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CITY STRATEGY AS A TOOL OF PUBLIC ADMINISTRATION MECHANISMS

The article contains the substantiation of the city strategy as a communication tool which accumulates many of the profitable issues and focus of making greater improvements to production-economic systems on a city or regional level of national economy and state development. The priority to the practical tasks of public administration in the area of the PESs destabilization elimination in the region should be attributed been given as the elements of State Strategy for Regional Development. Submitted regional problems of development determined main program purpose – to prevent and overcome the negative consequences of PESs destabilization. Researching of foreign cities strategies content allowed to reach the conclusion that strategy should contain the principle of public partnership and interaction of local self-government with the city's residents, non-government public organizations, business structures and science. The strategy as a communication tool will put into action the public administration mechanism. It will define the goals of the city development as a production-economic system and ensure concerted actions with their achievements at the national level.

Keywords: production, economic, system, public, administration, development, destabilization, city

Problem statement. The theory of production-economic systems comes from production economy, bases on its competitiveness and refers to regional and city development. Standard city strategy accumulates many of the profitable issues and focus of making greater improvements to production-economic systems on a city or regional level of national economy and state development. Many of the Ukrainian cities economies were built largely on a single economic sector that has changed significantly. But skilled workforce, high-standards of research and a business environment typified by cross company collaboration and networking. Manufacturing in the Ukrainian regions is highly misbalanced but at the same time very capable and efficient and is facing the challenges of European competition with new products and an emphasis on quality outputs. Implementation of green economy principals and life learning strategy has to create a new option for the modern society. However, needs the efficacious public administration mechanisms of production-economic systems destabilization factors. That influence will be analyzed and proved by the main goal of the city strategy development as a tool of public administration for modern modernization in social care, finance and insurance, construction and so on.

Analysis of the recent research and publications. The functioning of industrial-economic systems and their impact on the world and domestic economies of different countries is so multi-faceted, which is a constant interest of economists. Among the foreign authors can be called Morosini P., Stegera U., Lorgi J., Meklling U., Bishop D., Yekindarova M. and others ought to be noted. The most volumetric researches of the theme presented in publications of several authors, such as: Zabrodsky V, Klebanova T, Kizim N, Plaksin V, Derbentsev V, Soloviev V. and others ought to be noted.

The main goal of the research is to substantiate the city strategies applying as a nationwide bank of methods and means of preventing and eliminating the negative consequences of PES on the public administration mechanisms.

The main material of the research Decentralization and the process of improving state policy make relevant scientific knowledge of the management of the destabilization of production and economic systems (PESs) and consider market mechanisms.

Priority to the practical tasks of public administration in the area of the PESs destabilization elimination in the region should be attributed to:

- regions economy reorganization which consider the specialization areas advantages;
- restoration and rational use of own regional development sources;

- overcoming the depressive state in regions with extreme conditions;
- formation of new-type territorial production complexes, oriented on the production and sale of products, which meets the requirements of the market, due to decentralized investments;
- development of interregional infrastructural systems (transport, communication, informatics).

At the same time, the State Strategy for Regional Development for the period up to 2020¹ identified the following problems of regional development as presented in Table. 1. The given data can be concluded that almost all of them are caused by the influence of certain factors of PESs destabilization on the socio-economic development dynamics. Therefore, because of the national policy priorities, one can identify the most significant challenges that the state must react through the formulation and implementation of regional programs to overcome the negative consequences of PESs destabilization.

The main program purpose – to prevent and overcome the negative consequences of PESs destabilization which can be formulated as: timely and adequate response to negative trends in socio-economic development and overcoming potential threats of destabilization by creating new opportunities for regional development and raising living standards.

Program objectives:

- prevention of the influence of destabilizing factors hindering the development of the regional PESs;
- consistency of the preventing destabilization policy and stimulating the development of competitive supporting the PESs as a developed and depressed territories;
- creation of conditions for productive labor of the population within the PESs framework.

Accordingly, the Mariupol city strategy development² that builds upon existing assets, takes incremental actions to strengthen communities, and builds long-term value to attract a range of investments. This smart growth economic development tool is a step-by-step guide to building a place-based economic development strategy to protect the public administration mechanisms and make the government policy more effective.

Cities and regions globally are increasingly shifting towards innovation, bringing them into all aspects of human and business life. This movement is taking place in order to apply new technologies to addressing urban challenges while maintaining live ability. The Strategy appear as a communication instrument for collaborative work of city governance and economy which will activate public administration mechanisms.

Mariupol has to be as a modern city is a magnet for knowledge, talent, creativity, high value jobs and investment. As been mentioned in Newcastle City Council Smart City Strategy – At a Glance 2017 – 2021³ about smart cities, that they are able to attract and retain talent and to grow their economy, while those that do not embrace this change will risk losing key demographics, resulting in economic, environmental and even social decline. In an increasingly digital economy and technology driven age, cities need to look towards new approaches, innovative technologies and smart infrastructure to create an environment that supports community and economic growth.

The Strategy contains the principle of public partnership and interaction of local self-government with the city's residents, non-government public organizations (NGOs), business structures and science (Universities and Academies). Gradually, it will be formed the mechanism of public partnership in the city. In other words, this mechanism will define the goals of the city development and ensure concerted actions with their achievements at the national level.

The Strategy as a framework for information to gather, issues to consider, and potential approaches to explore. Not many of the Ukrainian cities have those own Strategy. That's why the public administration mechanisms will be more transparent through the strategy of city development as the PES development which consolidate some more cities of the region. In this way, every single community can modify and refine this tool for the transforming the society and make it more loyal to the national governance.

¹ Державна стратегія регіонального розвитку на період до 2020 року (2014). *Інститут громадського суспільства*. <http://www.csi.org.ua/www/wp-content/uploads/2013/05/nsrdu2020_1.pdf> (2017, November, 15).

² Маріуполь: Стратегія 2021 (2017). *Офіційний сайт Маріупольської міської ради*. <<http://marsovet.org.ua/upload/documents/file/Strategy-2021-UKR.pdf>> (2017, November, 25).

³ Newcastle City Council Smart City Strategy – At a Glance 2017-2021 (2017) *The official site of the city Newcastle* <<https://www.newcastleoursay.com.au/26651/documents/56586>> (2017, November, 28).

Table 1

The regional problems of development

| Competitiveness Issues | Territorial problems of development | Management problem |
|--|--|---|
| The annexation of the Crimea by the Russian Federation | The growth of forced migration from Crimea and eastern regions | The absence of the special institution dealing with a forced migration |
| Destruction of social and industrial objects, road transport infrastructure in Donetsk and Lugansk regions | Increase in unemployment problems of housing provision, social protection and pension provision for forced migrants. Deterioration of the crime situation | The targeted state programs absence which solve the problems associated with the temporary occupation territories – Crimea and Donetsk and Lugansk regions |
| Lack of neighboring countries economic development | The asymmetry of regional development, the growth of main indicators disproportions | Imperfect system of regional development management |
| Economic disintegration of the national market, isolation of regional markets, exports dependence of regional markets | Major territorial asymmetry in terms of the population life quality, especially in rural areas | Excessive centralization of management |
| Limited development resources | The lack of sufficient financial and economic resources for the territorial communities development | The lack of partnership: center – regions – territorial community |
| Mono-orientation economy of the most developed regions | Underdevelopment of local infrastructure, lack of transport accessibility within the region | Absence of regional executive bodies of local self-government at the regional level |
| Technological breakdown of the region's economy. Non-transformation of the cities economy into the regions welfare of the population | Technological backwardness of the regions economy | Imperfection of legal regulation regarding the division of powers between executive authorities and local self-government bodies |
| High energy intensity of the region's economy | The deterioration of the environmental situation in many cities and other settlements | The unfinished administrative reform with an unstable institutional structure in the field of regional policy |
| Lack of real innovation in the regions economy | The sectoral policies coordination absence of the one region territories | The progress absence in the reform of the administrative-territorial system of Ukraine |
| Non-reform of the housing and communal sector | The single cities and regions needs disregarding in the constitution process of regional development programs | The certain powers fragmentation and periodic changes of the central executive institution which is responsible for the state regional policy formation and implementation |
| Insufficient development of the entrepreneurial environment. High levels of individual regional commodity markets concentration and monopolization | The low level of potential use of the interregional and cross-border cooperation | The long-term development strategy absence for Ukraine that would have become the basis for the implementation of the State Strategy for Regional Development for the period up to 2020 |
| Reduction of the workers number and the quality deterioration of the labor potential and the strengthening of migration processes among the able-bodied population | The low effectiveness of the development stimulating policy of the small and medium enterprises at the local level. The lack of sufficient incentives to legalize incomes and reduce shadow employment | The insufficient number of qualified personnel required for strategic planning, development and implementation of the latest tools for stimulating regional development, analysis and monitoring of their effectiveness |

The process of decentralization should help to solve the problem of confrontation between the deep limited financial resources and the needs for public services.

The role of services in social and economic development refers mainly to their contribution to economic growth, but also, more widely, to their contribution to quality of life. Thus, the local communities are often put in a position to look for financial resources, using loans, when necessary, as an alternative to financing public services and local development¹.

The e-government services are key tools for improving urban management and a higher level of e-government services development is needed in order to transform the interactions between public administration and their clients who may be both citizens and businesses². The types of electronic services vary greatly in public sector. It is natural to expect that services are integrated into processes and information systems of the organization that provides them. However, in public sector organizations it is common that departments and units provide services to citizens rather independently. Departments have different processes and information systems which are not connected. In many cases information is stored in separate databases. This may be enough when services are oriented to information delivery between the public administration and the citizens.

The recent measures undertaken in the aftermath of the economic crisis by most European governments have shown that equal access to and affordability of public services are no longer considered as untouchable rights. The economic crisis has clearly exposed the weaknesses of European welfare states and the need for reforms, but the direction most European governments are going is utterly short-sighted. Not only does it call the universality of public services, one of the underlying foundations of the European social model, into question, but it is also likely to significantly affect the future of Europeans' well-being. The European social model is not uniform and European Union member states deliver public services in different manners – involving the state, the private sector and family to different degrees. These differences are mostly explained by institutional and political traditions and also preferences for either individual or collective consumption. Nevertheless, apart from these differences, equal access to basic services and affordability of basic services such as healthcare, education, public transport, distribution of energy, and provision of social rights such as pensions and unemployment benefits lie at the heart of the European model and underlie its solidarity principle³.

Thereby the flexibility of the structure of production and economic potential provides a stable current functioning of the PES and reducing the probability of the negative impact of wind power destabilization in the projected version. There is a deviation from the state of favorable functioning at any stage of the life cycle. Therefore, it is important to study the possibilities of the region to achieve and maintain the state of functioning without significant destabilization. Its very important to have information about the depth and direction of such destabilizing factors, which lead PES to the qualitatively different state – a state of destabilization, as well as assess the level of these destabilizing factors. As follows, we propose to determine the critical values of each destabilizing factor and they have to be fixed in the Strategy of PES and should predetermine organization mechanisms of implementation, monitoring and updating public administration.

The control system for the elimination and prevention of the destabilization negative consequences effects must be in a state of constant expectation of signals from external and internal destabilizing factors that «trigger» the processes of occurrence in the region of destabilization, and adequate response to it. Accordingly, the regional economic analysis is a major component of the state system for ensuring prevention and elimination of the negative consequences of destabilization. That's why for the effectiveness of the public administration mechanisms the strategy has to:

- find signals about the influence of destabilizing factors by region;
- determine the PESs mode;

¹ Tesu (Pasculescu), M.-D. (2012). Public administration's management: challenges and possible solutions. *Business Excellence and Management*, Vol. 2(1). <<http://beman.ase.ro/no21/5.pdf>> (2017, November, 30).

² Zamfir, A., Profiroiu, M., Popescu, I. (2011). Public Administration and Regional Development of Renewable Energy. *Proceedings of the Seventh Administration and Public Management Conference: State Reform: Public Administration and Regional Development*. CD-ROM Collection Bucharest: Editura ASE, 365-376.

³ Tesu (Pasculescu), M.-D. (2012). Public administration's management: challenges and possible solutions. *Business Excellence and Management*, Vol. 2(1). <<http://beman.ase.ro/no21/5.pdf>> (2017, November, 30).

develop measures to eliminate established destabilizing factors and set the costs of using these measures in each PES;

study the financial and economic situation and conditions of market relations development in the region, which can become the starting point for the PES.

Formation of the organizational and economic mechanism for liquidation and prevention of the negative effects of PES destabilization requires a systematic assessment of the use quality of existing potential in order to eliminate the destabilizing factors effects, as well as determining the ability of the PES to withstand destabilizing effects from the internal and external environment.

Conclusion. In the framework of the public administration system, the elimination of the negative consequences of destabilization should create a nationwide bank of methods and means of preventing and eliminating the negative consequences of PES, on the basis of which the necessary resources are determined for their effective implementation in regions. And the main tool of the analyze outspread has become strategies of Ukrainian cities. The next step is realization of the mechanism of state control developed by the program for eliminating the PES negative consequences, which may, if necessary, include the involvement of resource potential on national level also.

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