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<b>JOURNAL</b>	International Journal of Innovative Technologies in Economy
<b>p-ISSN</b>	2412-8368
<b>e-ISSN</b>	2414-1305
<b>PUBLISHER</b>	RS Global Sp. z O.O., Poland
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<b>ARTICLE TITLE</b>	MODERN TOOLS FOR ENSURING REGIONAL DEVELOPMENT
<b>AUTHOR(S)</b>	Serhii Dolynskyi, Maksym Dolynskyi.
<b>ARTICLE INFO</b>	Serhii Dolynskyi, Maksym Dolynskyi. (2023) Modern Tools for Ensuring Regional Development. <i>International Journal of Innovative Technologies in Economy</i> . 1(41). doi: 10.31435/rsglobal_ijite/30032023/7969
<b>DOI</b>	<a href="https://doi.org/10.31435/rsglobal_ijite/30032023/7969">https://doi.org/10.31435/rsglobal_ijite/30032023/7969</a>
<b>RECEIVED</b>	28 February 2023
<b>ACCEPTED</b>	29 March 2023
<b>PUBLISHED</b>	30 March 2023
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# MODERN TOOLS FOR ENSURING REGIONAL DEVELOPMENT

**Serhii Dolynskiy**

*PhD in Economics, Associated Professor,  
Carpathian Institute of Entrepreneurship,  
Open International University of Human Development «Ukraine»  
Khust, Ukraine  
ORCID ID: 0000-0002-6565-1264*

**Maksym Dolynskiy**

*student of the specialty 073 «Management»,  
Carpathian Institute of Entrepreneurship,  
Open International University of Human Development «Ukraine»  
Khust, Ukraine  
ORCID ID: 0009-0008-6205-0579*

**DOI: [https://doi.org/10.31435/rsglobal\\_ijite/30032023/7969](https://doi.org/10.31435/rsglobal_ijite/30032023/7969)**

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## ARTICLE INFO

**Received** 28 February 2023  
**Accepted** 29 March 2023  
**Published** 30 March 2023

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## KEYWORDS

Regional Development,  
Instruments of State Policy,  
Economic Situation,  
Financial and Economic  
Support, Economic  
Development.

## ABSTRACT

This article examines the set of modern tools that ensure regional development: methods, means, forms. It was determined that to ensure the efficiency and effectiveness of the formation and implementation of state policy, it is necessary to use economic, financial, organizational and informational tools.

The component of economic regulation is analyzed and its importance for regional development is emphasized. The sequence of stages of implementation of the state regional development policy is considered.

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**Citation:** Serhii Dolynskiy, Maksym Dolynskiy. (2023) Modern Tools for Ensuring Regional Development. *International Journal of Innovative Technologies in Economy*. 1(41). doi: 10.31435/rsglobal\_ijite/30032023/7969

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## Introduction.

The formation and implementation of an effective and efficient state policy now depends on the choice of management tools and state intervention. Since the result of the implementation of such a policy is the level of development of the region and the quality of life of the population, the choice of tools for the formation of regional development policy is extremely important and depends on the historical, socio-economic, informational, and technical conditions of the functioning of the region.

Establishment of effective, effective state management of regional development occupies a key place in the system of the new regional policy.

## Research purpose.

The main purpose of the research is studying the place and role of regional development tools in the economic development of Ukraine.

### **Research materials and methods.**

In the research process, they were used general scientific methods of research, in particular the method of theoretical generalization and systematic assessment when determining the economic nature of regional development and theoretical aspects of the application of regional development tools.

### **Results.**

The issue of studying the development and use of instruments for the implementation of regional development policy was investigated in their works by leading domestic scientists, however, today's realities require more thorough research into the tools of the state policy of regional development, the successful use of which will contribute to the solution of existing problems not only in the regions, but also in the country as a whole.

The processes of forming the state policy of regional development must take into account the current economic situation. The lack of such an approach contributed to the formation of certain problems, in particular: lack of main goals and priorities of state policy and its direct developers; shortcomings in the implementation of the state policy development mechanism and the absence of institutional executors, regulatory bodies and clear rules of action in the process of policy development and implementation; lack of unified approaches to determining the essence of state policy and regional development policy in various social spheres (social, economic, environmental); lack of coordinated actions of various participants in the process of formation and implementation of state regional development policy.

Therefore, when formulating state policy, one should focus on the following limitations: the toolkit for developing state policy must respond promptly to changes occurring in society:

- the factual and methodological basis for the development of state policy should be comprehensive and consider problems that require state intervention in connection with other problems;
- the state policy project should be oriented towards achieving clear results (the majority of those interested in the process of policy development and implementation should receive indisputable evidence of the effectiveness of the adopted policy option);
- the public policy project must enjoy the trust of the population [1].

The formation and implementation of a successful state policy is an extremely important component of the economic development of the region and the state. And the most important thing is the practical orientation and the possibility of its implementation.

However, this area of development of the regional development policy is currently a significant problem of state management. Therefore, solving these problems is urgent for Ukraine. There are a number of other problems in the development and implementation of the regional development policy.

Experts of the International Center for Prospective Studies include the following problems:

- lack of a clear distinction between political documents that should determine the state's development strategy and professional government program documents for the implementation of this strategy;
- the system of documenting the policy is not well thought out, its introduction occurs through decisions that often have political rather than economic significance, foreign experience is not always taken into account;
- inconsistency of strategic documents and programs with political priorities;
- insufficient connection of political documents with budget planning;
- violation of the principle of the integrity of the development of the state, which must be observed by drawing up mutually agreed program documents and forecasts of the economic and social development of the country, individual administrative-territorial units for short-, medium- and long-term periods [2].

Development of an effective regional development policy is possible only with the use of legal, economic, financial, organizational, informational, educational and other tools.

Thus, the instrument of state policy is defined as the specific means by which policy is implemented as a reaction to a problem [2]. Hence the necessity of their analysis.

From the types of use of state policy instruments, the peculiarities of their classification contribute to understanding its essence and allow to determine the sequence of stages of its

implementation. Economists distinguish four types of main instruments of regional development policy: informational, financial, power and structural. However, in practice it is more appropriate to use the following types of tools:

- financial support, which is manifested by the issuance of subsidies, subsidies and other social payments, thanks to which effective resource regulation of local costs is possible;
- privatization, expansion of the private sector, creation of state-private enterprises - the expediency of such a tool consists in the effective use of private sector resources to meet the needs of the state and mutual benefit;
- administrative methods – used to create framework restrictions in the implementation of state management actions and to control their results;
- legislative norms - this tool is important from the point of view of governance because it has a fundamental and defining character, regulates social relations and promotes the implementation of state and political decisions;
- tax instrument – redistributes resources through the tax system, characterizes the mutual influence of the state and society.

The choice of state policy instruments is directly related to socio-economic, political, historical, informational, technical, etc. social conditions, and also depends on the severity of state-management actions. Expediency, objectivity and practicality are essential factors in determining state policy instruments, compliance with existing social needs, which specifically affects the choice of tool and policy in general [3].

Formation of the system of instruments of the state regional development policy should be based on the assessment and qualitative forecasting of the development of the region, take into account the prospects of local development and coordinate the interests of the region with national and regional ones.

At the same time, we note that the guarantee and guarantee of effective development of regions is not only the active participation in this process of all levels of management — central, regional and local, but also their interest and personal motivation in the economic, social development and activation of the regions themselves. That is why the system of state regional policy instruments, as well as other territories and regions that are closely related to the functioning of the region, needs improvement.

To achieve the above-mentioned goals, it is necessary to implement multi-directional measures in various social spheres, in particular:

1. In the field of financial and economic support, it is advisable to switch to long-term budget planning, which will allow planning the social development of the region for the long term; carry out budget equalization, which is a guarantor of the state's provision of social standards and provides for the provision of targeted transfers from the state budget to local budgets for solving priority tasks of their sustainable development; provide direct state investments for the implementation of projects aimed at modernizing the infrastructure of settlements.

2. In the field of innovative development, it is expedient to develop and implement programs to increase the competitiveness of territories by creating favorable conditions for the growth of investment attractiveness, solving issues of cluster formation; promotion of investment attraction through the allocation of land plots in accordance with the legislation and their infrastructural arrangement at the expense of joint financing of local, regional and state budgets; – promoting the creation of technoparks, technopolises, the development of innovative infrastructure, ensuring state support for innovative processes through credit and guarantee mechanisms for supporting business entities; – promoting the widespread implementation of energy-saving technologies and the use of local renewable energy sources (biofuel, vegetable raw materials).

3. In the field of administrative management, promote the creation of a rational institutional infrastructure; introduction of electronic document flow and reporting; implementation of state programs and projects of regional and local development, adopted on a competitive basis and under conditions of joint financing.

4. In the field of integration of regions and partnership: – state support of interregional projects aimed at solving common problems of socio-economic development of cities; – provision of state financing of programs and projects for the development of cross-border cooperation; – support for the development of domestic tourism, culture, and recreation; – introduction into the system of

training and retraining of civil servants, their mandatory internship in the bodies of executive power and local self-government bodies in different territories of Ukraine, the use of interregional rotation; – creation of a system of training and retraining of personnel for local self-government bodies based on national programs; – support of public organizations of civil society, whose activities are aimed at ensuring local and regional development and contribute to the involvement of the population in the process of interregional cooperation and interregional exchanges.

Its economic regulation is quite important and no less difficult for ensuring regional development. Economic regulation is designed to assist state authorities and local self-government bodies in ensuring regional development. The characteristic features of economic regulation are shown in fig. 1.

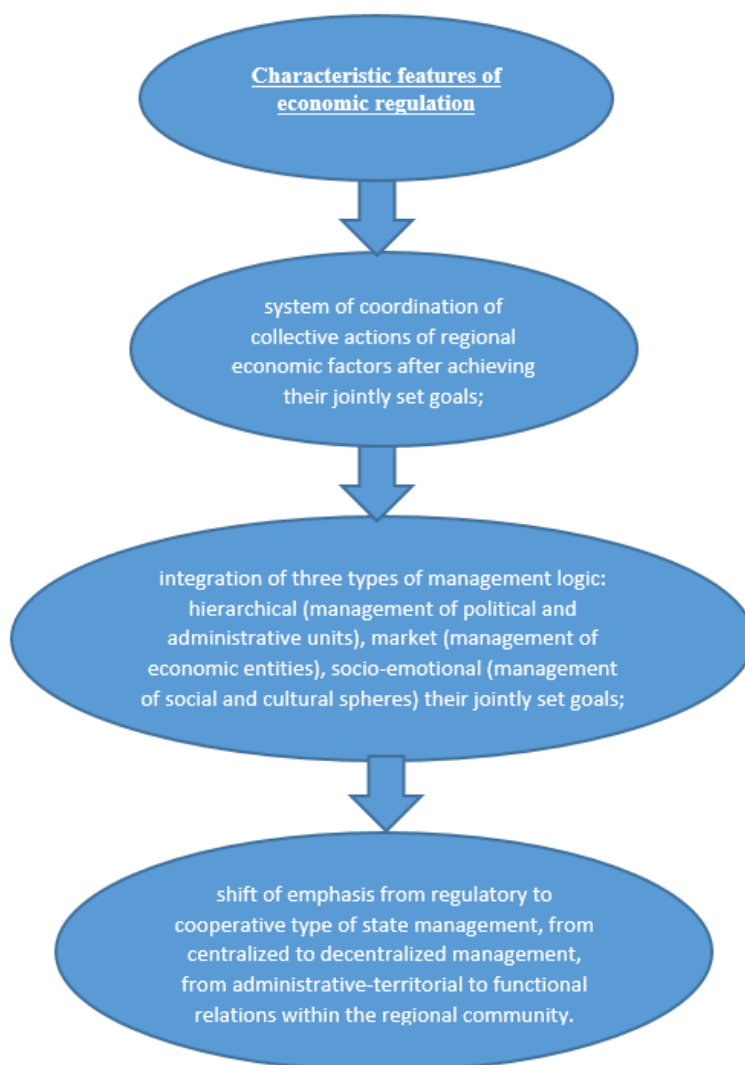


Fig. 1. Determination of the characteristic features of economic regulation.

The components of regional regulation include partnership, cooperation of regional and local authorities and management, as well as the private sector of the economy to stimulate the development of the regional economy [4]: regional aspects of sustainable development that ensure the balanced functioning of the main elements of the spatial economy (environment, population, economic complex, economic relations) without reducing the chances of future generations; regional marketing, focused on the needs of target groups of service buyers of the territory; electronic government, based on modern information technologies, relations of regional state authorities and management with physical and legal entities, aimed at achieving maximum transparency, predictability and awareness of the actions of the former; strategic regional planning, in the process of which the most important

trends in the development of the economy and society for the territory are determined, the potential and external framework conditions for its improvement are analyzed, and a theoretical base is selected that explains the patterns of regional development.

Characteristic features of economic regulation system of coordination of collective actions of regional economic factors after achieving their jointly set goals integration of three types of management logic hierarchical (management of political and administrative units), market (management of business entities), socio-emotional (management of social and cultural spheres) shift of emphasis from regulatory to cooperative type of state administration, from centralized to decentralized administration, from administrative-territorial to functional relations within the regional community.

Establishing areas of prospective development can also be an effective tool. The draft Law of Ukraine "On Territories of Prospective Development" [7] creates conditions for the activation of entrepreneurial activity in territories that, due to objective circumstances, have significant problems of socio-economic development, for the creation of new jobs, reduction of unemployment, increase of population incomes, revenues to local budgets. In accordance with the order of the Cabinet of Ministers of Ukraine No. 110-r dated 13.01.2010 "On approval of the Concept of the Law of Ukraine "On Territories of Prospective Development" [6] territories of prospective development are established primarily in monofunctional cities, small towns with a population of up to 50 thousand people. This enables the citizens of these cities to initiate the attraction of investments in the production of goods intended for export, to implement measures aimed at the development of modern production and market infrastructure, and the creation of jobs.

### **Conclusions.**

Thus, to ensure the efficiency and effectiveness of the formation and implementation of the state policy for the development of small towns, it is necessary to use legal, economic, financial, organizational, informational, and educational tools in a complex manner. The system of these tools should be based on qualitative forecasting, reflect the priorities of local development and coordinate national, regional and local interests.

The considered set of modern tools that ensure regional development shows that today there is a fairly wide arsenal of methods, means and forms, with the help of which it is possible to adopt and implement, as well as track the intermediate results of economic and social development, by which it is possible to establish the nature of the relevant processes and phenomena.

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