

# **Topic 1 - The mechanism of state and regional management**

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The term "region" is derived from the Latin word "region" and is translated as region, district, area. It is often used to determine different country teams and can coincide with the boundaries of administrative units of a village, town, city, district or it can combine several of these units according to territorial, economic or other principles, such as economic region, a special (free) economic zone etc.

# 1.1 The definitions of “region” and “regional management”

- The “region” - a local independent system, which has borders of the territory, which has independent management body's, and which has material and financial basics.

- The “territorial management” – is management which described political and territorial organization of country, and connected with territorial labor division.

**The “regional management”-  
management of territory**

On the whole, management consists of 4 functions. There are:

- 1 – planning and forecasting
- 2 – organization
- 3 – motivation
- 4 – control

# 1.2 Characteristics of management system by state and regional development

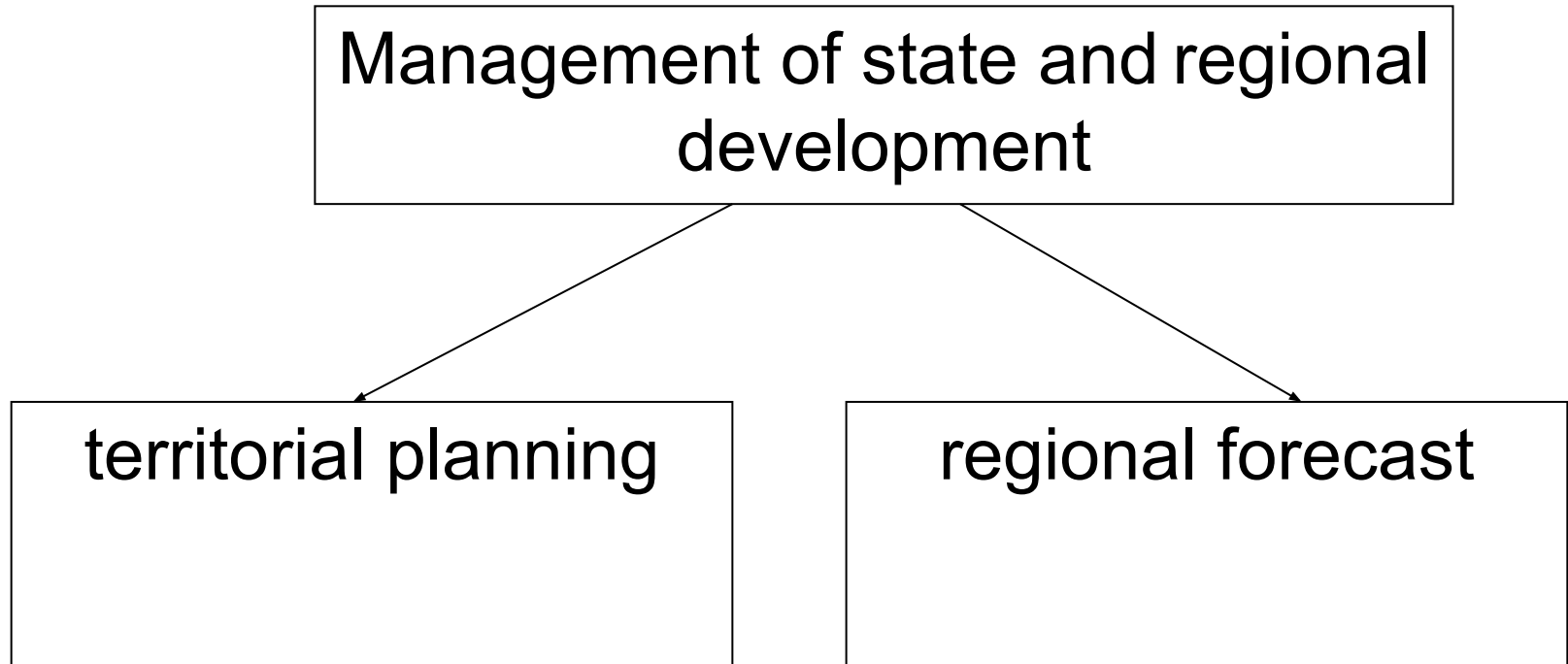
An object of regional management is a region, which can be presented as a range of the following subsystems:

- Local administration with its cadre, financial, information, organizing structure
- Subsystems, determined in accordance with a competence of the local administration (social protection, care of public health, education)

# Strategy of regional management consists of the following main levels:

- task formulation;
- regional diagnosis (or state monitoring);
- state and regional planning;
- state and regional strategic management.

# 1.3 Planning and forecasting of state and regional development



# territorial planning

- a component of planning the country's economic and social development .
- It represents a specific spatial aspect of processes of recreation of material wealth, labour force, production relations as well as the process of deciding social and economic problems

# regional forecast

- is studying prospects of the region development. It is preliminary in nature and includes hypotheses as to the lines of economical development and the position of the region as a whole and its parts in the future.

## 1.4 The task of territorial planning

The main task of territorial planning consists in the most complete use of resource potential of the regions

(purpose of maximum satisfaction of necessities of society in material wealth and increase of efficiency of public production)

# Other tasks:

1. is the determination of development prospects of each region (rationalization of the country's productive forces location, taking into account the priorities in the development of certain regions.)
2. is providing for development of regions (Overall development of regions assumes optimization of their branch structure on the basis of the development of various industries
3. comprehensive development of social infrastructure (social infrastructure includes housing and communal services, domestic consumer services, trade, passenger transport, health protection, public welfare, sports, tourism, education, culture and art)

The main requirements, which the system of foresight and programme documents has to meet, consist in the following:

- The planning of social-economic development must represent the function of regional administration
- The planning of social-economic development must include the basic for regional budget.

- The forecast - and – planning documents must include the information about the level of social – economic development of region This information may be interesting for potential invest men.
- The program for next year must be connected with the long term strategy of social and economic development of the region.

## 1.5 The system of regional forecasts consist of:

1. Ecological forecast (state of the natural environment, measures to prevent negative after natural environment)
2. Social forecast (population employment, demographic situation, population size and structure labor resources, migration processes).
3. Forecast of natural resource and their development (resource availability, Development efficiency and stocks)?

4. Forecast of science and technology development (development of fundamental science, applied research, implementation of scientific development into national economy).
5. Economic forecast of production dynamics and its structural changes; estimation of economic branches development, composition and competitiveness of their products, profits of population.

All kinds of regional forecasts combine in such document, as *Forecast-Scheme of development and location of the regional productive forces*, in which the tasks and the main indexes of economic and social development of a region, providing complex use of natural resources, solution of the social, economic and ecological problems are determined.

The territorial Forecast-Scheme is formed for a period of 15 years and more.

# Structurally the year program of economic and social development of administrative-territorial unit

1. Analyses of economic and social development for the previous period.
2. Goals and priorities of economic and social development of the next year.
3. Ways of solutions the main problems of development of economics and social sphere and effecting of set purposes.

4. Financial resources (source of forming, financing of measures, financial state of household subjects).
5. Market changes (reforming of property terms, development of enterprises, forming of the competitive environment at the regional markets).
6. Mechanisms of regulation (objects management of communal property, investment activity, realization of state purpose-oriented programs and regional programs).

7. Development of the real economics sector (structural displacements, fuel-power complex, industry, agro-industrial complex, transport and connection, scientific-technique sphere, production of consumer goods and services).
8. Foreign policy activity.
9. Social sphere (demographic situation, population employment and the labour market, money earnings of population and wages, social security, pension reform, municipal economy).

10. Humanity sphere (public health, education, public, tourist-recreational field).

11. Management of nature and security of human vital activity (development of mineral-raw material base, protection of environment, industrial safety).

## **1.6 State management of regional development**

*State management of regional development*  
– is the purposeful state activity in the person of the corresponding legislative, executive and controlling authorities, which by means of the system of different approaches and methods provide the achievement of the formulated aims and the solution of planned economic and social tasks.

# State management of regional development settles the following tasks:

- structural reorganization of regional economics on the base of estimation of social-economic, scientific-technique, ecological and demographical priorities;
- economics reconstruction of industrial regions and big local agglomerations, modernization of their infrastructure, improvement of ecological situation;
- overcoming the lag of separate regions according to level and quality of population life;

- the development stimulation of export and import substitute regional production, which have for it the most favourable conditions;
- the development of interregional and regional infrastructural system, which stimulate the regional structural displacement and provide the effectiveness of regional economics;
- the providing with a full and balanced use of natural-resource potential of the regions;

- the development of the most effective branches of production and social regional spheres taking to account the national interests;
- level increase of population welfare and improvement of demographical situation;
- improvement of environment status and preservation of nature genetic fund;
- providing with the balanced social-economic regional development.

- *Objects* of state management of regional development are the territorial units of state, regional and municipal levels.
- *Subjects* of the state management of regional development is well worth to distinguish bodies of power, representative authorities and bodies of local self-government.