

CHAPTER 6
INFORMATION AND METHODOLOGICAL PROVISION
OF THE PROCESS OF MANAGEMENT
OF SOCIO-ECONOMIC DEVELOPMENT
OF THE REGION IN CONDITIONS
OF DECENTRALIZATION OF POWER

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INTRODUCTION

The reality of the modern world is the undeniable recognition by the world community of the social purpose of the state. This orientation requires a corresponding transformation of the political, economic and social systems of any country and objectively necessitates the formation of a modern model of social development management. Ukraine, which has constitutionally declared itself a social state and seeks to build this public institute on the models of developed countries, has not overlooked this problem.

The theory and practice of building socially oriented societies has proved the need for an impartial choice for each country of its own doctrine of ensuring sufficient socialization and scientific and practical foundations of its achievement due to the time factor. The peculiarity of the transformation processes in Ukraine is the sharp transition from fairly widespread paternalism to the development of a market economy. Harshly replaced the mechanisms of social state building on its territory, actualizing the issue of coordination of actions of economic entities of different forms of ownership towards the achievement of the national goal and timely response to changes in the market situation.

The accumulation of national problems of socio-economic dynamics is manifested in the most obvious and understandable form through the lens of regions. This is due to the similarity of the region's economy with the national economy and the possibilities of applying macroeconomic theories to it, and in particular those that place the focus on the formation of civilizational standards of living. Naturally, for a long time, the attention of scientists and practitioners has focused precisely on the problem of managing the region's economy in a diverse range of aspects.

In the second half of the twentieth century significantly expanded the theory and practice of regional economics M. Adler, O. Bergson, G. Becker, L. James, E. Denison, K. Gori, L. Ehrhardt, I. Clark, J. Cornay, M. Kating, G. Marcuse, E. Marcusen, J. Martin, L. Mises, F. Mitterrand, A. Müller-Armak, A. Know, V. Oiken, K. Popper, F. Perru, V. Röpke, A. Sen, R. Titmas, K. Flexner, M. Forster, I. Fisher, F. Hayek, D. Hayes, J. Schumpeter, H. Zimmerman and others.

With the beginning of market-transformations in the post-Soviet countries, and in particular, in Ukraine, the problem of regional dynamics was studied the scientific works of such national scientists as O. Alimov, O. Amosha, O. Asaul, V. Besedin, D. Bogin, B. Burkinsky, Z. Varnaliy, A. Galchynsky, V. Geyets, M. Gerasymchuk, V. Grishkin, V. Golikov, G. Gubernaya, B. Danylyshyn, M. Dolishnyi, S. Doroguntsov, N. Deyeva, A. Epifanov, L. Zaitseva, B. Kvasnyuk, S. Kireev, A. Melnyk, V. Miklovda, E. Libanova, I. Lukinov, O. Novikov, V. Onikienko, M. Pavlovsky, Y. Pakhomov, V. Pila, S. PyrozHKov, V. Popovkin, V. Rybak, M. Sokolik, V. Symonenko, L. Tymoshenko, V. Tarasevich, M. Khvesik, L. Chervova, M. Chumachenko, V. Shvets, V. Yanukovych, A. Utkin and many others.

Despite having a strong theoretical legacy, the realities of social reformatting of the regional economy point to manifestations of destructions that remain beyond the control of the current instrumental framework of the governance system. As a consequence, with sufficient mutual understanding of the presence of the state and regulatory actions at the level of its administrative-territorial units in the market economy, spatial and settlement differentiation intensified. And right now, under decentralization conditions, there are two ways of development: either maintaining and further enhancing the differentiation of settlement and settlement, or fundamentally changing the role of the region in ensuring socialization processes. Currently, thanks to decentralization, there are a number of new requirements for the formation of management decisions to ensure managed regional development.

First of all, there is a need to take into account changes in the balance and proportions in the region's economy due to the flow of financial security redistribution processes and changes in the level of taxability both at the level of newly formed united territorial communities and at the level of the region itself. Secondly, the toolkit for diagnosis of management results should be based on the fact that the socio-economic system of the region is mainly in a non-equilibrium state and the need for constant detection of oscillators provoking its

imbalance. There are also other challenges related to the passage of cyclical processes in the economy of the region, the consideration of which in management practice is possible on the basis of understanding of the laws of economic dynamics.

The combination of these circumstances, which determine the gaps in the theory and methodology of regional development management, and the urgent need to ensure the positive socio-economic dynamics of the regional economy have made the choice of relevance of the study.

6.1. The region as a leading link in ensuring the socialization of the economy in the context of decentralization

With Ukraine's gaining of independence, socio-economic processes aimed at building a social state became quite widespread¹, which in the model of developed countries should strive to or minimize unjustified social stratification of society².

A breakthrough in the Ukrainian future that will meet the general civilizational parameters can be made if all the components and potentials of the management system at all its levels are tuned to this process. The major conceptual flaw in the doctrine of governance implemented in the national territory lies in the uncertainty and incomplete involvement of those social entities that are genuinely interested in carrying out social and transformational change and capable of delivering it with acceptable results.

In social transformation, everything begins and ends with the territory in which the population lives. Naturally, each territorial settlement has its own specific features. They are determined by natural-geographical factors, availability of resources, production and transport infrastructure. Together, they form significant differences between the territories. And so significant that the ways of solving both current and strategic problems of their provision are in different but intertwined planes and are not typed and generalized. In the best case, we can refer to clusters, that is, combinations whose main characteristics differ with a small scale³. It is clear that in most cases approaches to solving specific problems need to be determined locally.

¹ Konstitutsiia Ukrainy: pryiniata na piatii sesii Verkhovnoi Rady Ukrainy 28 cherv. 1996 r. №254k/96-VR. URL: <https://zakon.rada.gov.ua/laws/show/254k/96-вр> (accessed 15.01.2020).

² Strashun B.A. (1996). Konstitutsionnoe (gosudarstvennoe) pravo zarubezhnykh stran: uchebnyk v 4 t. [Constitutional (state) law of foreign countries: a textbook in 4 vols.]. T. 1–2. Moskva: BEK, 778 p.

³ Lopatnikov L.I. (1987). Ekonomiko-matematicheskii slovar. Otv. red. A. P. Fedorenko [Economic and mathematical dictionary]. Moskva: Nauka, 509 p.

According to the global trend, territorial entities are localized in the context of a complex administrative and territorial structure, which is established by the Basic Law of the country. The territorial structure of Ukraine, which is a unitary state, under Articles 132 and 133 of the Constitution is based on the principles of unity and integrity of the state territory, a combination of centralization in the exercise of state power, balance of socio-economic development, taking into account their historical, economic ecological, geographical and demographic features ethnic and cultural traditions.

In accordance with the principle of complementarity, which presupposes the prevention of legitimate power throughout the country, world civilization has formulated two such strategies as government and local self-government.

Each of the administrative-territorial units implements one of the possible variants of state or self-government, which assigns to each such territorial entity its own range of powers.

Public administration concentrates, above all, on the central and intermediate levels, ensuring the integrity of the state and its reproduction. Moreover, the state, in the context of all territorial entities, through the authorized state institutions, protects its rights at the local level and the overall coordination of actions of local authorities in addressing pressing issues of economic and social nature.

Local self-government in Ukraine is a state-guaranteed right and a real capacity for residents united by permanent residence within a village, settlement, city, which is an independent administrative-territorial unit, or voluntary association of residents of several villages, with a single administrative center of the settlement, cities independently or under the responsibility of bodies and officials of local self-government to resolve issues of local importance within the framework of the Constitution and other laws of Ukraine⁴. Local self-government is exercised by territorial communities of villages, settlements, cities both directly and through rural, settlement, city councils and their executive bodies, as well as through district and regional councils, which represent the common interests of territorial communities of villages, towns and cities.

Talking about the linkages between executive and local government, one should highlight one. There is no direct subordination between councils at different levels. Moreover, such subordination does

⁴ Pro mistseve samovriaduvannia v Ukraini: zakon Ukrainy vid 21.05.1997 r. № 280/97-VR. URL: <https://zakon.rada.gov.ua/laws/card/280/97-bp> (accessed 15.01.2020).

not exist between councils and state administrations in the sphere of exercising their powers. Local self-government bodies may be vested with separate powers of executive authorities. In such a case, it is on these issues that local governments are under the control of the respective executive authorities. Self-governing entities are to some extent under pressure from public authorities over the financing of delegated powers and the lack of funds provided by their own powers, even in the face of decentralization processes. In addition, they feel the influence of production and economic structures operating on the territory and of the population.

While the activities of governing bodies on market-transformational changes in Ukraine focused on issues related to macroeconomic stabilization, as well as key attributes of the state, a position was gradually formed on the obligatory “top-down vector” of the “bottom-up vector”. This awareness was reflected in a certain reorientation of the focus on the process of transformation in the national economic space to such issues of micropolicy as ensuring the socio-economic development of territories under the existing administrative division.

The consistent concentration of development efforts not at the national level was intended to ensure real self-reproduction of the economic system as a whole. Such an installation was and remains aimed at creating each link of such a mechanism of management that would ensure the development of a particular population in accordance with the dynamics of its conditions of operation.

But the practice is faced with a rather complex combination of normative installations in different variations of providing socio-economic development of different-scale territories.

The development of a community of a suitable settlement is the conscious desire of its members to work together to determine their future through the implementation of a set of measures that will contribute to socio-economic progress. But community development should not be a challenge or counterbalance to central government and other communities. It can only be about leveraging the territory's internal potential to exercise self-governing rights.

In order to implement the development of a territory with the national concept, it must be assumed that it is part of the program of socio-economic progress of the country, that is, to reproduce the realization of interests in local communities and their internal interests. Assuming that socio-economic development is cross-cutting, the

management entity must provide a unified approach to defining its essence as the basis of goal-setting.

Based on the statement of the eminent philosopher M. Berdyaev, according to which “the state and social institutions have always been created for the mass, for ... man”⁵, then, one must really agree that ensuring a high standard of living for citizens is the main goal of the state. And the very phrase “socio-economic development” begins with the word “social”, which means its dominance. However, another component of the adjective testifies not only to the relationship between social and economic, but to its interconnection and interplay. They are correlated with each other as a goal and a means of achieving it. At the same time, as it derives from the phrase “socio-economic” the social aspect is connected with the purpose, and the economic side of development is the means of its achievement. Opportunities to meet the diverse needs of the population are limited by the achieved economic potential of the society and the level of its use.

More complex is the question of the scale of the settlement, in which it is actually possible to implement the concept of welfare growth.

A community in any settlement, in principle, under the influence of management or self-organizing, can potentially solve the issue of life support. However, the practice of local self-government in Ukraine faces the problem of financing even in the provision of services at the level of minimum national standards. Not all settlements have economic entities capable of producing the required set of goods and services of sufficient volume. In most cases, rural, urban and urban management focus on one type of economic activity with a limited number of jobs at the concentration of the manufacturing sector. Relatively sufficient for the formation of habitats of an acceptable standard of living, the population is interspersed with the poor and the socially disabled. The fragmented development of individual territories needs to be balanced by means of integration.

What kind of administrative-territorial entity is potentially capable of organizing a system-ordered set from a set of subordinate control objects?

In this regard, E. Marcusen emphasized that “the most useful groups are those that correspond to the limits of administrative jurisdiction”⁶.

⁵ Berdyaev N.A. (2003). *Duh i realnost* [Spirit and reality]. Moskva: OOO AST, 679 p.

⁶ Marcusen, Ann. *Regions. The Economics and Politics of Territory*. Totowa, New Gersej: Rowman and Littlefield, 1987. P. 17.

Famous Ukrainian economist V. Popovkin considers such a coherent territorial formation a region, enterprises, institutions, organizations and populations of which are closely interconnected. According to him, “regional integrity means objective indivisibility, not disunity, the trinity of the natural human-created social environment; it assumes that the interconnections within each region are closer and more permanent than with the elements of the environment”⁷.

In recent years, more and more insistently, in the minds of scientists and practitioners, there is an understanding that it is in the region that the traits of community together are formed, their socio-economic integrity, the interests of economic entities with different ownership of fixed assets are combined. This is due to the similarity of the region's economy with the national economy and the possibilities of applying macroeconomic theories to it, and in particular those that place the focus on the formation of civilizational standards of living.

The changes that have taken place to some extent and continue to take place in the territory of the state, related to the transition of the economy and all social life to fundamentally other tracks of social and economic development.

According to the well-known Ukrainian scientist M. Chumachenko, “in the developed countries there are five authorities, namely: the legislative, the executive, the judiciary, the media and the authorities of the regions”⁸. Then it must be about regional socio-economic development.

Some scientists understand the socio-economic development of the region “the dynamics of quantitative and qualitative socio-economic changes in the territorial social system”⁹.

V. Yu. Keretzman stands on the position that “regional development means such a mode of functioning of the regional system that provides a positive dynamics of the parameters of the level and quality of life of the population living in this territory”¹⁰.

Approximately in the same idea of the socio-economic development of the region may be found in the professionally-trained

⁷ Popovkin V.A., Kalytenko A.P., Rozyuka V.O. (1994). Rivni sotsialno-ekonomichnoho rozvytku rehioniv Ukrainy [Levels of socio-economic development of Ukrainian regions]. Kyiv: NISD NAN Ukrainy, pp. 50–52.

⁸ Chumachenko N.H. (1990). Rehyonalnoe upravlenye y NTP [Regional management and scientific and technical progress]. Kyiv: Naukova dumka, p. 27.

⁹ Transformatsiini protsesy ekonomiky Ukrainy v rehionalnomu vymiri : monohrafiia; za red. prof. Shkoly I. Chernivtsi: Knyhy XX, 2004. 360 p.

¹⁰ Keretsman V.Iu. (2002). Derzhavne rehuliuвання rehionalnoho rozvytku: teoretychni aspekty : monohrafiia [State regulation of regional development: theoretical aspects: monograph]. Kyiv: UADU, 188 p.

textbook about consistent and sustainable improvement of the standard of living and quality of life, including population and labor, education, health care, culture, environment, etc.¹¹.

We did not give other formulas, since they repeat those given¹². On the whole, the existing and generally available approaches to determining the essence of socio-economic development of a region almost repeat the interpretation of socio-economic development at the country level. The only discrepancy with this generalized formula is the introduction to determining the characteristics of the population living in the territory that outlines the content of development.

The socio-economic development of the region is dichotomous. One stream of development is provided by the state directly and the other by local self-government. The regional policy of the state is nothing more than the actions of the state aimed at leveling the conditions and results of activities of the regions, creating conditions for increasing the efficiency of use of regional resources and consequences of their involvement in socio-economic processes, creating and maintaining a single economic space, ensuring uniform minimum social standards, equal social protection, guarantee of social rights of citizens established by the Constitution of Ukraine regardless of the economic opportunities of regions, priorities the development of regions of particular strategic importance, the provision of local government guarantees, and the like.

The internal policy of the regions, unlike the state economic policy, is the reproduction of autonomous actions of the governing bodies of the regions aimed exclusively at the efficient use of natural, labor, technical, investment and information resources, real improvement of the welfare of the population, improvement of the structure of production, improvement of the state of the environment, development of socialization, infrastructure promotion of business development, provision of organizational and technical and other measures and actions of economic and social the dynamics of the region.

In our view, the most objective and reproducible national realities in determining the content of socio-economic development would be to give it the characteristics of a change in the social and economic indicators of local territorial settlements and the region as a whole in

¹¹ Myronova T.L. (2006). *Upravlinnia rozvytkom rehionu: navch. posibnyk* [Regional development management: educ. manual]. Kyiv: Tsentr navchalnoi literatury, 328 p.

¹² Koval Ya.V. (2005). *Rehionalna ekonomika : navch. posib* [Regional Economics: Educ. tool]. Kyiv: Profesional, 272 p.

relation to ensuring the harmony of national and regional interests in the implementation of the concept of the welfare state. Then it is logical to qualify the management of socio-economic development of the region as a process of formation of sound management decisions at the local and national level appropriate for the progressive social and economic dynamics of local settlements and territories of co-existence and effective management influences in order to achieve regional balance.

Formally, the socio-economic development of the region is a management object. The subject of governance as a collective mind influences the relevant subjects of economic and social structures as well as a team of specialists in order to obtain the results envisaged by the development programs. The actual development strategy is to capture the powerful and purposeful impacts of various activities on the territory.

The basis of the system for managing the socio-economic development of the region is subject-object relations, which act as managerial influences and create stable structures and mechanisms of governance at the appropriate levels of local self-government, taking into account delegation of powers from the bottom up and vice versa, and local state administrations.

The Center defines the concept of a predominantly state order, which most closely corresponds to the historical tendencies of the development of statehood, social relations and national economy, the mentality of the peoples of the country, the economic-geographical and geopolitical state of the country.

The adopted concept becomes the source of the strategic goals of the country's development and, in particular, the strategic goals of the national economy. For the realization of strategic goals at the state level, the executive and legislative branches of the government form a system of legislative acts that regulate the principles of economic activity in the country, as well as the legal mechanisms for their implementation.

The executive authorities develop indicative strategic plans for the development of the national economy of the country, as well as a legislatively established system of preferences for regions, industries (types of economic activity), enterprises that provide competitive advantages of the national economy in international markets for goods, services and capital.

At the level of the regions of the structure of power, taking into account the peculiarities of its geopolitical and economic-geographical status, the nature-resource potential determines the strategic goals of

development of the socio-economic sphere of the territorial community and the level of socialization of the economy.

The executive and representative authorities of the region are developing packages of legal mechanisms of regional importance that regulate the foundations of economic policy in the region in the context of creating favorable preconditions for achieving the strategic goals of regional development. When developing indicative regional plans for socio-economic development, they take into account, of course, the interests of the state level, determined by global strategic goals, as well as the interests of the territory and foreign organizations with which the region carries out mutually beneficial partnership relations. Harmonization of these interests in the indicative strategic plan of the region is achieved by including in it a spectrum of relevant internal and external strategic economic zones.

The lower level of “vertical of interest” is represented by economic entities (enterprises) operating in the territory of a particular region. The interests of these entities are naturally embodied in their strategic and operational plans as determined by their mission. The main objective of such strategic and operational plans is to create, sustain in the long run, sustainable competitive advantages in the domestic and foreign markets for goods and services relevant to the mission of these enterprises. Achieving this goal is only possible with the most efficient use of resources (capabilities) owned by a particular company. The set of such opportunities is embodied in the strategic potential of enterprises, which is a system of interconnected elements (skills, opportunities, skills) that can ensure the achievement of local strategic goals.

The harmonization of the interests of the region and the interests of the enterprise comes when the set of strategic zones of management chosen by the producer corresponds with their regional spectrum involved in the indicative strategic plan of development of the complex of socialization of the region.

It is about defining common mutually acceptable goals and criteria for managing regional development.

Regardless of whether there is a separate state, whether a regional body, whose mission is to implement, or support the social purpose of the state at a certain level of government, or a similar line of activity that is unique to all governing bodies, regardless of the level of government, the result of the functioning of the state as a whole, or region, in particular, is the fulfillment within a certain time and space of a full range of tactical and partly strategic tasks related to one common social

purpose: ensuring the well-being of the population or then the households of the country as a whole by civilization standards.

Certainly, the breadth and scale of the goal of reorienting all sectors of the economy to meet the needs of people determines the number and variety of means to achieve it.

6.2. Information and methodological support of regional development

All this instruments for achievement the public goals both at the state level and local settlements is identified with state and quite logically regional policy. Economic, tax, budgetary, financial, price, investment, social, demographic, structural and foreign economic policies are their components. Naturally, each policy is planned and determined by specific indicators. However, in practice, all of them can be reduced to economic and social. Then the result of managing the socio-economic development of the territory can be reduced to social achievements and economic. Among the indicators used in the development of programs of economic and social development of the country and the region are both quantitative and qualitative.

If the formation of programs of socio-economic development of the regions and the results of their implementation are described by the given system of indicators, then it is possible to state with some confidence about the possibility of normalization of the process of production of management decisions and contouring of the management results. But this is only a visible part of the management process. The one who is hidden and reproduces managerial influences can be said with less confidence. They take effect by the time of the final determination of the content and focus of management decisions, correct them in the implementation process and ensure the achievement of management results more or less acceptable according to forecasts and programs.

The content of managerial influences can be explained based on actions taken by local governments and related to “development”, “review”, “approval”, “monitoring”, “correction”, “diagnostics”, etc. In our firm belief, they reproduce the content of the process they identify with the evaluation. We did not aim to provide an interpretation of this category, but focused on its professional definition, according to which “evaluation is the systematic evaluation of the operations and / or results

of a program or policy in comparison with a set of existing and implicit standards in order to improve them”¹³.

It turns out that the evaluation procedure is analytical, that is, in order to evaluate something, we must first of all measure it. The measurement itself is in comparison to the actual achieved indicators at a certain stage of program implementation with a certain set of expected results.

Assuming that the socio-economic development programs of both the country and the region represent the achievements both at the design stage and at the stage of full implementation through the system of economic and social indicators, then their changes and should be a consequence and subject of managerial influence.

$$\left. \begin{aligned} \pm \Delta Fs &= Fs(t_2) - Fs(t_1) \\ \pm \Delta Fe &= Fe(t_2) - Fe(t_1) \end{aligned} \right\} \quad (1)$$

where $Fs(t_2), Fs(t_1)$ – social indicators over time t_2 and t_1 ($t_2 > t_1$);

$Fe(t_2), Fe(t_1)$ – economical indicators over time t_2 and t_1 ;

$\Delta Fs, \Delta Fe$ – change of values of indicators of social and economic character;

Indeed, changes in various spheres of economic activity, the state of social infrastructure, demographic situation, etc. are constantly underway in the socio-economic system of the region. And, even before they are fully deployed in the system, the manifestation of appropriate symptoms and tendencies. The larger the time gap, $\Delta t = t_2 - t_1$ between changes $\pm \Delta Fs, \pm \Delta Fe$ and their awareness, the greater the threat of loss of control, that is, the possibility of directional influence.

It is the untimely decision-making that is the most likely deterioration in the exercise of management capacity by the entity. The presence of miscalculations is hidden in the basic leaks of the management system itself, and in particular in its modern information support.

Today, they pay little attention to the collection and processing of information beyond the scope of socio-economic development programs. We do not deny that its set, which is included in the program and reproduced in official statistics is quite capacious.

¹³ Vais, Kerol H. (2000). Otsiniuvannia: metody doslidzhennia prohran ta polityky: per. z anhli.; nauk. red. O. Kiliievych. Kyiv: Osnovy, 673 p.

According to the statistics bodies, 106,645 social indicators are contained in the forms of national statistical reporting. It is estimated that this is approximately half of all available indicators in these forms¹⁴. Of course, it is quite problematic to estimate changes in the socio-economic development of the regions in such numbers. And how to interpret these changes as a whole, rather than by individual sectors and types of economic activity.

In our opinion, the means and ways of solving the problem of progressive socio-economic development in the region and its administrative-territorial units should be more in line with the complexities of modern life, be oriented to use in conditions of high uncertainty and dynamism. The current socio-economic reality requires fundamentally different methods of cognition and transformation. In most cases, the situation with increasing number of problems in managing regional development is explained not by the inability to process the increasing amount of information and by the inability to transform its generalizing quintessence into effective management decisions, but by the lack of tools for diagnosing changes and, as a consequence, inappropriate management¹⁵.

The multifarious ways and ways of ensuring the socio-economic development of the region puts forward a whole range of methodological tasks related to the qualification of change by one summarizing indicator $\Delta\bar{\Pi}$

$$\pm \Delta F_s = f(\pm \Delta F_e^i; \pm \Delta F_s^j) \quad (2)$$

$$i = \overline{1, n}; \quad j = \overline{1, k}$$

ΔF_e^i – a set of changes in economic indicators;

ΔF_s^j – a set of changes in social indicators;

n – the number of economic indicators on which changes are being investigated;

k – the number of social indicators on which changes are being investigated;

In order to respond to the needs of the local community, local self-government bodies, whose function is both the direct preparation and implementation of socio-economic development programs and

¹⁴ Udotova L.F. (2002). *Sotsialna statystyka: pidruchnyk* [Social statistics: a textbook]. Kyiv: KNEU, 376 p.

¹⁵ Buzgalin A.V. (1994). *Perehodnaya ekonomika: kurs lektsiy po politicheskoy ekonomii* [Transitional economics: a course of lectures on political economy]. Moskva: Taurus, Prosperus, 472 p.

their diagnostics by virtue of the delegation of development and implementation powers, should have, as a result of analytical actions, a generic indicator that integrates segments of social and economic development. economic base, as the ability to provide progressive dynamics and the results of its use in a specific territory:

$$\Delta F = f(\pm \Delta F_e^{Bi}; \pm \Delta F_s^{Bj}; \pm \Delta F_e^{Ui}; \pm \Delta F_s^{Uj}) \quad (3)$$

$$i = \overline{1, n}; \quad j = \overline{1, k}$$

де $\pm \Delta F_e^{Bi}; \pm \Delta F_s^{Bj}$ – changes in economic and social indicators in terms of production and infrastructure base;

$\pm \Delta F_e^{Ui}; \pm \Delta F_s^{Uj}$ – changes in the complex of economic and social indicators regarding the use of production and infrastructure base;

The presence of such dynamics is also emphasized by the expert in the field of evaluation

KG Weiss, who states that “... progress is possible only when it is carried out step by step, through gradual changes for the better”¹⁶.

The desire of direct or indirect governing bodies to incorporate changes in indicators in the complexes into the programs of socio-economic development and real achievement of the consequences of their implementation would refute the myth of the incompatibility of social justice and economic efficiency in market conditions¹⁷. Effective governance, which leads both to enhancing the potential of the region's socio-economic base and to its effective utilization, will ultimately help to meet diverse needs in greater volumes and to a greater extent a comparatively fair result.

But there is another information-tool cut in ensuring dynamic socio-economic development at the local level.

Socio-economic processes of functioning of social institutions, socialization of the person, differentiation of different needs, interests, values, incentives is carried out not only in the coordinates of «social and economic», but also of time,

$$\Delta \bar{F}(t_1) \leq \Delta \bar{F}(t_2) \leq \Delta \bar{F}(t_3) \dots \leq \Delta F(t_l). \quad (4)$$

where $t_1 < t_2 < t_3 < \dots < t_l$

¹⁶ Vais, Kerol H. (2000). Otsiniuvannia: metody doslidzhennia proham ta polityky: per. z anhl.; nauk. red. O. Kiliievych. Kyiv: Osnovy, 673 p.

¹⁷ Hium D. (2003). Traktat pro liudsku pryrodu: sproba zaprovadzhennia eksperymentalnoho metodu mirkuvan pro obiekty morali; per. z anhl. P. Nasada ; za red. ta zperedm. E.K. Liussnera. Kyiv: Vsesvit, 552 p.

The component of time that gives the socio-economic development dynamic character and requires the management system to achieve a positive value of the total result of changes.

$$\Delta\bar{F}(t_i) = \pm\Delta F_e^{B_i}(t) \pm \Delta F_e^{U_i}(t) \pm \Delta F_s^{B_j}(t) \pm \Delta F_s^{U_j}(t) \quad (5)$$

Moreover, as a component that determines the time of exit of the region by the level of socio-economic development on the civilizational parameters of social arrangement of its citizens, meeting their social needs not only in the sphere of production, but also in the associated distribution of material and spiritual goods, in a decent way of life, etc. , determines the socio-economic space into phases (stages) and thus streamlines management actions by the intensity, pace and duration of impacts.

Consequently, socio-economic development as an object of management of the system of state bodies and local self-government finds a certain reproduction in the information content that is formed and used by them in the process of production of managerial decisions, managerial influences and managerial result. But in this reproduction the quality of contouring of the parameters of determination of the process of development is problematic because, some of the conglomerate of their aggregate cause it, others cause, others affect the efficiency, and the fourth – on the duration, etc. Therefore, it is important that the governing bodies in terms of powers to ensure the effectiveness of socio-economic development are endowed with informative support and tools to develop it, capable of guaranteeing control both for the purposes of the region and for localized administrative and territorial units.

During the years of independent management in the actions of power structures at different levels of government in the process of executing their managerial functions, the processes of planning and forecasting economic and social development became basic.

As national achievements are shaped in the regions of the country, and Ukraine's current domestic policy is increasingly giving them the edge in solving pressing development problems, the question arises about establishing the quality of information and instrumental support for these processes.

At one time, the English philosopher D. Hume emphasized that “there is nothing that is not the subject of controversy and that people

of science do not hold the opposite view”¹⁸. The researchers asked questions about narrowing all known directions of development and, moreover, indicators, both their numerical characteristics and their reduction to a complex one.

Discussions on this *emznic* revealed two areas, one of which crystallized in search of one comprehensive metric from reproduced in statistical reporting and the other in the creation of an artificial conglomerate known.

The region is a large and complex system whose program of socio-market functioning, as an information model of development, is a real and complex information formation in a real dimension. To evaluate the effectiveness of the management system and to determine the real growth of socio-economic development of the region, it is sufficient to cover with tools no more than 7-11 criteria. The object of information optimization should be the socio-economic space of the region, with the advantage of social aspects.

As a result of Delphic procedures, a set of 12 economic factors and the same number of social factors were formed. Separate and generalized factor sets are presented in table 1.

Table 1

**Sets of factors influencing
on the socio-economic development of the region***

Vector of factors influencing					
Social			Economic		
№	Item and content of the factor	denotation	№	Item and content of the factor	denotation
1.	Correspondance of money and labor cost	x_1	1.	Fixed capital investment	y_1
2.	Investment in human capital	x_2	2.	Share of tax revenues in the local budget	y_2
3.	Household expenditure structure	x_3	3.	Foreign economic activity	y_3
4.	Provision of housing and infrastructure for its population	x_4	4.	The result of the territory activity	y_4
5.	Health status of the population	x_5	5.	Use of production resources	y_5

¹⁸ Chumachenko N.H. (1990). Rehyonalnoe upravlenye y NTP [Regional management and scientific and technical progress]. Kyiv: Naukova dumka, p. 27.

Vector of factors influencing					
Social			Economic		
6.	Level of social security and social assistance	x_6	6.	Local budget own revenues	y_6
7.	Employment rate of the population	x_7	7.	Demographic load incapacitated	y_7
8.	Emissions of harmful substances	x_8	8.	The level of depreciation of fixed assets	y_8
9.	Natural population growth	x_9	9.	Structure of the economic complex	y_9
10.	Crime status	x_{10}	10.	Number of registered entities	y_{10}
11.	Retirement benefits	x_{11}	11.	Number of jobs created	y_{11}
12.	Aggregate resources of families in relation to the standard of average wealth	x_{12}	12.	The level of industrial development	y_{12}

In general, the information and instrumental support of the system of management of regional socio-economic development was not subordinated to the tasks that were put to the solution in this context before it.

In an effort to fill the niche of information and methodological support for development management needs at the regional level by stages of the management cycle, we made an attempt to critically review the instrumental arsenal for involvement in the processes of drafting, reviewing, implementing, monitoring, adjusting and approving the report on economic and social programs regional development.

The objectively existing asymmetry in the perception of the factors of influence on regional development at the same time intervals make the only possible selection of the most important ones because of the clash of opinions. Only in this approach can conflicting perceptions be put at the height of the process of managing socio-economic development (Fig. 1)¹⁹.

¹⁹ Бузгалин А. В. Переходная экономика: курс лекций по политической экономии. М.: Таурис, Просперус, 1994. 472 с.

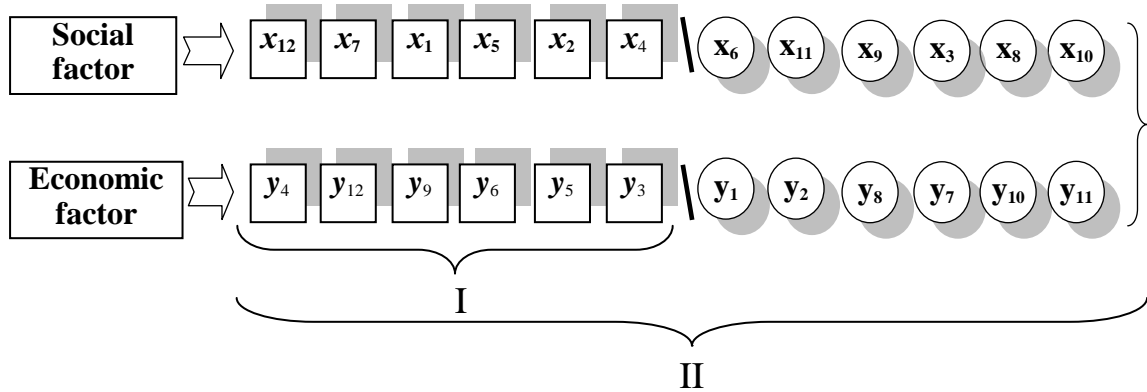


Figure 1. The distribution of factors by force of influence on the socio-economic development of the region (administrative-territorial units)

Not claiming to exhaustively fill the information niche regarding the factors influencing the socio-economic development of the region, according to the results of the expert opinion, we still believe that for the next five years all planning and analytical calculations should be made according to their distribution (Fig. 2):

I. group of factors of prompt response (evaluation of development results, adaptation to changes, etc.), formation of short-term forecasts.

II. a group of factors for medium-term forecasts and programming.

The given toolbox stands out as the starting point and constant methodological possibility of optimal combination of economic and social aspects of regional dynamics, which, despite all their contradictions, can be relatively balanced management actions at all levels of the regional hierarchy, even in market conditions.

The above methodological prerequisites are basic in the construction of rigorous mathematical formulas and formulations and allow, with the help of certain postulates and some empirical regularities, to achieve effective changes through the controlled dynamics of economic and social parameters.

Taking this approach into account, the socio-economic dynamics of the j -th region should be estimated using the formula

$$I_j = \sqrt{(I_{ei}^j)^2 + (I_{cp}^j)^2} \quad (6)$$

where I_{ei}^j – comprehensive indicator of economic growth in the j -th region;

I_{cp}^j – a comprehensive indicator of the reproduction of the state of social development in the j -th region.

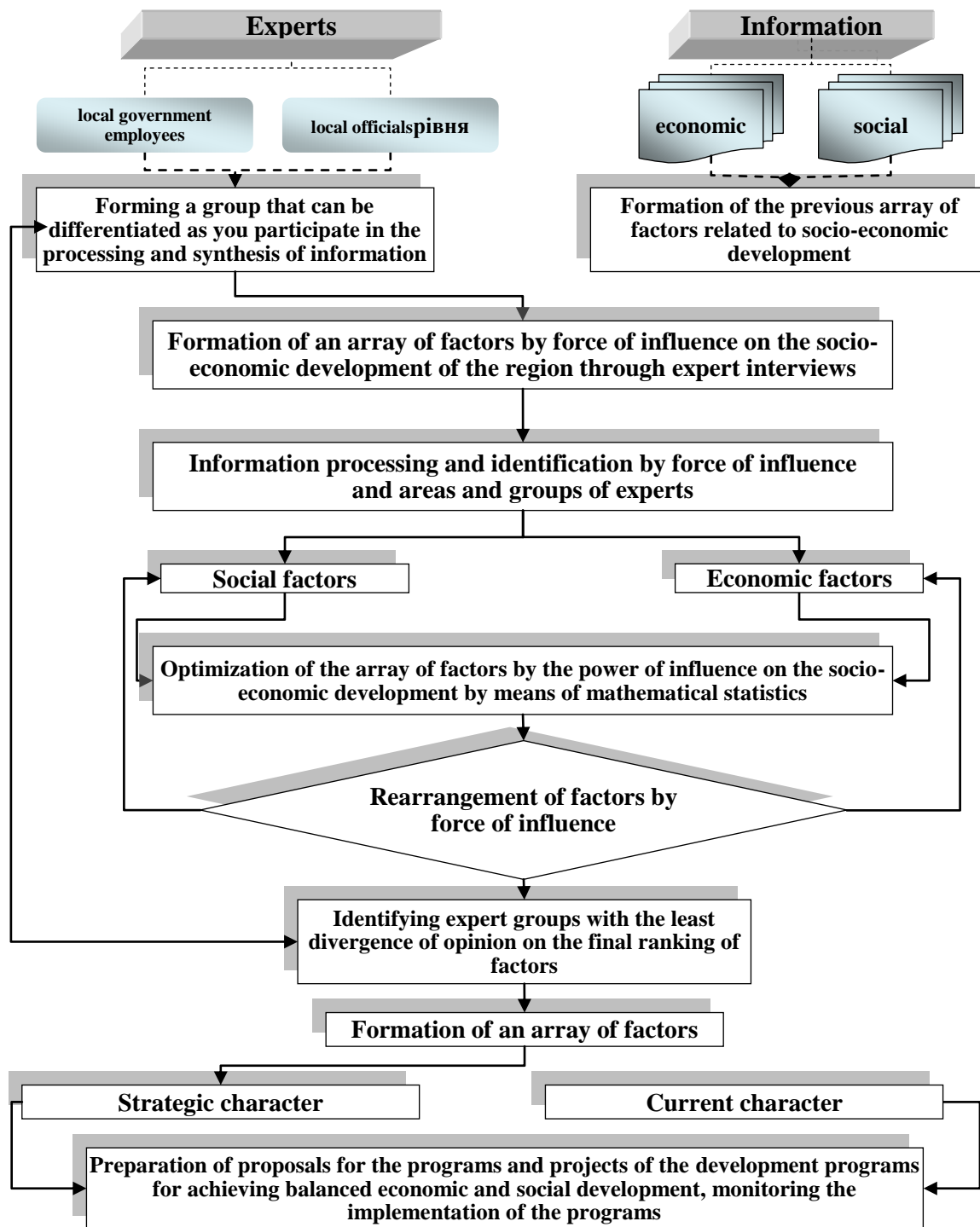


Figure 2. The algorithm of differentiation of factors by the force of influence on the socio-economic development of the region and groups of experts promptly respond to its changes

Complex indicators of the direction of socio-economic dynamics are also determined on the principle of arithmetic, taking into account the nature of the impact.

A comprehensive indicator of economic growth should be calculated by the formula:

$$I_{ei}^j = \frac{\sum_{i=1}^l \overline{y}_i}{l} \quad l = \overline{1, n} \quad (7)$$

where \overline{y}_i – standardized dimensionless i-th indicator adopted to reproduce specific economic changes;

l – the number of indicators adopted to diagnose changes in economic nature ($l \leq n$), где n – total accounting metrics).

Similarly to formula (7) a complex indicator of social development of a region is calculated:

$$I_{cp}^j = \frac{\sum_{p=1}^q \overline{x}_p}{l} \quad p = \overline{1, k} \quad (8)$$

where \overline{x}_p – a standardized dimensionless rth indicator adopted to reproduce specific social changes;

q – the number of indicators adopted to diagnose social change ($q \leq k$), where k – total number of social metrics.

Standardised indicators \overline{y}_i and \overline{x}_p are determined by the formulas:

$$\overline{y}_i = \frac{y_i^\Phi}{y_i(E)} \quad (9)$$

$$\overline{x}_p = \frac{x_p^\Phi}{x_p(E)} \quad (10)$$

where y_i^Φ , x_p^Φ – the fact values of specific economic and social indicators that have been reached over a period of time;

$y_i(E)$, $x_p(E)$ – reference values for specific economic and social indicators adopted in regional programs as a goal of achievement.

However, to determine the nature and tendencies of social and economic dynamics, assuming the absence of a systematic perception of the regional economy in each particular time and its gradual formation in the eyes of the researcher ab ovo (from zero) would be quite restrictive diagnosis and management decisions action.

The functioning of social institutions in the region is carried out in the coordinates of socialization and economy. And in this socio-economic space social and economic parameters should be combined

and implemented in accordance with the consequences of managerial actions, which would eventually create the most favorable living conditions for living Ukrainians today.

As socio-historical development proceeds over time, there will be many such states regarding the combination of the results of social and economic dynamics. Moreover, the fixation of manifestations of heterogeneous socio-economic combination as a certain phase of implementation of the program of socio-economic development of a region will characterize its quality and a measure of distance from its initial and final value.

CONCLUSION

The methodology for assessing the results of management actions should proceed from the functioning of the region in the context of such interaction of economic and social factors, which implies a situational manifestation of their equilibrium and non-equilibrium combinations in management results. The equilibrium state of the region's economy can be interpreted as a combination of its economic and social components, which is characterized by the absence of the desire of its subjects to change their behavior while maintaining a balance between the processes of socialization and economy in the space of society. Structurally balanced involves the involvement in the processes of modeling the same number of factors and indicators of their reproducing the economic and social trends of regional dynamics. But such a situation is possible in the region as an exception. The system only strives for it. The combination of social and economic action as external factors is constantly changing. Moreover, the factors of influence change as well as their subordination in the structure of one or another direction of ensuring socio-economic dynamics. It is not equivocal to consider such a state of the economy of the region, in which changes in its social and economic directions are unbalanced, which makes the overall dynamics of the system against the annual with much less managerial effect on the development of civilization standards.

From the point of view of the new paradigm for monitoring and assessing the socio-economic dynamics of a region, which is oriented and takes into account non-equilibrium and unbalanced development processes, it is necessary to continue to approve its basic provisions and to realize the potential of combining purely analytical capabilities and improving the management system.

SUMMARY

Successes in regional transformation, as well as the quality of national regional governance and regulatory policies on the ground, depend on the objective pursued by the socio-economic system. The constitutional goal of development for the construction of the welfare state is meant. Given the phenomenon of setting a global goal for both national and regional levels, it is obvious that in the theory of regional development management in the projecting and evaluation of dynamic processes, an important prerequisite should be a positive trend in economic and social directions. To address the issues of managed change in socio-economic dynamics at the regional level, a model that synthesizes economic and social gains is needed. For ensurance the changing in socio-economic dynamics at the regional level, a model that synthesizes economic and social gains is needed. The paper proposes an algorithm for differentiation of factors by force of influence on the socio-economic development of the region and groups of experts of rapid response to its changes and proposes information and methodological support of socio-economic development that will contribute to the monitoring of social state development.

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