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**PROSPECTS OF PUBLIC MANAGEMENT
OF SOCIAL AND ECONOMIC DEVELOPMENT
OF THE CARPATHIAN REGION:
LEGAL AND ADMINISTRATIVE ASPECTS**

Social and economic factors that influence the development of mountain territories of the Carpathian region of Ukraine are researched in the article. The main priority areas of socio-economic development of mountain territories, which should ensure material well-being of local people and environmental safety of these territories are established and analyzed. The author defines and evaluates public management mechanisms that allow implementing state mountainous policy, which is necessary to create a favorable business climate that will help bring these territories from the state of depression. The author of the article considers important instruments of influence of public management at different levels of management (nationwide, regional and local), which should ensure the revitalization of economic activities, introducing modern management and industrial interrelations that will promote social and economic development of mountain territories of the Carpathian region. Clear phased steps of legal mechanism that enable to determine the course of state mountainous policy and to fix it at the legislative level are established. This will improve the quality of both general and special legislation of Ukraine and will allow it to match the requirements of the documentation of the Council of Europe and the European Union. The improvement of the administrative mechanism as a key one to ensure the implementation of development strategies of mountain territories, sectoral and special programs and projects is proposed. They will guarantee the flourishing of these territories; contribute to the formation of institutional support to achieve strategic goal and tasks of state policy in the field of socio-economic development. This will allow establishing favorable institutional and economic conditions of their functioning concerning the improvement of efficiency of interaction of executive authorities and local government with the public, business structures, scientists-environmentalists, which will ensure the harmonization of their interests and contribute to the growth of the economic potential. In addition, it will contribute to the process of ensuring sustainable development of mountain territories of the Carpathian region.

Keywords: public management, legal mechanism, administrative mechanism, social and economic development, mountain territories.

Kryshchanovych S. PERSPEKTYWY ZARZĄDZANIA PUBLICZNEGO ROZWOJEM SPOŁECZNO-GOSPODARCZYM REGIONU KARPACKIEGO: ASPEKTY PRAWNE I ADMINISTRACYJNE

W artykule zbadano czynniki społeczno-gospodarcze, które wpływają na rozwój obszarów górskich w regionie karpackim Ukrainy. Dokonano analizy głównych sfer priorytetowych rozwoju społeczno-gospodarczego obszarów górskich i ustalono niezbędne warunki dla ich dalszego rozwoju, które zapewnią dobrobyt materialny dla mieszkańców i bezpieczeństwo ekologiczne obszarów górskich. Zaproponowano istotne elementy zmian prawnych i administracyjnych zarządzania publicznego, wspierających rozwój obszarów górskich regionu karpackiego.

Słowa kluczowe: zarządzanie publiczne, zmiany prawne, mechanizm administracyjny, rozwój społeczno-gospodarczy, obszary górskie.

Криштанович С.В. ПЕРСПЕКТИВИ ПУБЛІЧНОГО МЕНЕДЖМЕНТУ СОЦІАЛЬНО-ЕКОНОМІЧНОГО РОЗВИТКУ КАРПАТСЬКОГО РЕГІОНУ: ПРАВОВИЙ ТА АДМІНІСТРАТИВНИЙ АСПЕКТИ

У статті досліджено соціально-економічні чинники, що впливають на розвиток гірських територій Карпатського регіону України. Встановлено та проаналізовано основні пріоритетні галузі соціально-економічного розвитку гірських територій та визначено необхідні умови для їх розвитку, що забезпечать матеріальний добробут місцевого населення й екологічну безпеку гірських територій. Запропоновано важливі елементи правового й адміністративного механізмів публічного менеджменту, що сприятимуть розвитку гірських територій Карпатського регіону.

Ключові слова: публічний менеджмент, правовий механізм, адміністративний механізм, соціально-економічний розвиток, гірські території.

Крыштанович С.В. ПЕРСПЕКТИВЫ ПУБЛИЧНОГО МЕНЕДЖМЕНТА СОЦИАЛЬНО-ЭКОНОМИЧЕСКОГО РАЗВИТИЯ КАРПАТСКОГО РЕГИОНА: ПРАВОВОЙ И АДМИНИСТРАТИВНЫЙ АСПЕКТЫ

В статье исследованы социально-экономические факторы, влияющие на развитие горных территорий Карпатского региона Украины. Установлено и проанализированы основные приоритетные области социально-экономического развития горных территорий и определены необходимые условия для их развития, которые обеспечат материальное благосостояние местного населения и экологическую безопасность горных территорий. Предложено важные элементы правового и административного механизмов публичного менеджмента, способствующих развитию горных территорий Карпатского региона.

Ключевые слова: публичный менеджмент, правовой механизм, административный механизм, социально-экономическое развитие, горные территории.

Introduction

The potential of Ukrainian Carpathian Mountains is spectacular, but the government does not pay enough attention to the region. The experience of Ukraine shows that the existing mechanisms of public management to tackle the problems of mountain areas are not sufficiently effective. In particular, the economic situation of mountainous part of these territories does not ensure prosperity of population; the unemployment rate raises every year; the use of natural resources by farms is inefficient; different social problems increase such as population aging, depopulation, loss of cultural heritage. We can observe that environmental problems are solved slowly and are not systematized. Unfortunately, state and regional policies for sustainable development of the Carpathian region did not give expected results. These trends require greater attention of the central executive authorities and local government to further improvement of the existing instruments of state regulation of social and economic development of mountain areas of Ukraine.

Analysis of recent research

Many scientific works are devoted to problems of social and economic development of mountain areas of Ukraine. Such scientists as L. Abramov [1], A. Walewski [2], V. Vorotin [3], J. Zhalilo [3] and others paid attention to this topic in different ways. Different directions of social and economic growth of depressed areas, which were carried out by market methods of management, were covered in works of foreign scientists such as I. Pietrzyk [4], U. Schubert [5], E. Stormer [5] and others. However, many issues concerning the development of mountain areas remain open, despite the wide range of scientific views and the importance of scientific results.

Statement of research objectives

Therefore, it is necessary to consider and develop steps to improve legal and administrative mechanisms that guarantee the socio-economic development of mountainous areas in the Carpathian region to implement modern state mountainous policy of European degree of quality.

Results

The implementation of a modern state mountainous policy of European degree of quality obviously lacks consistency. Therefore, it is possible to improve the current socio-economic situation of mountain areas only by improving the mechanisms of influence on the efficient use of available resources. This will ensure the harmonization of the interests of all economic entities and will facilitate the growth of the economic potential of mountain areas.

The instrument of public management of socio-economic development of mountain areas is the established legislative distribution of competencies, re-

sponsibility and financial-economic base at all levels of management: national, regional and local. It should ensure the revitalization of economic activities by introducing modern industrial relations and influencing the effective use of their economic and natural resources; create conditions for accelerated development of promising sectors of social and economic complex of mountain areas, including attracting foreign investments in recreation and tourism, implement public regulation that will promote elimination of local ecological crises and create proper conditions for life of the population in mountain areas.

It is necessary to form a favorable climate of entrepreneurial environment for implementation of state mountainous policy [3, p. 86]. In order to do it, one needs to ensure the simplification of the licensing system, with the elimination of barriers to entrepreneurial activity; to accelerate the implementation of the principles of European enterprise policy for reducing the politicization level of regional executive authorities and local authorities with the goal to prevent their unlawful interference in the activities of economic entities; to arrange funding from the budgets of both national and local levels in the full scope for the implementation of activities of regional and local business development programs.

Measures to improve concluding agreements (contracts) of regional development should become an important tool to stimulate social and economic development of mountain areas. Research of international experience enables to implement the idea of concluding such agreements in Articles 4 and 5 of the Law of Ukraine "On Stimulating Regional Development". It also gives an idea to determine the mechanism of their implementation in accordance with the Cabinet of Ministers of Ukraine Resolution from May 23, 2007, № 751 "On Approval of Procedure of Preparation, Conclusion and Implementation of Agreements on Regional Development and the Corresponding Model Agreement" [6; 7]. Regional agreements through consolidation of state resources with the resources of the region (intellectual, financial, organizational) can overcome budget constraints. The main purpose of their introduction should be in setting and legally fixing priorities, in which countries and regions are interested in and establishing resources that have to be guided on the implementation of programs (including programs of the socio-economic development of mountain areas).

Among the obstacles that prevent further social and economic growth of mountain areas, we should highlight the problem of insufficient development of monitoring of their development, lack of clear algorithms of its holding. The Resolution of the Cabinet of Ministers of Ukraine "On Approval of State Regional Development Strategy for the Period up to 2020" [8] states that results of implementing policies and programs of socio-economic development of territories should be determined by monitoring the implementation of agreements on

regional development, programs to overcome depressiveness of defined areas, other measures of central executive bodies and local authorities. For the purpose of effective monitoring socio-economic development of mountain areas one should keep the only criterion according to which one can evaluate the real state of economy and social sphere of these areas and objectives for their further development.

Such mechanisms of organizational and managerial activities of local government needs to be improved, which will give in the future an opportunity to identify existing obstacles and barriers in the preparation and implementation of projects of socio-economic development of mountain areas; to identify ways to effectively use the existing local natural and human resources; to minimize all possible negative impacts, risks and limitations; to agree on the creation and development of all promising forms of productive activity; to develop human potential in general. All these actions are necessary to conduct as systematic activities of advisory and informational nature, as well as to adopt respective management decisions that will be directed on determining and overcoming obstacles in the implementation of socio-economic development of mountain areas.

In modern conditions, the administrative mechanism [2] should enhance the effectiveness of management activities in the implementation of the general state support for the social and economic development of mountain areas. It should be implemented covering all major areas: the development of sectoral programs with measures supporting mountain areas, programs and projects supporting mountain areas for environmental safety; the introduction of the necessary investment support of mountain areas; special programs to support the development of mountain territories etc.

The adequate funding must play a significant role among the instruments of the improvement of public management of socio-economic development of mountain areas. The implementation of management decisions because of this should be limited to such principles as scientific validity, effectiveness, optimality, optimal combination of market and non-market financial instruments, unity and interconnectedness of all activities of budgetary and financial policy. The priority direction of management activities should be the introduction of multi-channel (mixed) type of financing social and economic infrastructure of mountain areas, which will include state guarantees and co-financing and state lending of private agencies. Creation of effective financing of development of mountain areas will ensure the achievement of priority strategic, tactical goals in key areas of economic complex; it will greatly improve the quality of infrastructure services and will help to expand access to them.

Methods such as budgetary control of the development of these territories and direct government investment are interdependent. They will influence the performance of each other. Moreover, they become important to improve the socio-economic development of mountain areas. It should be noted that the reform of the investment process is very important because the economic conditions for the development of priority and potential sectors of mountain areas should be created primarily at the local level. Important support for socio-economic development of mountain areas should be provided by the state, through the implementation of sectoral and specific budget programs (subsidies from the state budget to local budgets, stabilization fund, etc.). Therefore, a significant part of issues of the socio-economic development of these areas can be solved thanks to funding from state and local budgets, which is written in the agreements of regional development.

Based on the experience of the EU Member States, it can be argued that we should not limit the role of government financing through subsidies, while the profitable part of local budgets has not been formed yet. Increasing the role of local budgets should be a priority for local authorities [4, 5]. Only a responsible attitude to the problems of reforming local governments and help to the communities, initially, by the state, will generate revenues of local budgets and bring them gradually on self-financing.

An important condition for successful economic and social development of mountain areas is the use of control of the implementation of the planned measures by local authorities, relevant results and their implications. This is a necessary condition for the effectiveness of social and economic policy aimed at preventing abuses and mistakes from bodies of public management. We are talking about creating institutions of control over the authorities. [1] These institutions could be particularly analytical and expert NGOs.

Therefore, in our opinion, to improve mechanisms of public management of socio-economic development of mountain areas in the Carpathian region, namely legal and administrative, we need to give their specific actions i.e. their focus, provision, ultimate purpose and conditions of implementation.

In order to improve legal mechanism it is necessary to direct all its actions to clear division of legislative competences, responsibility at different levels of management (nationwide, regional and local); precise formulation and legal consolidation of the priorities in the implementation of which both the state and region are interested in; determination of resources, which the parties pledge to direct on realization of programs of socio-economic development of mountain areas; legal provision of forming and implementing state mountainous policy in accordance with the best European and international experience; the intro-

duction of uniform criteria for monitoring of socio-economic development of mountain areas.

This mechanism for ensuring socio-economic development of the Carpathian region should provide simplified licensing system, with the elimination of barriers to carrying out business activity; acceleration of the implementation of the principles of European enterprise policy without undue interference of authorities in the activities of economic entities in the highlands; consistency of norms of the Law of Ukraine "On Stimulating Regional Development" according to the legal framework considering forecasts, plans, indexes (indicators), means, time of the implementation of development programs of mountain areas on the established priorities of their development; adoption of two laws, one - of conceptual level "On the Basis of the State Mountainous Policy," and the second - of special level, which will contain certain regulatory instruments of socio-economic development of mountain areas with the provisional name "Normative and Legal Basis of Sustainable Development of Mountain Areas."

Preliminary steps of legal mechanism will promote making some changes and additions to the general and special laws of Ukraine that regulate social and economic development of mountain areas; adopting the normative and legal act that would regulate the mechanism of state regulation of social and economic development of mountain areas, provide clear understanding and application of means of legal state influence on the development of these areas; legal enforcement for the implementation of environmental regulation of spatial development of recreational resources; improving the conclusion of agreements (contracts) of regional development, which will enable largely to overcome budgetary constraints; updating and adding the regulatory framework of state regulation of the development process of mountain areas, which should identify legislative consolidation of depressed regions that include mountain territories and their classification.

The mechanism of legal regulation will establish the ultimate goal of improving the legislation on normative and legal socio-economic development of mountain areas. This should take place taking into account the principle of social expediency, requiring the ordering of the legal framework and, on this basis, providing positive dynamic of indices of sustainable development of mountain areas; conditions of adaptation of legal, economic, social norms, guarantees, standards of European and international requirements for mountainous policy.

This will provide the opportunity to foresee the adoption of additional laws and regulations that will be designed to promote the activities of state and local authorities to ensure the effective and sustainable development of mountain areas; to bring legislation of Ukraine into compliance with requirements of docu-

mentation of the Council of Europe and the European Union, which set out the principles of mountainous policy and socio-economic development of mountain areas; in the new Law "On the Development of Mountain Areas in Ukraine," based on the study of international experience of mountain development to lay the regulatory rules to prevent the deepening of social and economic decline of mountain areas, to create appropriate conditions for the development of mountainous territory, not individual settlements; to draft and adopt the Law of Ukraine "On the Territory of the Future Development", in which procedure for determining the economic and legal basis of the status and operation of prospective development area, including of mountain areas should be brought to norm.

In order to ensure socio-economic development of mountain areas in the Carpathian region the administrative mechanism is important, which should be directed to the adoption of respective management decisions to identify and overcome existing problem situations on socio-economic development of mountain areas; the development and implementation of strategies for the development of mountain areas that have to define the tendency of their sustainable development; the development of sectoral programs with support measures of mountain areas, programs and projects supporting mountain areas, natural resources under special protection (including - ecological disaster zone), special programs to support the development of mountain territories.

Only through effective implementation of the administrative mechanism, it is possible to provide the conclusion of regional agreements that shape the institute of contractual relations, inter-agency cooperation and cross-sector partnership in the field of socio-economic development of mountain areas; effective management of enterprises located in the highlands that envisages making the effective administrative decisions aimed at the implementation of assigned tasks and their solutions with minimal resources and maximum quality of the final result; to create a favorable climate for attracting foreign and domestic investment and credit funds to implement innovative projects and implementation of international standards in recreational and resort process.

This mechanism will facilitate the formation of an effective institutional support to achieve the strategic goal and tasks of state policy in the field of socio-economic development of mountain areas; creation of conditions for accelerated development of promising sectors of socio-economic complex of mountain areas; the development of clustering of production, which largely has to make the transition from direct interference by public authority by involving other administrative sectors, under conditions of ensuring their interests that will be directed on development of new forms of territorial-industrial economic complex mountain areas; economic substantiation of methods of implementing

the policy development of the recreational potential mountain areas and ways to improve them; development of measures for combining resort and recreational resources of mountain areas into a single economic complex with the management regime that has to be carried at the expense of natural wealth with a prerequisite for preserving their natural resources; improvement of organizational and administrative activities of local authorities in the field of development of socio-economic complex of mountainous areas.

This will enable to install favorable institutional and economic conditions for the functioning of the socio-economic complex of mountain territories; the sequence of stages of strategy' implementation on socio-economic development of these areas; all organizational and administrative actions that are interconnected and guarantee the fulfillment of the goals.

Due to the above-mentioned steps of the administrative mechanism, it will be possible to include coordination of the activities of all economic entities that should ensure the harmonization of their interests and promote the growth of the economic potential of mountain territories; implementation of the mechanism of phased realization of the priority tasks of economic and social development of mountain territories; improvement of the efficiency of interaction of executive authorities and local government with the public, primarily scientists-environmentalists, which will contribute to the process of ensuring sustainable development of mountain territories of the region.

Conclusions

Therefore, summing up the above, we can say that social and economic development of mountain territories in the Carpathian region cannot be guaranteed without the characteristic changes of interaction between business entities and without the control of the real impact of existing market factors. The ratio between market and state mechanisms of regulation of social and economic development of mountain territories should take into account regional differences. The state should regulate all areas and processes, which the market does not affect enough. The implementation of proposed legal and administrative mechanisms will help to improve the socio-economic situation of mountain territories of the Carpathian region of Ukraine that in the future will result in raising the level and population life quality of these territories.

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