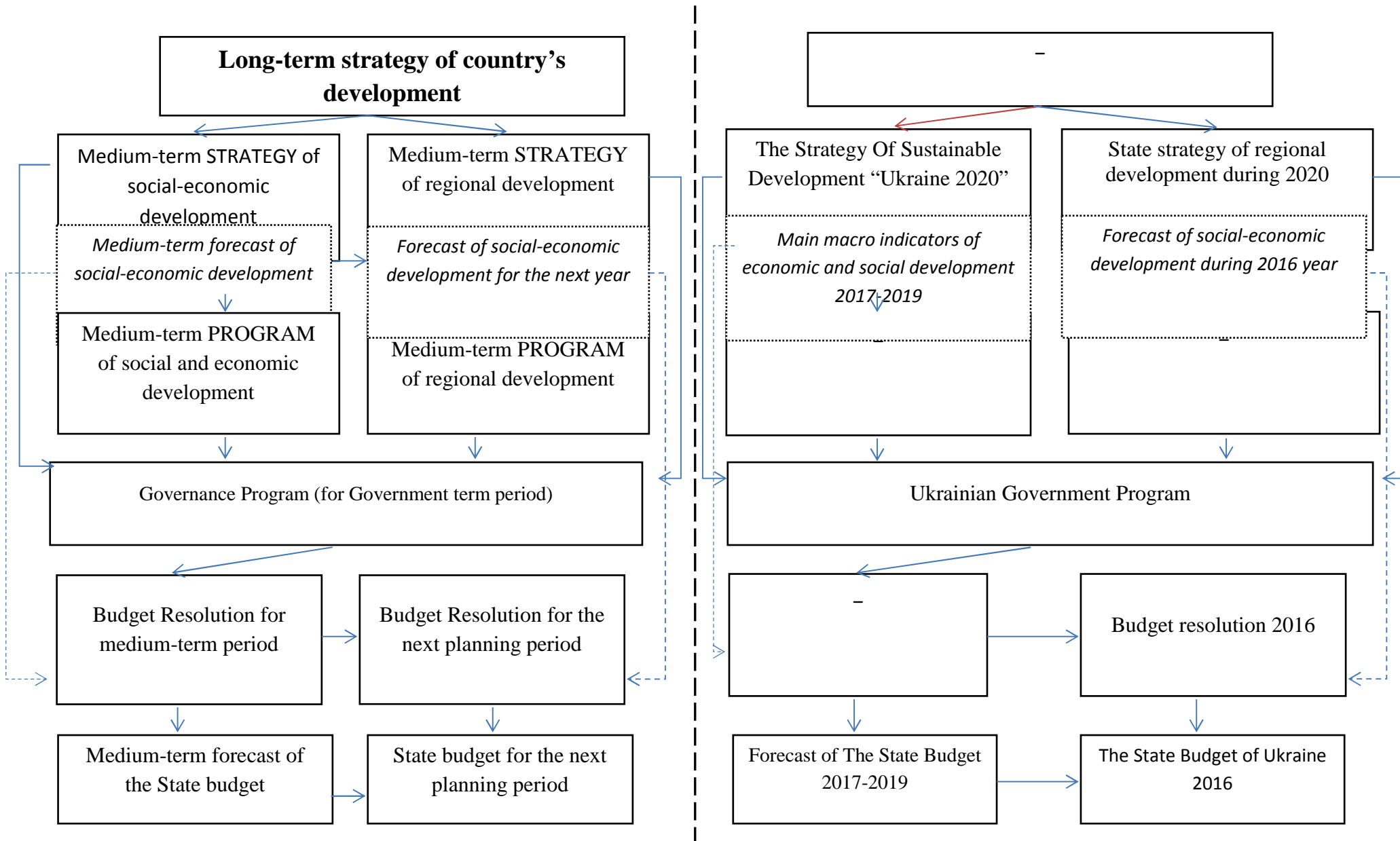


Fig.1.1 Comparative characteristic of long -, medium- term and one year coordination of budget planning by the types of program documents

This is why the problem of implementation of medium-term budget planning in Ukraine is actual and requires immediate it's solution in the context of economic crisis overcome and in the conditions of European international processes, speeded up by signature of Association Agreement between the European Union and Ukraine.

The fig.1.1 shows the comparative characteristic of long -, medium-term and one year coordination of budget planning by the types of program documents. This scheme is simplified as to reflect only some aspects of budget policy. So, according to fig.1.1, nowadays in the Ukraine there is no long-term strategy of social-economic development. Though in 2004 there was adopted the Strategy of economic and social development "On the Way of European Integration" for 2004-2014 (adopted by Presidential Decree №493/2004, 08.04.2004). This document hadn't practical value as it's statements were not used in medium-term programs of social-economic development and the programs of the government, and eventually expired on 07.07.2015.

Adoption of long-term strategic document aims the achievement of strategic goals beyond the activity of one government. This is rather difficult task under the conditions of unstable political, social and economic situation, which is reinforced by negative influences of military aggression from the neighboring countries. For example, main priorities of Treaty Of Lisbon, adopted in 2000, were not achieved due to various factors concerning significant institutional branching, non-compliance of regional and supranational policies, diversity and quantity of innovative programs.

New long-term strategy was adopted in 2010 "Europe-2020", which continues innovative development vector, particularly in the sphere of digital technologies, industrial policy and educational branch. Horizon 2020 Research and Innovation Program which is most expensive among all innovative programs of European Union (80 billion euro) consists of three main priorities:

1. Strengthening of EU positions among leading countries by generation of new knowledge (excellent science).
2. Development of business on innovative principles (industrial leadership).
3. Solution of social problems (societal challenges).

The necessity of adoption of long-term strategy of social-economic development is evident for Ukraine, the document that consolidates the efforts and priorities of several governments around general national interests. Also, while adopting the main strategic document of country development, it is important to consider the innovative

component, without which it is impossible to achieve the competitiveness in the global economy.

The next phase, after long-term, is medium-term budget planning. Today in Ukraine are adopted two medium-term strategic documents: The Strategy Of Sustainable Development “Ukraine 2020” and National Strategy of Regional Development 2020. According to The Strategy “Ukraine 2020” the main goal of Ukraine is “implementation of the European standards of living and outcome of Ukraine on the leading positions in the world”. There are defined four vectors of development to achieve this aim:

1. The vector of Development : macroeconomic stability, steady grows of economy by ecologically safe way, favorable conditions for business, transparent tax policy.
2. The vector of Security: providing the defense capacity of the country, reforming of judicial system; resistance to corruption; providing medical, social, economic security of citizens.
3. The vector of Responsibility: the equal rights to all citizens on access to education, health system and other services in the private and public sectors: independence of local communities in deciding self-welfare problems; the responsibility of every community for the development of the country.
4. The vector of Pride: the achievement of mutual respect and tolerance in the society, respect to national history, culture, sport, science.

There are defined 25 key indicators in the Strategy, particularly concerning budget policy: GDP per capita 16 000 U.S. dollars (according to World Bank calculations); budget deficit – not more than 3 % of GDP (according to IMF calculations); state debt – not more than 60 % of GDP (according to IMF calculations), growth of expenditures on national security and defense not less than 3 % of GDP; net incomes of foreign direct investments during 2015-2020 – above 40 billion U.S. dollars (according to World Bank calculations).

As follows, to achieve defined in the Strategy goals and priorities there must be adopted Program or Action Plan, where all the stages of Strategy are specified in terms of project management. There is no such a document in Ukraine now. The analogues of such programs in European Union are Stabilization or Convergence Programs (in dependence of country's membership in Eurozone). The practice of realization of medium-term strategy of social-economic development in Ukraine was introducing in 2010-2012. The performance of approved in 2010 Program of

economic reforms for 2010-2014 “Wealthy society, competitive economy, effective state” (expired) was written according to main principles of project management and reinforced by every year program documents – National Action Plans. However successfully written Program didn’t give any positive influence on economy as it wasn’t carried out by government.

Current Government Program approved in 2014 do not forecast the reforming of strategic planning system at all. Consideration of Coalition Agreement between deputy factions, signed on November 2014, as a Program document, is not correct, firstly because this Document is not a law, it is agreement about common intentions of Ukrainian political majority. Program document must be written by clearly defined structure, contain the review of current situation, formulation of project goals, stages of performance and key indicators of program effectiveness, necessarily quantitative indicators. Coalition agreement has a political character that reflects conditional oneness of the Government towards country reforming, that’s why it cannot be presented as program document built-in the system of strategic planning.

A necessity strategic vectors of development is obvious for Ukraine, that’s why on July 2015 was presented a document of Ministry of economic development and trade, named Strategy “The way to Prosperity. Basic Principles of Reforming the Economy”. The main idea of this Strategy is liberalization of economy. The main features of liberalization are dominance of private property, transition to principles of social self-sufficiency for most quantity of citizens, social assistance only for the most unprotected segments of country’s population. However, rapid transition to liberal or neoliberal model of economy can cause social discontent in the country, especially under the conditions of deep economic crisis, falling living standards, rising unemployment and unstopped inflation. This Strategy has also more informational and consultative character, and there are more questions, than answers, about the strategic priorities of Ukraine. Moreover liberal and neoliberal models are criticized now as the model, that lose its effectiveness. The necessity of Government intervention in the economy is growing, so more and more scientists return to principles of Keynesian or Neokeynesian models of economy, this statements are reflected in theories of Global Keynesianism.

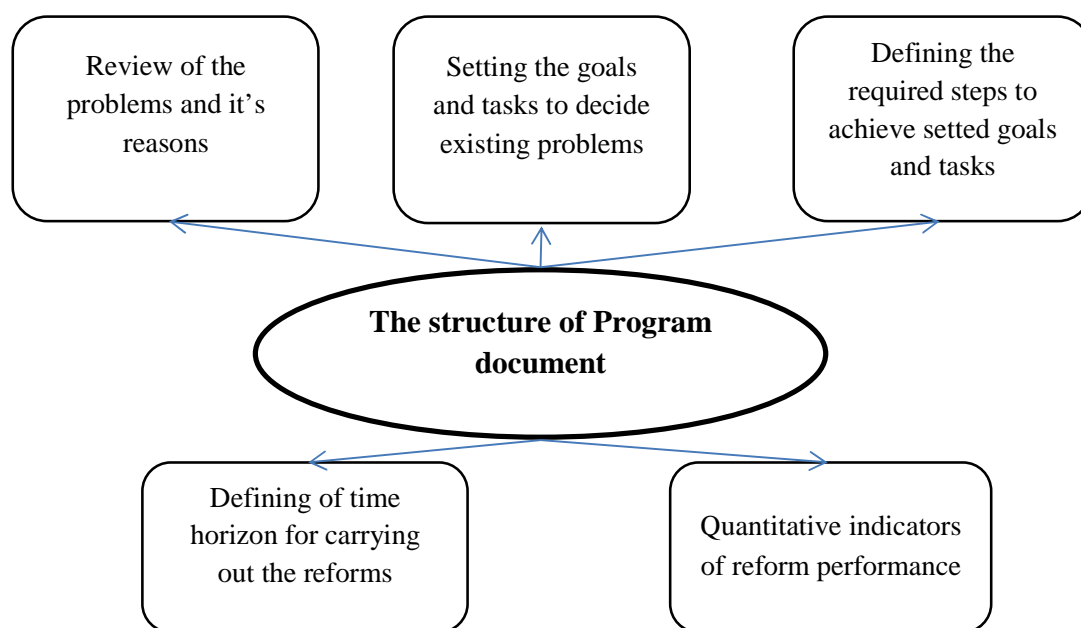


Fig. 1.2 The characteristics of Program documents, according to principles of project management

As follows, the chain of the strategic planning documents in Ukraine is terminated: though there is no long-term strategy, medium-term strategies of social-economic development are adopted. But there are no Programs, that specify defined in Medium-term Strategy aims. Thereby, multiyear budget planning is not connected with one year budget planning. Forecasts of state budget for next two planning periods are submitted as applications to State budget for planning period, they are informative and have no legal force to performance. According to fig.1.1 there are in Ukraine macroeconomic forecasts, which must be the basis for medium-term strategy. However in practice strategy is far divorced from forecasts, because multiyear budget forecasting in Ukraine is inaccurate and politically directed. Predicted values of nominal GDP and consumer price index are shown in fig.1.3 and fig.1.4.

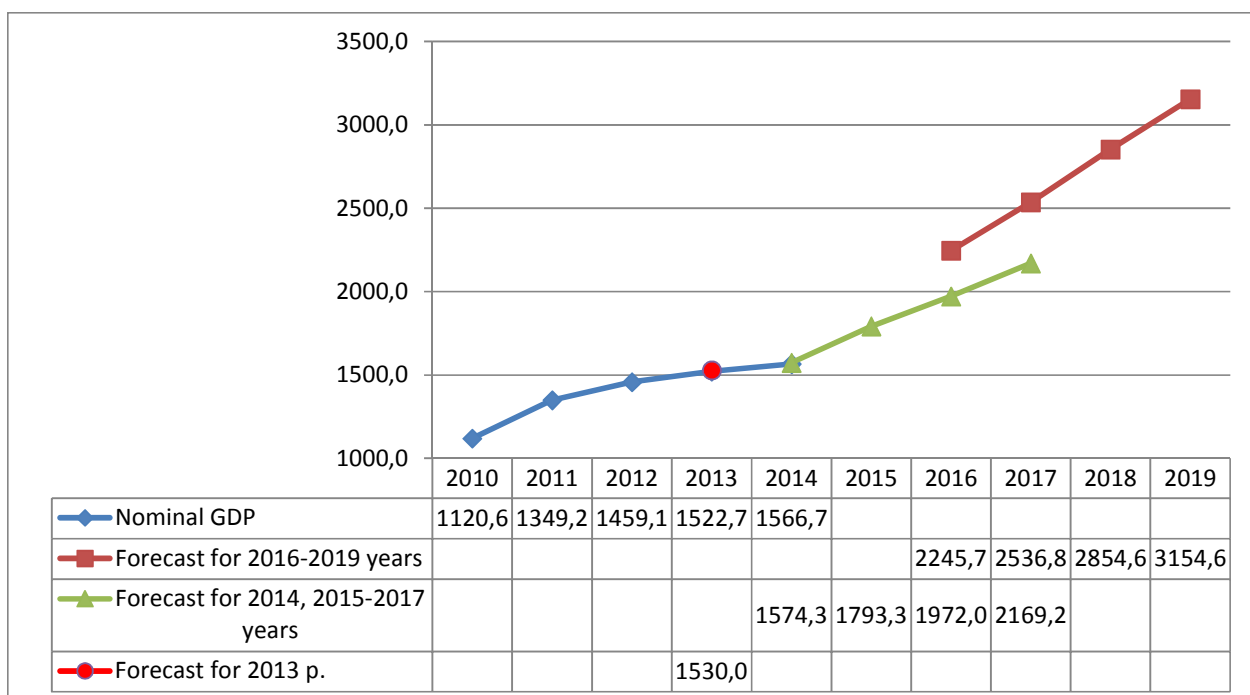


Fig. 1.3 Nominal GDP forecast, billion UAH (according to pessimistic case)

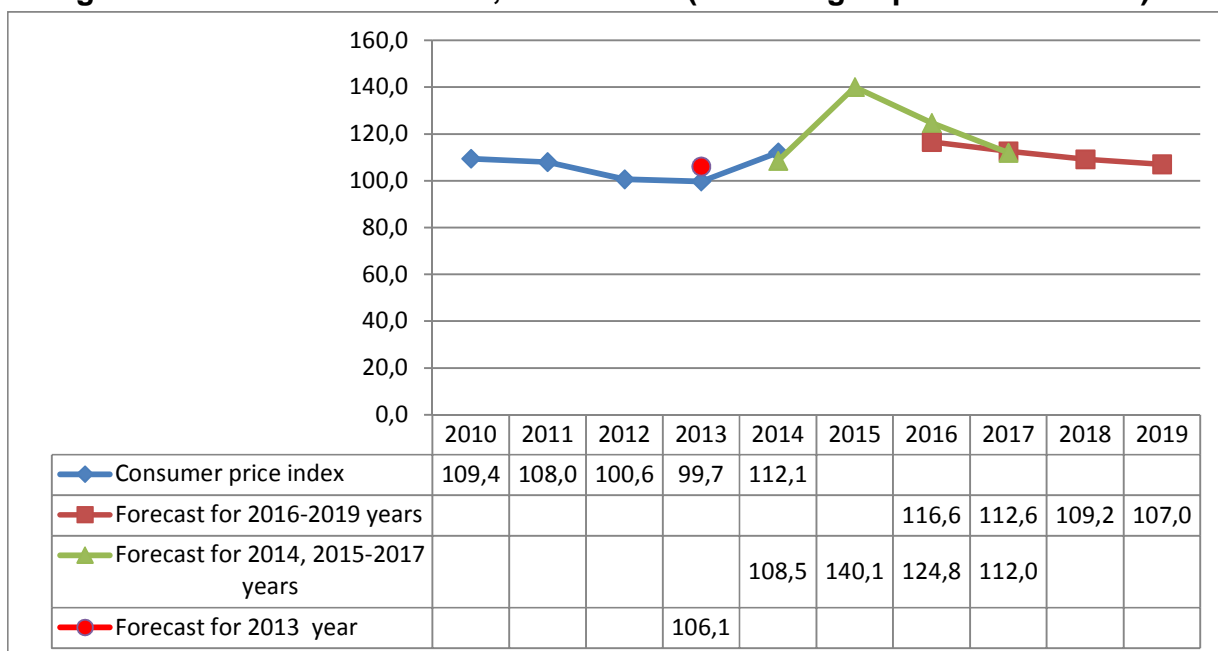


Fig. 1.4 Consumer price index forecast, % (according to pessimistic case)

A necessity of reforming the system of budget planning is defined in Strategy of development of public finance management system. Section III of this Strategy is devoted to medium-term budgetary forecasting, medium-term budgetary planning and to program-target method. In particular The Strategy defines 3 stages of transition from one-year to medium-term budgetary planning:

1. The development of medium-term budgetary forecasting.
2. Organizational, regulatory and methodological providing of medium-term budgetary planning.
3. Practical introducing of medium-term budgetary planning.

Realization of the first stage concerning the development of medium-term budgetary forecasting is defined by The Strategy to 2017. During this period continuous monitoring of State budget forecasts must be performed, combined with variance analysis and finding the reasons of deviations.

Also the important step on the way of implementation of medium-term budgetary forecasting and planning is adoption The Law of Ukraine “About State Strategic Planning”. The document that regulates some aspects of strategic budgetary planning now is the Law of Ukraine “About state forecasting and elaboration of programs of economic and social development of Ukraine” is losing its actuality and practical value, especially in the context of European integration.

Reforming of the system of strategic budget planning is implemented in all developed countries. In European union member states medium-term budgetary planning is conducted under the rules of European Semester. The performance of Stability or Convergence Programs is checked by European Commission, budget process is consecutive and hereditary, the effectiveness of medium-term budget mechanism is supported by the sanction mechanism, in case of violation of strategic priorities in the sphere of public finances stabilization. Special attention like in the world and in Ukraine is attracted nowadays to debt policy of the country. The growing of State debt appeared as a serious problem firstly for developed countries, and in the last years this problem especially acutely affected the Ukraine. The possibility of the country to provide its need without credit resources or with its minimum quantity generates the need in weighted, clearly defined and organized process of budget planning, that has multiyear character.

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PRINCIPLES OF MODELING INVESTMENT POTENTIAL OF A REGION

Building investment models plays an important role in the development of a region - it ensures the implementation of long-term general and investment goals in socio-economic development of a region; helps to realistically assess the investment potential of a region; takes into account possible scenarios of investment climate factors; reflects the advantages and disadvantages of its development; forms the main criteria for evaluating the ways of implementing developed models and assumptions of strategic changes in the general management structure of a region.

The development of optimal investment models is extremely important for Ukraine in conditions of financial instability. The development of such optimal and efficient investment models requires compliance with the principles of their building. These principles should take into account the content of the model in the most general terms (Fig. 1).

It is worth noting that strategies of socio-economic development have been developed for many regions of Ukraine, but they lack investment models. Today, there is virtually no optimal investment model of development for a particular region, and existing studies are reduced to the statement of current state and dynamics of investment processes in the regions. Thus, developed principles of building investment models of regional development, as well as existing information sources for evaluating investment processes in a region are the foundation for the development of different types of investment models depending on their target direction.

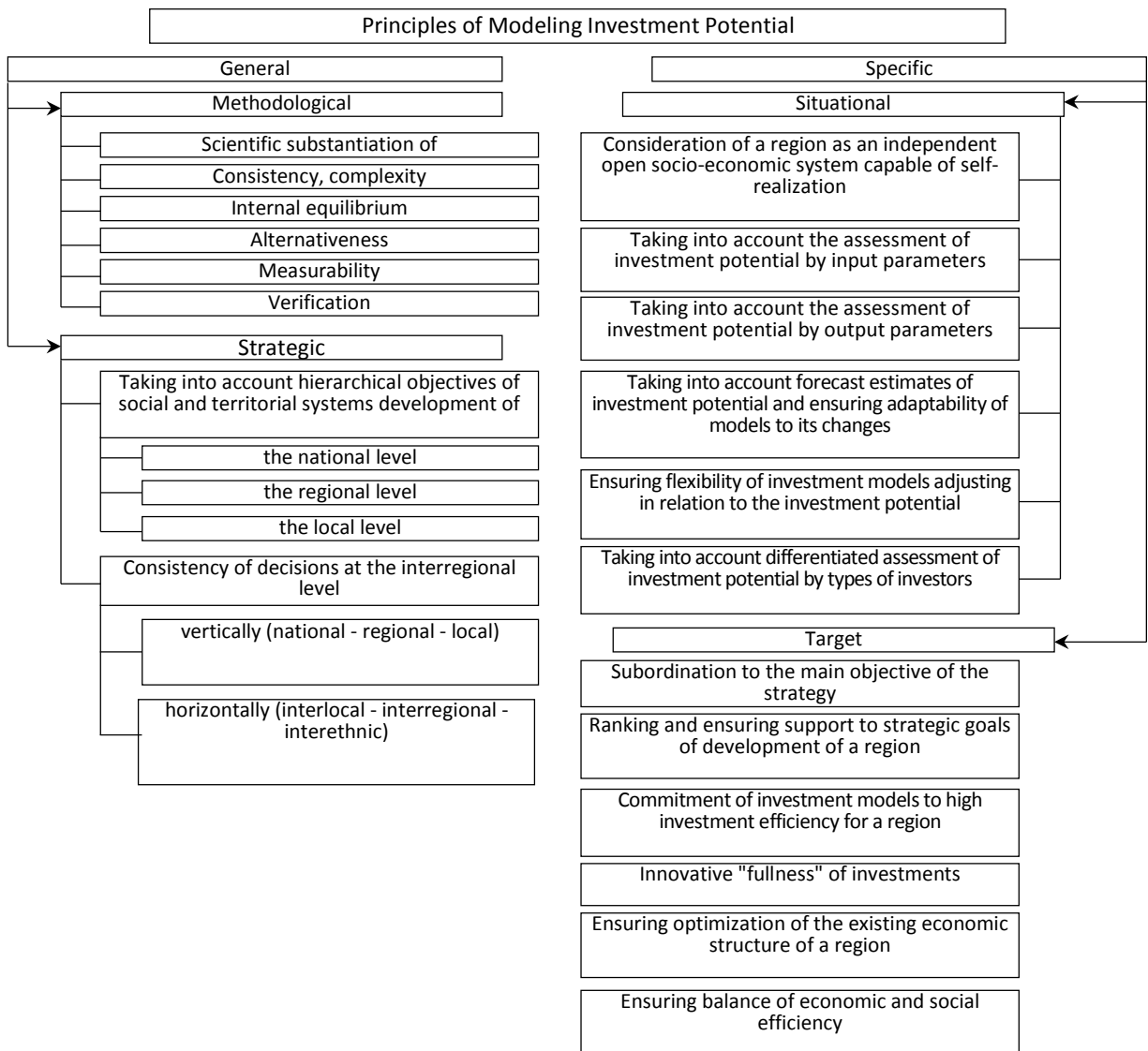


Fig. 1. Principles of Modeling Investment Potential

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ECONOMIC AND MATHIMATICAL MODELING OF STATE AID FOR FUEL AND ENERGY COMPLEX OF UKRAINE

Abstract

The research focuses on studying the effectiveness of state aid for fuel and energy complex in Ukraine. The study presents an econometric model of the fiscal expenditures impact, aimed at the fuel and energy sector, on capital investment in the industry. The paper makes recommendations for improvement of using of budget and credit resources for development of fuel and energy sector in Ukraine.

Key words: *expenditures, modeling, budget, fuel and energy complex, state aid, econometric models, macroeconomics.*

Fuel and energy complex (FEC) is one of the key elements for the development of the national economy. Problems in the complex affect almost all industries. During last years, Ukraine lost control over the main objects in Crimea, Donetsk and Lugansk regions due to warfare with Russian Federation. Therefore, there is the need for effective state aid for FEC complex in order to restore the industry.

The goal of the research is to study the effectiveness of state aid for fuel and energy complex in Ukraine using econometric methods and make recommendations as for improvement of using budget and credit resources for development of fuel and energy sector in Ukraine.

There are many researches devoted to modeling FEC. For instance, R. Podolets[1], A. Stogniy, M. Kaplin, T. Bilan [2], T. Zatonatska [3], L. Scherbyna [4], and others. However, the market for FEC of Ukraine is quite dynamic and requires new studies in this area.

In 2015, Ukraine is characterized by negative trends in the economy. GDP drop is caused not only by political and military situation, but also by reduction in exports and domestic demand. Decrease in exports is due to the limitation of basic goods

markets, low export diversification and reducing of Ukrainian producers competitiveness in the world market with a moderate global demand.

Destroyed infrastructure and stop of business activities of enterprises endanger energy security of the country. With this purpose, in January 2015 the government adopted a strategy for sustainable development «Ukraine – 2020» [6], in which one of the key points is a program of energy efficiency. The Government intends to abolish state subsidies and cross-subsidies for the energy sector, eliminate or conserve inefficient enterprises of energy sector and privatize the perspective ones.

In order to perform the results «Ukraine – 2020», the government need to make appropriate steps, which require appropriate funding. With this purpose, the Fig. 1 presents budget expenditure for economic activity 2010-2015.

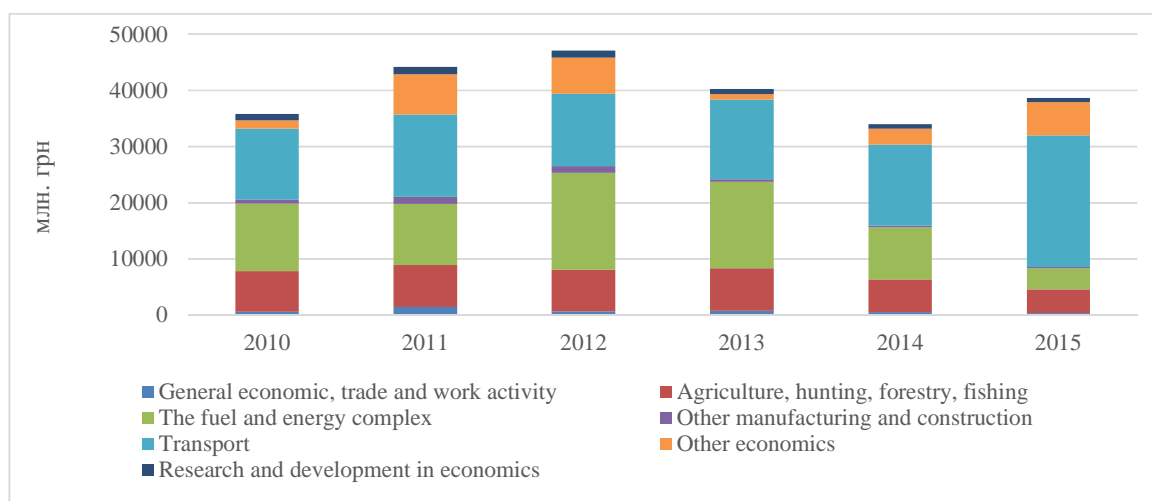


Fig. 1. Budget expenditures of Ukraine according to the functional classification of expenditures and crediting the budget. Source: [5]

Fig. 1 shows that the "FEC" is the second cost item after the "Transport" in the budget for 2015. During the 2010-2014 expenditures for energy sector fluctuated around 25% - 33% of total spending on economic activity. Despite the need to implement energy efficiency programs, in 2015 planned expenditures for the energy sector decreased substantially - up to 3 698.80 mln. UAH (9.2% of total spending on economic activities). This is due to inefficient spending on fuel and energy, which ultimately led to no increase in the competitiveness of domestic producers; planned closure of unprofitable mines and privatization of effective ones; reduction of subsidies on uncontrolled territories of Ukraine and government plans to attract foreign investment in the energy sector of Ukraine.

The study presents an econometric model of the fiscal expenditures impact, aimed at the fuel and energy sector, on capital investment in the industry. (Eviews 8.0; quarterly data 2007-2013; stationary time series; the model is tested for adequacy, residual normality, absence of multicollinearity, heteroscedasticity and autocorrelation of residues).

$$\Delta investment_t = 3643,09 + 1,56 \cdot \Delta gov_exp_t - 1,27 \cdot \Delta gov_exp_{t-3} - 13045,58 \cdot seas(1); \quad (1)$$

$$R^2 = 0,95;$$

де $\Delta investment_t$ - increase of capital investment into the industry, million UAH;

Δgov_exp_t - increase of state budget expenditures for FEC, million UAH;

$seas(1)$ - dummy variable, which denotes Q1.

The model confirms the contradictory use of state budget expenditures in the energy industry, because they do not clearly lead to an increase in capital investment in the industry during 2007-2013. This situation is due to the lack of strict controls over budget expenditure and significant monopolization of the energy industry.

Conclusions

Due to negative macroeconomic trends Ukraine and acute shortage of budgetary funds in 2015, state aid should be targeted to the enterprise development in FEC. The econometric model shows inefficient state aid for FEC in Ukraine during 2007-2013. Government should stop financing monopoly entities from the budget; promote small and medium-sized enterprises; establish a clear system of control over the targeted use of budget and credit resources.

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RISKS AND THREATS OF OUTSOURCING AND ORGANIZATIONAL MEASURES OF AVOIDING THEM WITHIN THE ENTERPRISE

One of the major trends of the global and domestic labor market during recent years is the expansion of non-standard employment, a form of which is the use of involved personnel that was outsourced. This form of employment is widespread throughout the world, but in Ukraine for some reason the new technology of labor recruitment - temporary staff involvement on certain conditions through staffing agencies - has still little demand. The pace of growth of this form of employment worldwide indicates its relevance for enterprises-customers, as well as for certain categories of workers willing to work on the terms of temporary employment.

However, the development of outsourcing relations in Ukraine is held back by the influence of a number of factors. One of the problems is the use of involved personnel caused by the absence of domestic labor law rules governing the rights and obligations of involved outsourced workers. In addition activity of Ukrainian employment agencies remains unregulated. Organizational, economic and social mechanisms of interaction between employers and involved personnel on the conditions of temporary work are insufficient processed, and this factor greatly reduces the effectiveness of the use of mentioned category of workers in domestic enterprises.

Such circumstances actualize the study of theoretical and applied aspects of outsourcing in the area of personnel management.

In the works of practitioners, covering the outsourcing, the emphasis is made mainly on the aspect of efficiency of outsourcing services from the standpoint of feasibility study on cost criteria. But one can not ignore other factors of making decisions of the implementation of outsourcing technology in practice of management, namely related risks and threats.

The company may be vulnerable when the object of outsourcing is its executive compensation function and when confidential information was spread and reached competitors. In addition, HR-departments are resorting to outsourcing such activities as payroll and while transferring data of employees, they risk a lot, because some actions can be carried out not at the appropriate level of security. It's worth to note that in addition to the benefits that are generated for enterprise- customers, borrowed work may create a number of risks and threats to the employee.

Table 1 shows the risk management measures during the transition to outsourcing.

Table 1

Directions of minimization of risks at various stages of the transfer to outsourcing

Risks for customer	Way of minimization of risk
Risk of selection of supplier	Using guidelines of partners, conduction of preliminary stages of interaction with outsourcers
Difficulty of approving economic benefit	Performing economic calculations on the feasibility of transition to outsourcing
Expected result	Clear formulation of goals, objectives and end results
Lack of involvement of outsourcer to the process of business management	Transfer of responsibility for misunderstanding of some process on Contractor
The possibility of termination of the contract with the outsourcer (bankruptcy of outsourcer, returning of functions to the inside of the business)	Providing opportunity of exclusion of products/services created by outsourcer to the property of a company
The risk of decrease of productivity of own staff (loss of motivation, negative reaction on changes)	Conducting of interviews with employees about organizational changes and emphasis on their benefits for them, staff training, timely information and explanation of benefits

The risk of loss of confidential information	Making an article in the agreement about the responsibility of the loss of confidential information
Monitoring of functions transferred to outsourcing	Introduction of control for the process and efficiency of implementation functions that were transferred
The possibility of unscheduled temporary spending	Monitoring of services and evaluation of the final result
The difficulty of measuring results and quality, lack of standards and assessment methodology	Transfer of responsibility for the outcome on Performer
Probability of unsatisfactory project implementation	Preliminary analysis of each of the stages of implementation

However, there is no formula that would be identified when outsourcing is the most effective. Empirical research which study its impact on the decision to attract such specialists are not enough. The studies in most of the cases, focus on the reasons of appealing of company to the outsourcing, process of its implementation and the consequences of external influence on the organization and its employees.

It should be noted, that the existence of a specific set of risks does not constrain managers to reduce costs through the use of outsourcing services.

For effective risk management one must consider possible measures of their minimization and classify them according to the following criteria:

1. Source of display (external, internal);
2. Methods of evaluation (quantitative and qualitative);
3. The nature of manifestation (risk technology competencies risk, the risk of a negative final result);
4. On stages of realization of the agreement (discussion, transition, implementation);
5. The subjects of the agreement(risks for outsourcer, risks for customer).

It should be noted that on the stage of creating of outsourcing agreement material losses of risk should be shared between outsourcers and enterprise- customer.

In the work of V. Nikonov is suggested to consider risk assessment for certain possible variants of risk while selecting risk management strategies:

- benefit from the activity by which was caused the risk (its quantitative and qualitative characteristics);
- the impact of risks on business;
- the costs of risk management (mitigation or elimination).

The company has to refuse to cooperate with the outsourcer if the risk of its outsourcing operations is exceeding its ability to compensate the expected loss, caused by risk situation using internal resources and without compromising economic potential.

Therefore, in the process of determining the amount of resources that the enterprise-customer can use to cover possible losses should be considered only those resources that are not used by it for conducting production and business activities for the needs of extended play.

Taking into account above-indicated it worth saying, that if companies do not follow carefully developed methodology of outsourcing, probability of risk increases dramatically. Results will reflect the low efficiency, conflicting results of using of outsourcing services and higher operational costs.

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ECONOMIC-MATHEMATICAL METHODS AND MODELS OF THE LOGISTICS PROCESSES

Modern entities strongly depend on the quality of the organizational management. The company executives have to find the ways to address this issue. One of these ways is to use economic and mathematical methods and models. This allows you to isolate and describe the most important elements and their correct functioning.

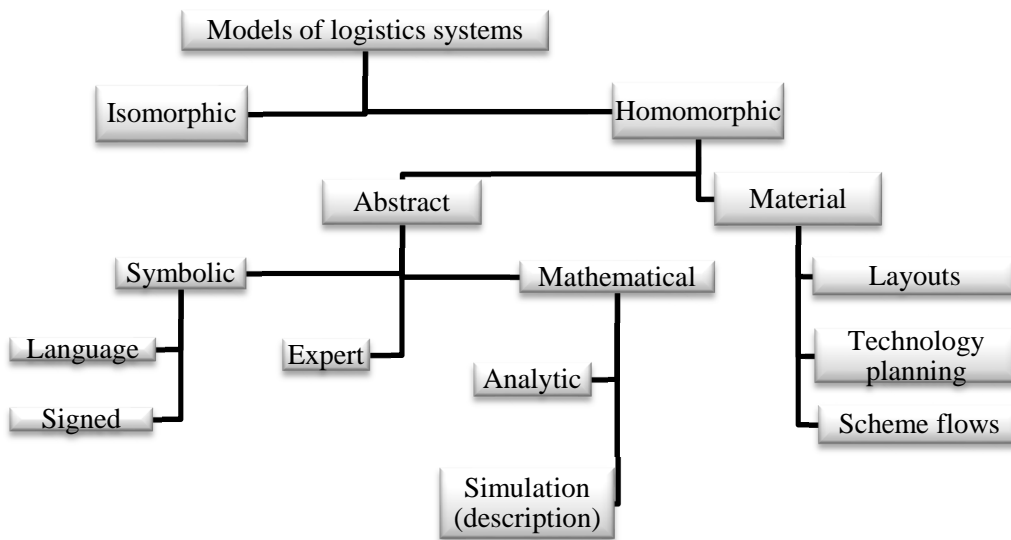
The object of logistics is a continuous flow of material goods and services, which has some features of governance. Practices consider that the logistics processes dependent on complex effects on operating processes. Despite the considerable number of investigations, several problems serve as discussion and debates subject of academic economists. This indicates world logistics market's turbulent and dynamic development, taking into account the activities of companies, which occupy a leading position on this market. Economic-mathematical methods and models to help solve logistical problems.

The purpose of this study is to generalize of approaches to use economic and mathematical methods for modeling logistics processes.

There are methods for solving logistics problems: methods of system analysis; cybernetic approach; methods of operations Research; prognostics methods [1]. The application of logistic' methods gives an opportunity to predict the material flows, to create integrated systems of management and control of their movement, to develop a logistics service system, optimize inventories and solve several other problems. There are different methods of modeling in logistics, namely the research of logistics systems and processes through the construction and study of their models.

The logistic model is any image (abstract or material) of logistic process or logistic system, which used as a substitute for them [2].

Classification of models of logistic processes shown in Picture 1.



Picture 1. Classification of models of logistic processes

Source: composed from [3]

The application of these methods allows forecasting material flow, creating an integrated system of management and control of their movement, to develop a system of logistics service, optimize inventory and deal with a variety of other tasks.

Depending on the situation simulated in the models, the following cost (economic) parameters: the value of the order (delivery), the cost of keeping the stock unit for a certain period, the constant (conventionally fixed) costs, the cost of transportation of cargo losses from denial of service, loss Vehicle downtime or other technical means, the loss of goods deficits. The temporary settings (intervals supply storage stock, transportation, etc.) are present in the models, especially dynamic. They also determine the cost characteristics of logistics processes.

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