

THE ROLE OF THE CONCEPT OF "GOOD GOVERNANCE" IN THE MANAGEMENT OF HROMADAS

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Abstract. The article emphasizes that decentralization is aimed at significantly improving the quality of services in territorial communities through the use of new management methods. It is substantiated that the following areas require additional support and initiatives: medicine (secondary and higher levels), education (support for basic educational institutions), economy (creation of industrial parks, scientific and technical laboratories, support for startups), housing and communal services (waste management system). The article substantiates the relevance of the work on the development of united territorial communities, based on the implementation of effective anti-corruption measures and modern principles of good governance in the daily practice of management, as these are the priorities set today for local governments. Special attention is paid to the system of "good governance" as the newest form of communication between the public and the authorities. The aspects of improving the governance system are identified. The main management approaches used by successful local governments are described. In order for territorial communities to achieve the results of their activities not only today, but also in the future, modern approaches and practices for the development of dynamic organizations based on trust in government, effective communication, continuous learning and openness to change are proposed. It is proved that in order to bring the system of organization and functioning of public sector institutions closer to business approaches, it is advisable to apply a more business-oriented paradigm of the New Public Management and the principles of good governance. The essence of "good governance" as the newest form of interaction between public authorities and civil society is revealed. Recommendations in the field of management of territorial communities in the light of the concept of good governance are proposed. The *aim* of the work is to study the role of the newest concept of public administration in the management of territorial communities through a comparative analysis of the postulates related to the process orientation of local government and recommendations for the functioning of public administration in the light of the concept of good governance. The article proposes the use of the good governance cycle and the creation of Project Offices, which can become the basis for formulating recommendations in the field of process orientation in the functioning of the local government apparatus.

Key words: management of territorial communities, good governance, process management, decentralization, cycle of good governance.

JEL Classification: M10, O10, R58

1. Introduction

Nowadays, the management of territorial communities declares itself as a new science. Practice shows that as a result of historical events, the knowledge accumulated in the system of managerial thought began to be systematized in the form of theories in the late 19th century. In the mid-20th century, society

began to face the problem of power relations – the classical model of politics, governance and power increasingly did not satisfy the actively developing society. The results of research and domestic practice show that the following areas require additional support and initiatives: medicine (secondary and higher level), education (support of basic educational

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institutions), economy (creation of industrial parks, scientific and technical laboratories, support of startups), housing and communal services (waste management system). Thus, the efforts of scientists have launched the era of modern management related to local governance. Various theories put forward in the modern period of management development can be classified as approaches to management based on such common positions as starting points, emphases, goals and changes. The widely recognized management approaches are classical management approaches, neoclassical management approaches, modern management approaches and postmodern management approaches. The study examines the adopted process approaches to the management of territorial communities in the period of decentralization, which is called the modern period of management.

2. Literature review

There are various studies in the economic literature that use new management methods. The problem of applying the process approach to public administration management has been present in the theory, law and practice of management since the first half of the 90s of the last century. The legality of its use in public administration is emphasized by such researchers as: T. R. Gullidge and R. A. Sommer (2002), T. Christensen, P. Læg Reid (2001), Jr. Gullidge, R. A. Sommer (2002). It should be noted that the issue of the process approach in public administration is extremely utilitarian. This leads to the fact that legislative decisions implemented in many countries force state institutions to apply elements of the process approach.

At the same time, it should be borne in mind that the recommendation to use the process approach in management is directly related to the postulates of the new public management, the concept of which is increasingly criticized, pointing to the excessive role of the market approach and the excessive role of the client's point of view, which can lead, firstly, to the inappropriate segmentation of consumers, and secondly, can lead hromada residents to believe that the actions of the authorities are aimed at their maximum satisfaction, and not at the participation of citizens in solving the problems of hromadas (Clarke J., 2005). T. Bezverhnyuk considers good governance through the possibility of transformation of the entire public sphere, understanding it as a mechanism for ensuring the functioning of society as an integral self-regulating system, a way of exercising public power, thanks to which the following aspects are achieved: compliance of public policy with the needs of social development; real participation of citizens in the development and implementation of public policy; combining the potential of all three

sectors (government, business, public); constant control of various segments of society by public authorities, etc. (Bezvernyuk, 2008).

Clarke J. (2005) defines good governance as a method of governance with public participation that is carried out in an accountable and transparent manner, based on the principles of efficiency, legitimacy and consensus, in order to promote the rights of individual citizens and the public interest. It means the political will to ensure the material well-being of society, sustainable development and social justice. Christensen T., Læg Reid P., Stiger I. M. (2006) notes that good governance means creating an effective policy framework that facilitates private economic activity through a stable system, the rule of law, effective public administration, coordinated administration with the will of democratically elected governments and a strong independent civil society. On the other hand, Rothstein and Teorell identify good governance with a way of exercising state power (legislation, policy implementation) in which leaders comply with the law (Rothstein, Teorell, 2008). B. Jessop argues that good governance" is a response to the ineffectiveness of central (state) and market coordination mechanisms and we can perceive them as a theoretical paradigm associated with a self-reflexive, organizational, institutional and constitutional form (Jessop, 2007). Dunleavy P., Margetts H., Bastow S. and Tinkler J. (2016) explored governance in the digital age, namely feasibility and benefits electronic government. Uddin M., Haque C., Khan M. (2021) explored local governance and policy implementation to reduce potential risks: real, perceived and contested perspectives in territorial communities.

The world experience shows that the dynamic development of the market of goods and services, constant changes in the external environment and increasing competition necessitate the search for new tools and methods of managing territorial communities, taking into account the new information flows that arise between territorial communities and the external environment. Therefore, it is important to study the implementation of the concept of "good governance" through the application of a process approach to the management of territorial communities in Ukraine.

3. Methodology

The methodological basis of the study is the methods of comparative analysis to substantiate the postulates related to the process orientation of local government and recommendations for the functioning of public administration in the light of the concept of good governance; system-structural and dialectical methods to substantiate the essence of the transformation processes of the public sphere

and determine the role of the concept of "good governance" in the management of territorial communities; an integrated approach and system analysis to formulate recommendations in the field of process orientation in the functioning of the local self-government apparatus.

4. Findings

Turning former industrial areas into creative spaces is a modern trend of urban revitalization (Roberts et al., 2017). The main tasks of the leadership of hromadas are to improve the regulatory and competition policy within the amalgamated hromada, the use of new online services based on open data by local governments, the implementation of programs to support entrepreneurship and local development projects. The State Strategy for Regional Development of Ukraine for the period of 2021–2027 (Resolution of the Cabinet of Ministers..., 2020) indicates that certain types of territories require special attention from the state and the use of special mechanisms and tools to stimulate their progress.

In addition, the process approach interprets governance as a series of direct interrelated actions. These actions ("management functions"), each of which is a process in itself, largely determine the success of the hromada. Therefore, according to the authors, "good governance" is an effective form of human participation in the exercise of public power

on the basis of a process approach, through the use of information technologies that ensure the establishment of interaction with the public at all stages of decision-making and the ability to control the activities of public authorities in order to defend the rights of individual citizens and solve public issues.

The Strategy for Regional Development of Ukraine (MinRegion, 2020) is dominated by Sustainable Development Goal 11, which provides for ensuring the openness, safety, livability and environmental sustainability of cities and other settlements of Ukraine. The authors believe that the strategy of "good governance" will play an important role in this.

Good governance can be seen as a concept that has been mainstreamed into public administration (Lynn, 2006). At the same time, attention should be paid to the possibility of operationalizing this concept, which is often the basis for creating sets of indicators that characterize the quality of governance at the level of states and regions.

Good governance is defined through the prism of core principles, namely: openness, participation, accountability, efficiency, effectiveness and consistency. A general understanding of the above principles is presented in the Table 1.

Taking into account the above and the defined principles, it is possible to formulate recommendations for local governments in the field of process management in accordance with the principles of independent governance and good governance.

Table 1

Principles of good governance

The principle of proper management	Definition of the principle
Openness and transparency	Ensuring public access to information and promoting understanding of the mechanism of local public activities.
Participation	Involvement of citizens and stakeholders in the activities of public institutions. This activity can be understood, for example, as the act of involving people in expressing their opinions; giving them the right to influence decisions that affect them and increasing their representation, which is expected to contribute to the efficiency of public service delivery.
Competence and capacity	Ensuring proper performance of their duties by local (elected) representatives and officials.
Approaching the goal	The degree of approaching the goal, and in the case of local self-government, the question of correctly setting the goal, that is, one that meets public needs, is additionally important.
Efficiency	Ensuring the achievement of objectives with the most optimal use of resources. Effective administration is therefore an administration that uses the best possible resources and seeks to optimise the costs incurred.
Innovation and openness to change	Ensuring benefits from new solutions and best practices.
Sustainable development and strategic (long-term) orientation	Taking into account the interests of future generations.
Accountability	The possibility of holding officials accountable for their decisions, which leads to the existence of a complex system of standards and external control. Accountability also means the establishment of criteria for assessing the performance of civil servants, which make it possible to objectively evaluate performance.
Cohesion	Internal consistency of the state policy (strategy) with the activities aimed at its implementation. In principle, the implementation of this principle serves to strengthen the strategic capacity of the administration, improve communication both internally and externally, reduce social inequalities and coordinate the policies of local authorities.

"Good governance" is a model of public administration that provides for decentralization of power relations, ensures an appropriate level of coordination and cooperation of such elements as state power, municipal power, economic power and people or community. Governance has a specific local dimension, because it is in a particular city, town, village that the life of each individual person takes place, their interests are realized, everyday problems are solved (Torres, Pina, Royo, 2005).

Article 3.1 of the European Charter of Local Self-Government states that good governance is essential for all levels of public administration (European Charter of Local Self-Government 2017).

The authors believe that this is especially important at the local level, as local governments are the level of government that is closest to the people and provides them with basic services. It is at this level that people can feel most involved in public activities. The scheme of the management cycle of territorial communities on the basis of management is presented in Figure 1.

In order to formulate specific recommendations for local governments, the authors made the following assumptions about the principles of good governance. First, these rules should not be considered

contradictory, as they follow a logical sequence where they can be seen as successive feedback phases.

The starting point for building the above operational cycle is the principles of cohesion and efficiency. Efficiency is the measure of achieving a goal, which depends on the ability to set goals correctly. According to the idea of good governance, proper goal setting is setting goals in accordance with the needs of the local hromada, and the way to achieve effectiveness in this sense is partnership, and the condition of partnership is openness of public administration.

Information plays an important role. No organization can carry out its activities without information. In the process of normal functioning of the hromada, its management, all its inhabitants, from a simple worker to the director, need different kinds of information. Therefore, it is important to correctly formulate the ways of information transfer. The ways of information transfer play an important role (Figure 2).

The second rule in the presented system, in addition to efficiency, is the principle of effective administration, which means maximizing the achieved effects while minimizing the costs of achieving them. The principle of accountability associated with civilian control

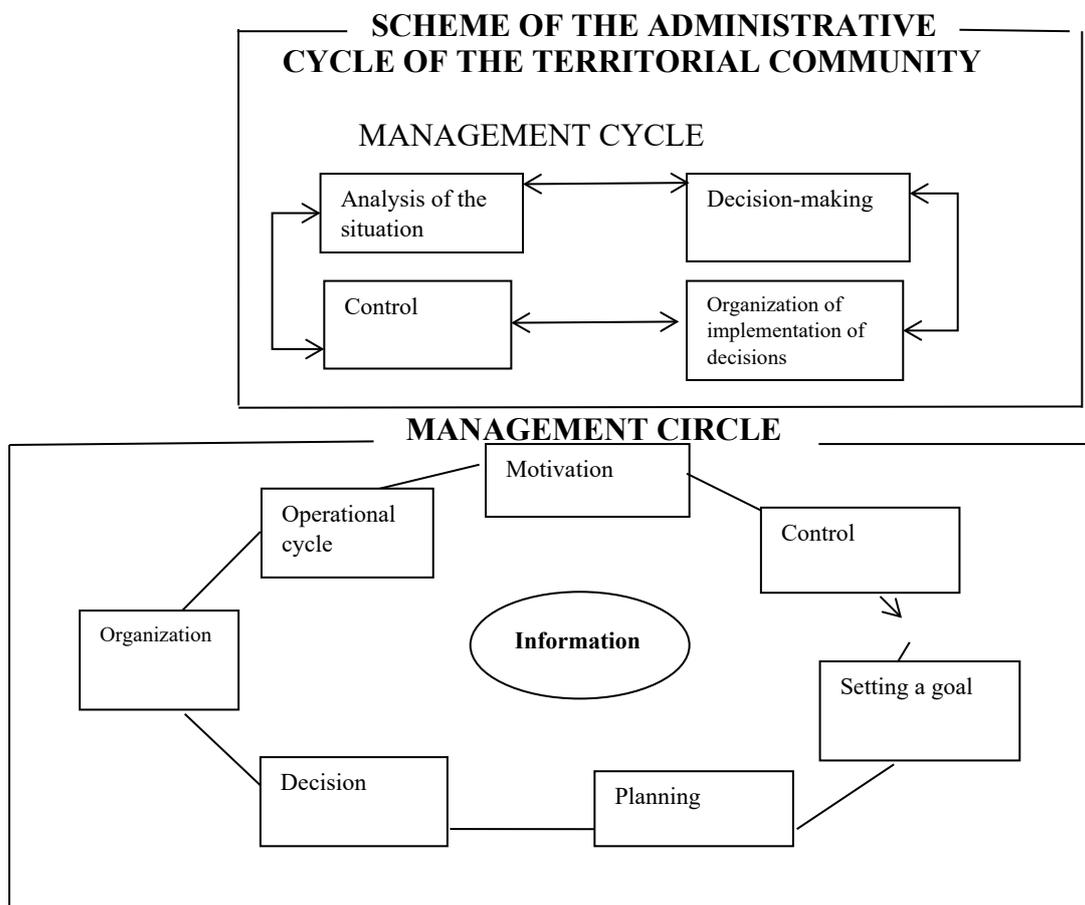


Figure 1. Scheme of the cycle of proper management

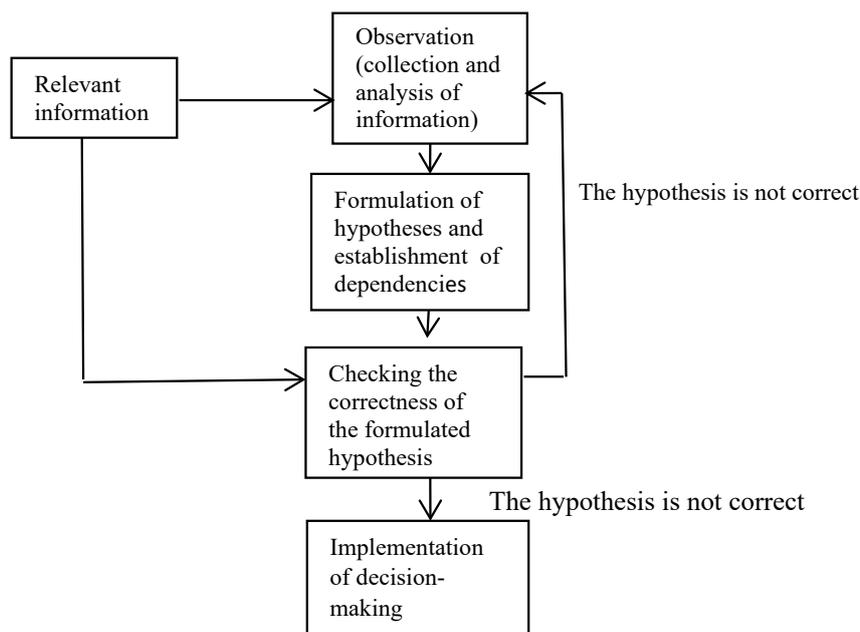


Figure 2. Ways of transmitting information

determines the assessment of the effectiveness of actions and the provision of information to the local population about the results of activities, the degree of achievement of the set goals, as well as the costs incurred and the responsibility of the administration in this regard. Thus, the authors return to the principle of openness of local self-government, closing a certain logically organized cycle of actions. In the proposed model, the principle of consistency complements it and can be considered in two meanings – as the consistency of the activities carried out by the hromada (related to the mutual coordination of actions and their compliance with the defined strategy) and as internal consistency, that is, the consistency of the management system in the local self-government apparatus.

Daily economic challenges in the state require expertise and prompt decisions not only from the central authorities, but also from the direct creators of decentralisation on the ground: local self-government bodies, representatives of the expert and scientific environment, business associations, and the public sector.

In this regard, within the framework of the implementation of the program activities, it is proposed to create platforms for dialogue between local and national leaders in the hromadas in order to develop proposals for changes in the state policy in the field of decentralization and effective management of each hromada in accordance with the current challenges. According to the Good Governance Program, an example is the creation of Project Offices (project management coordination centers)

at the economic policy departments of regional state administrations. The main tasks of the Project Offices should be to improve the regulatory and competition policy of amalgamated hromadas, create and launch new online services based on open data for use by local governments, and implement programs to support entrepreneurship and regional development projects.

The proposal for the cycle of good governance and the establishment of project offices can become the basis for formulating recommendations in the field of process orientation in the functioning of the local government apparatus for the effective management of hromadas. In this approach, process management includes both change management in the organizational system and continuous monitoring and control of processes. Thus, the management of the processes of functioning of the hromada includes:

- organization of design and implementation works;
- development of an implementation template, known as the execution process method and associated supporting processes;
- creation of conditions for the implementation of executive processes, known as the process implementation system, in accordance with the previously developed methodology;
- ensuring the effective implementation of the following specific processes, in accordance with the developed methodology, in the created implementation system.

When implementing recommendations on good governance in process management in hromadas, the starting point should be the full identification of

stakeholders within certain pre-defined processes. According to the principles of good governance, in particular the principle of openness and participation, this is a prerequisite for further activities in the field of process management, as these activities require interaction with stakeholders. First of all, it will be: informing specific stakeholders about the planned activities that are carried out within the framework of the processes implemented by the local self-government apparatus, and conducting activities aimed at activating the stakeholders of the hromada in order to obtain their opinion on the planned goals of the processes and ways of their implementation. The condition for participatory process management will be to take into account the opinions of stakeholders and employees when planning goals, implementation methods and process flows. After the description of the implementation model, the next step will be to provide stakeholders, primarily residents of the hromada, with information on the progress of the processes, which corresponds to the prerequisite of the principle of openness. In order to ensure the implementation of the principles of efficiency and effectiveness, it is necessary to implement such measures that can lead to the improvement of the process efficiency parameters. First of all, it will be the creation of a system for measuring efficiency and receiving proposals from stakeholders on the methods of performing tasks and customer service by local governments, as well as accounting by the executors of the processes of the achieved results, which can be reflected, for example, in the bonus system. In addition, systematic evaluation of the implemented processes and reporting on the results achieved to stakeholders will ensure the implementation of the accountability principle. These proposals on the processes to be implemented should be taken into account in order to continuously improve the methods of hromada management.

5. Conclusions

Good governance, being a peculiar pinnacle of the evolution of public administration, has absorbed all the best and most effective of the previous theoretical and practical achievements of democratic reforms in foreign European countries, and the implementation of the principles of good governance will contribute to the effective implementation of the provisions of the European Charter of Local Self-Government.

Leadership as a modern approach to ensuring the growth of the efficiency of hromada management based on the use of modern standards of work allows to respond to the challenges and needs of today.

In order to introduce the paradigm of good governance in the management of hromadas, it is advisable for the state authorities of Ukraine and its

local self-government bodies to provide, from the legal point of view and effective foreign practice of hromada management, regulation and legalization of the process of making managerial decisions, as well as their implementation with the joint participation of representatives of not only the authorities, but also business and the public; implementation of standards and principles of good governance in order to restore those hromadas that have suffered the devastating impact of Russian aggression in Ukraine and their further development.

Of course, the implementation of the principles of good governance does not exclude the procedural approach in the activities of administrative institutions. However, it can be concluded that the principles of good governance expand the scope of recommendations for local governments. Here it is necessary to emphasize the principles of openness, participation and accountability, which, of course, within the framework of the current legislation, require access to information in the framework of the implemented processes and taking into account the opinion of stakeholders in the planning and management processes. The main difference stems from different assumptions in the trends of new public management, and hence the application of the process approach in local and public administration. In the case of the process approach, the customer remains in the centre of attention, while the application of recommendations related to good governance changes this assumption, indicating that the starting point for process management is the identification and participation of stakeholders (not only residents or customers of the hromada). In the case of applying the principles of good governance to process management, the method of designing the process model also deserves attention. The process approach in itself does not imply any specific approach, but, if properly managed, involves stakeholders in the project work. This is due to the emphasis on openness and participation, not just on efficiency and effectiveness. It is worth paying attention to certain convergent elements of the process approach and good governance arising from different prerequisites. It is about creating a system for measuring the effectiveness of management processes in hromadas. In the case of process orientation, this serves (in addition to improving the efficiency of reconstruction and development of hromadas) to create a basis for continuous improvement, while in the case of recommendations on good governance, the main prerequisite is the implementation of the principle of accountability.

Thus, the concept of "good governance" as a new type of governance ensures a change in the nature of power relations, creates accessibility and openness of power, the possibility of its control, reduces the

expenditure of resources and funds from the state budget, establishes effective relations between the government and society, democratizes public power, makes the state attractive for investment, and

therefore economically viable. In a broad sense, the implementation of the "good governance" system is a way to modernize Ukraine, a new, but maximally adapted to modern requirements form of citizen participation.

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