

PREREQUISITES AND PROSPECTS OF PUBLIC REGULATION OF STATE AND REGIONS SUSTAINABLE DEVELOPMENT

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Abstract. The theoretical bases and prerequisites of public regulation of sustainable development are proved in the paper. The system of indicators for measurement of definite components of state and regions sustainable development is presented. The assessment of sustainable development indicators of several states of the world is carried out and the place of Ukraine in this aspect is defined. The legal mechanism of public regulation of sustainable development of Ukraine and its regions is investigated. The components of the “smart regions” conception of regulation are considered. The prospects of public regulation of sustainable development in Ukraine and its regions are grounded.

Key words: sustainable development, public regulation, economic dimension, social dimension, ecological dimension, mechanisms.

JEL Classification: Q01, G39, G18

1. Introduction

At the beginning of the XXI century Ukraine has proclaimed an idea of transition to a vector of sustainable development as one of the strategic priorities. The transition to such model of development becomes more urgent in the last years over the intensification of social and economic problems in the state. In the modern conditions just this concept has been chosen as the key direction of development in many countries of the world, and Ukraine, which rushes to European integration, should direct to it the dynamics of its development.

Officially the term “sustainable development” has been accepted at the United Nations Conference on Environment and Development (UNCED) which took place in Rio de Janeiro in 1992. In the wide sense by the definition of the UN World Commission on Environment and Development its essence consists in “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (What is Sustainable Development).

At the present stage Ukraine and its regions experience deep social and economic crisis owing to the intensification of the economic, social and environmental problems caused mainly by ineffective governance. For this reason the future of the state and its place on the world scene depends on the choice of the effective mechanisms of public regulation directed to the sustainable development support.

The experts of Legrand Group, the global specialist in electrical and digital building infrastructures, that over the decades has actively supported and introduced the

elements of the sustainable development concept in its activity, mark out that the main goal of such development is to find a constant and long-term balance between three compounds (economic, social, ecological). However, at the same time appropriate public administration, which have to provide the effective decision-making in this area and to stimulate achieving of the consensus between all participants of society (public and private sector, associations, non-governmental organizations, labor unions, citizens etc.), is not less important factor too (Sustainable development: definition, background, issues and objectives. Legrand Group).

All this causes topicality of research in the field of public regulation of state and regions sustainable development. Therefore, the purpose of this paper is a complex analysis of theoretical bases and prerequisites of public regulation of state and regions sustainable development and also identification of prospects in realization of mechanisms of sustainable development public regulation in modern terms in Ukraine.

2. Literature Review

Different aspects of state and regions sustainable development and mechanisms of its public regulation were investigated by both foreign and domestic scientists. Researches of such foreign authors as G. Alperovitz, I. Burton, R. Costanza, H. E. Daly, J. Farley, C. Franco, R. Heinberg, K. Hoffman, T. Jackson, R. W. Kates, A. Leiserowitz, T. Parris, M. Thomas and others had considerable influence on formation of sustainable development theoretical bases.

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Among domestic scientists who pay attention to research of sustainable development it is necessary to mention Yu. Barskii, S. Bila, O. Bilorus, O. Bobrovska, O. Borysenko, Z. Herasymchuk, B. Danylyshyn, A. Diehtiar, M. Latynin, V. Zahorskyi, V. Kravtsiv, S. Serohin, V. Trehobchuk, M. Hvesyk and others.

Considering the importance of acceptance of sustainable development concept by the states it is necessary to appeal to the opinion of foreign scientist J. Stiglits who notes that in complicated conditions of society development it amplifies the role of public administration, but not the regulation of liberalization, privatization issues or so on, but directly of framework creation for permanent dynamic economic growth (Stiglits, 2003). At the same time the authors B. Hopwood, M. Mellor and G. O'Brien note that the sustainable development concept is a potentially important shift in arrangement of relationship between the mankind and the nature, and also between people themselves, on the contrary of dominating tendency of the last centuries characterized by separation of ecological aspects from social and economic problems (Hopwood, Mellor, O'Brien, 2005).

However, starting from the rising circle of problems in the terms of global transformations, there is an objective necessity of deeper scientific and theoretical study of modern approaches to the sustainable development concept as prerequisite for formation and implementation of long-term strategy of competitive development of Ukraine and its regions.

3. Results

The terminological analysis of the concept “sustainable development” and its derivatives, in particular “state sustainable development”, “region sustainable development” (chart 1) allows to generalize that this vector of development provides the gradual, stable, balanced and regulated dynamic movement of the state or the region to positive changes that is based on settlement and coherence of economic, social and ecological compounds of such development, and also provides formation of appropriate conditions and institutional support of this vector. It is aimed at achievement of goals by certain participants of society with the most effective use of resources (natural,

Chart 1

Terminological analysis of the category “sustainable development”

Source	Definition
United Nations Conference on Environment and Development (UNCED) (What is Sustainable Development)	<i>Sustainable development</i> is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs
World Bank (Sustainable development: World Bank glossary)	<i>Sustainable development</i> provides a process of managing a portfolio of assets to preserve and enhance the opportunities people face
H. E. Daly (Daly, 1991)	<i>Sustainable development</i> is a harmonious, balanced, conflict-free progress of all earth civilization, groups of countries (regions, subregions) and also certain countries of our planet behind evidence-based plans (methods of system approach) when in a process of steady, innovative, intensive (but not extensive) economic development of countries it is at the same time positively resolved the complex of issues concerning preservation of environment, elimination of exploitation, poverty and discrimination both every separately taken person, and the whole population or groups of the population
O. Akimov, L. Akimova (Stalyi rozvytok terytorii: problemy ta shliakhy vyryshennia)	<i>Sustainable development</i> is a regulated stable social and economic development which doesn't trouble a natural basis, directed to a survival and permanent progress of society within the economic capacity of the biosphere
M. Kalinchykov (Kalinchikov, 2005)	<i>Sustainable development</i> is a development of economic, political, social and ecological areas with peculiar to them the internal characteristics such as striving for a balance and reduction of disparity which insure balanced and progressive move resulting in improvement of people life in the region
Institute of Sustainable Development in Ukraine (Institute of Sustainable Development : official site)	<i>Sustainable development</i> presents a socio-economic model of progressive technological and social development of the society for the purpose of satisfaction of vital needs of present and future generations according to which the production and social areas develop balanced, without making the irreparable damage to environment
The draft law «About the Concept of Sustainable Development of Ukraine» (The draft law «About the Concept of Sustainable Development of Ukraine»)	<i>State sustainable development</i> is a development of the country on the basis of indivisibility of environment preservation problems and a process of social and economic development with domination of criteria, requirements and indicators of surrounding environment quality
H. Hutman, A. Myroiedov, S. Fedin (Gutman, 2002)	<i>Region sustainable development</i> is such state of socio-ecological-economic system by which it exists necessary conditions and prerequisites for progressive move for support of internal and external balance, for ensuring gradual transition of economy from the simple phenomena to difficult, thereby it takes place a formation of conditions for its transition to qualitatively new state

material, human etc.) available in the state or its regions and in the same time with the smallest losses and damage for environment that finally provides the general progress of the country and its society.

Considering the main compounds of state sustainable development concept, the most widespread methodology of its measurement (developed by the UN Commission) is an assessment of following groups of indicators (Mannis):

- indicators of social aspects of sustainable development (poverty, health, education, demographic indicators, transport etc.);

- indicators of economic aspects of sustainable development (level of production and consumption, financial resources, international cooperation, transfer of technologies etc.);

- indicators of ecological aspects of sustainable development (characteristic and level of use of water, land, air and other natural resources, waste management etc.);

- indicators of institutional aspects of sustainable development (public policy, legal mechanism, scientific researches, information infrastructure etc.).

Also it is possible to assess separate components of state sustainable development in different dimensions using such indexes (Kornus, A.O., Kornus, O.H., 2012):

- economic dimension – a competitiveness index (an assessment of 12 indicators which define national competitiveness, particularly, quality of institutions,

- infrastructure, macroeconomic stability, health and primary education, higher education and training, goods and services market efficiency, labor market efficiency, financial market sophistication, technological readiness, domestic market size, business sophistication, innovation) and an index of economic freedom (is based on 10 indexes, including business freedom, trade freedom, fiscal freedom, government spending, monetary freedom, investment freedom, financial freedom, property rights, freedom from corruption, labor freedom);

- social dimension – an index of life quality and safety (it is formed by means of nine indicators such as GDP per capita based on purchasing power parity, average life expectancy of population of the country, ranking of political stability and safety, number of divorced families per 1,000 population, level of public activity (activity of labor unions, non-government organization etc.), unemployment rate, level of political and public freedoms, a ratio between an average salary of men and women etc.) and an human development index (including 3 types of indicators among which are the life expectancy, the level of literacy of the population in the state and the expected training duration, the standard of living, GDP per capita based on purchasing power parity);

- ecological dimension – an index of ecological efficiency (represents achievements of the state in the area of natural resources management and their rational use).

Chart 2

Assessment of separate indicators of sustainable development in selected states

Country	Economic dimension		Social dimension		Ecological dimension
	Competitiveness index, 2015-2016	Index of economic freedom, 2015	Index of life quality and safety, 2016	Human development index, 2014	Index of ecological efficiency, 2016
Switzerland	5,8 (1)	81,0 (4)	208,54 (1)	0,930 (3)	86,93 (16)
Singapore	5,7 (2)	87,8 (2)	93,09 (49)	0,912 (11)	87,04 (14)
USA	5,6 (3)	75,4 (11)	183,96 (12)	0,915 (8)	84,72 (26)
Germany	5,5 (4)	74,4 (17)	190,70 (4)	0,916 (6)	84,26 (30)
Netherlands	5,5 (5)	74,6 (16)	192,40 (7)	0,922 (5)	82,03 (36)
Japan	5,5 (6)	73,1 (22)	176,06 (16)	0,891 (20)	80,59 (39)
Hong Kong	5,5 (7)	88,6 (1)	108,33 (44)	0,910 (12)	...
Finland	5,5 (8)	72,6 (24)	184,01 (11)	0,883 (24)	90,68 (1)
Sweden	5,4 (9)	72,0 (26)	185,81 (10)	0,907 (14)	90,43 (3)
United Kingdom	5,4 (10)	76,4 (10)	180,25 (14)	0,907 (14)	87,38 (12)
Norway	5,4 (11)	70,8 (32)	188,90 (8)	0,944 (1)	86,90 (17)
Canada	5,3 (13)	78,0 (6)	177,23 (15)	0,913 (9)	85,06 (25)
China	4,9 (28)	52,0 (144)	99,03 (46)	0,727 (90)	74,88 (60)
Estonia	4,7 (30)	77,2 (9)	...	0,861 (30)	88,59 (8)
Check Republic	4,7 (31)	73,2 (21)	167,38 (22)	0,870 (28)	84,67 (27)
Lithuania	4,5 (36)	75,2 (13)	134,33 (40)	0,839 (37)	85,49 (23)
Poland	4,5 (41)	69,3 (39)	153,61 (29)	0,843 (36)	81,26 (38)
Latvia	4,5 (44)	70,4 (36)	...	0,819 (46)	85,71 (22)
Romania	4,3 (53)	65,6 (61)	146,13 (32)	0,793 (52)	83,24 (34)
Bulgaria	4,3 (54)	65,9 (60)	141,61 (34)	0,782 (59)	83,40 (33)
Hungary	4,2 (63)	66,0 (58)	140,74 (35)	0,828 (44)	84,60 (28)
Moldova	4,0 (84)	57,4 (117)	...	0,693 (107)	76,69 (55)
Ukraine	4,0 (79)	46,8 (162)	85,56 (52)	0,747 (81)	79,69 (44)

Based on the data of international ratings

The assessment of sustainable development indicators in selected states of the world (chart 2) in 2014–2016, starting from frequency of carrying out of these international ratings, and the determination of the place ranked by Ukraine in this aspect, gives an opportunity to state such tendencies:

- the index of economic freedom is the weak place of our state on which public regulation should be directed. Behind this indicator Ukraine takes the 162-nd place and at the same time belongs to the category of “the countries with the pressed-down economy”. The subindexes of investment freedom (20,0 from 100 points), property rights (25,0), freedom from corruption (26,0), financial freedom (30,0), government spending (30,6) have especially low level (Index of economic freedom 2016);
- indexes which characterize social dimension demonstrate availability of considerable human potential in Ukraine (0,747 points – 81-st place – group of the countries with the high level of human development) (Human Development Report), however, is depressed by adverse living conditions and safety in the state (the 52nd place from 56) (Quality of Life Index for Country 2016);
- in recent years it was observed the progress in realization of public environmental policy which caused the increase of level of ecological efficiency index (the 44-th place) in comparison with 2012 (the 102-nd place) and 2014 (the 95-th place) (Environmental Performance Index).

According to the Strategy of sustainable development “Ukraine – 2020” (Strategy «Ukraine – 2020») it is also defined some vectors as the criteria for evaluation of state movement in the sustainable development direction:

- a development vector – state sustainable development support, carrying out of structural reforms and, as a result, increase of life standards;
- a safety vector – guarantee of state, business and citizens safety, investments and private property security;
- a responsibility vector – guarantee for every citizen for access to high-quality education, health system and other services in the public and private sectors;
- a pride vector – ensuring mutual respect and tolerance in society, pride of own state, its history, culture, science, sport.

The legal mechanism of public regulation of state and regions sustainable development implies formation of institutional framework for sustainable development of Ukraine and, first of all, is based on adoption of appropriate standard and legal acts which are presented today by (Ecology and social protection: program of sustainable development of Ukraine):

- international documents – the Rio Declaration on Environment and Development (14 June 1992), the Stockholm Declaration (16 June 1972);
- national strategic and program acts – the Decree of the President of Ukraine “About strategy of sustainable development”, the Order of the Cabinet of Ministers of Ukraine “About approval of the concept of the state target program of sustainable development of rural territories

for the period till 2020” (3 February 2010), the Decree of the President of Ukraine “About Strategy of sustainable development “Ukraine – 2020” (12 January 2015);

- national acts which regulate regions sustainable development – the Resolution of the Verkhovna Rada of Ukraine “About acceptance for a basis of the draft of the Concept of sustainable development of settlements” (22 October 1999), the Resolution of the Verkhovna Rada of Ukraine “About the Concept of sustainable development of settlements” (24 December 1999), the Decree of the President of Ukraine “About work of local executive authorities concerning support of sustainable social and economic development of regions” (29 August 2003).

In the aspect of state sustainable development the content of these laws and acts is necessary to consider from the point of view of their effective realization. Scientists suggest to divide them into three main groups of decisions, namely:

- local – branch solutions which set the local purposes and tasks in scales of one or several common areas in the context of sustainable development of Ukraine;
- infrastructure solutions of nation-wide level which create the necessary balanced conditions and opportunities for realization of the purposes and problems of sustainable development;
- system decisions behind target programs which define the directions of realization of the purposes and problems of sustainable development at the national or regional levels (Chalchynskii, 2010).

The development of target programs is an example of the local branch and interbranch solution of sustainable development. In Ukraine over 250 programs are realized in this context. In the process of transition to sustainable development model the state should have the system of program and prognostic documents, namely: national strategy of sustainable development; long-term and medium-term forecasts of development, and also effective system of interaction “center – region”.

At the regional level it can be perspective to use a concept of “smart cities” or “smart regions” which embodies the best practice of the European regional policy of sustainable development and is based on six main criteria: smart economy, smart mobility, smart environment, smart people, smart life and smart government (figure 1).

All these criteria meet the traditional directions of development of territories and are based on the known principles of regional competitiveness, the organization of transport and ICT networks, economies, natural resources, human and social capital, quality of life, and also participation of citizens in region governance. Development of regions on the basis of the above-mentioned concept in Ukraine is at an initial stage compared with foreign practice. In this context the greatest attention is paid to projects which are aimed at the development of infrastructure of the cities, namely introduction of new technologies and control systems which allows to use rationally power sources and to minimize negative influence of scientific

and technical progress on environment. New technical solutions in the sphere of power supply, water supply, the accounting of resources, recycling, and also creation of more effective transport system.

4. Conclusion

Thus, the concept of sustainable development in modern terms is the strategic vector that needs special

attention from the government. Considering this fact, for the purpose of avoidance in the future of the crisis phenomena and achievement of the balanced development of the state and its regions, it is very important is implementing of such principles and approaches to reforming of certain spheres in the state which would provide the dynamic growth of indicators of all country and each separate territorial unit which will lead to improvement of separate compounds – economic

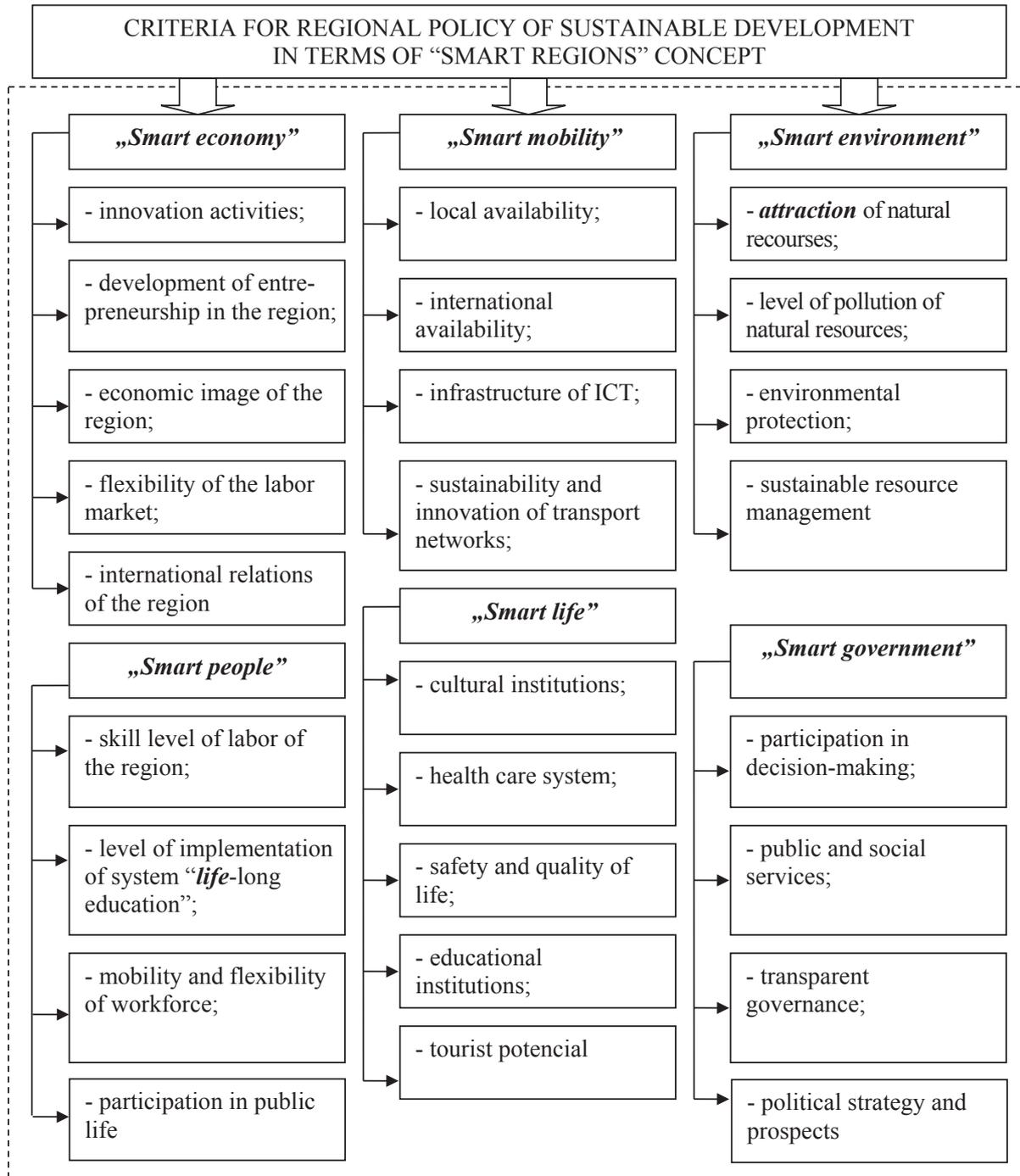


Fig. 1. The components of the “smart regions” conception of regulation (Smart City – rozumne misto. Project: public monitoring of administrative services)

(effective activity of the Ukrainian enterprises, increase of GDP etc.), social (improvement of living standards of the population, increase of a level of life quality and safety, appropriate social protection) and preservation of environment (solution of issues of energy efficiency, increase of level of ecological safety, etc.).

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Анжела МЕРЗЛЯК, Юлия ВИХОРТ

ПРЕДПОСЫЛКИ И ПЕРСПЕКТИВЫ ГОСУДАРСТВЕННОГО РЕГУЛИРОВАНИЯ УСТОЙЧИВОГО РАЗВИТИЯ ГОСУДАРСТВА И РЕГИОНОВ

Аннотация. В статье доказаны теоретические основы и предпосылки государственного регулирования устойчивого развития. Представлена система показателей для измерения определенных компонентов устойчивого развития государства и регионов. Осуществлена оценка показателей устойчивого развития ряда стран мира, а также определено место Украины в этом аспекте. Исследуются правовой механизм государственного регулирования устойчивого развития Украины и ее регионов. Рассматриваются компоненты регулирования концепции «умных регионов». Обосновываются перспективы государственного регулирования устойчивого развития в Украине и ее регионах.