

Local Economic Development in Territorial Communities

Georgiy Reshetilov*

Mykolaiv National Agrarian University
54008, 9 Georgiy Gongadze Str., Mykolaiv, Ukraine

Abstract. As a result of the reforms of decentralization and local self-government, territorial communities have received more resources and powers to dispose of them, in this sense, the issue of local development has become especially relevant for communities. The purpose of the article is to study the processes of local economic development of Olshanske village council. In accordance with the set goal, the following tasks were set and solved: to investigate the meaning of the concept of “local economic development” and the factors influencing; at the theoretical level to investigate the actors of local economic development and their place in the management process; to analyze the socio-economic development of Olshanske village council and identify the main problems of its local economic development; to explore the possibility of implementing forms of community cooperation in Olshanske village council. To achieve this goal, the article uses general and special research methods: method of theoretical generalization and comparison; hermeneutic; comparative and graphic; analysis and synthesis. The article forms one’s own vision of the concept of local economic development. It is established that decision-making procedures in local development management depend on the task performed. The local economic development of Olsha village council is characterized. In the course of the research, the authors determined that the LED of the village council is based on creative principles. The article substantiates that the use of community cooperation will be a promising tool for local development. It is established that for Olshanske settlement council the potential subject of cooperation is the Koblevsky village council of the Nikolaev area. The task of the cooperation will be to ensure the provision of services in the field of urban planning and architecture on the territory of Olsha village council in accordance with the requirements of current legislation and increase the efficiency of the use of local budgets

Keywords: local self-government, goals and factors of local economic development, authorities, community cooperation, grant, creative activities

INTRODUCTION

The issue of local economic development is becoming increasingly important for local communities. Thanks to budget decentralization and local government reform, they have been given more resources and authority to dispose of them and have the opportunity to take seriously the issue of their further development, identify opportunities and main directions. After all, communities will be able to provide proper services, jobs, social assistance, amenities and good roads for residents.

Many studies by leading scholars have focused on various aspects of local economic development. Thus, the essence and basic principles of local economic development in their works revealed such scientists as A. Ammari [1], Yu. Borysenko [2], V. Vorobei [3], A. Klyuchnik, N. Galunets [4], S. Slava, H. Hrin [5], D. Treller [6], D. Serebryanska, R. Stasiuk [7] et al. Theoretical and practical issues

of planning the local economic development of territorial communities are studied by E. Bleikli [8], G. Vasilchenko [9], V. Nudelman, I. Sanzharovskyi [10], V. Parkhomenko, V. Proshka, P. Mavko [11]. A number of international organizations have developed their own definitions to stimulate LED and promote appropriate approaches. For example, the World Bank proposes the following definition: “Local economic development is a process in which the public, business and non-governmental partners work collectively to create the best conditions for economic growth and job creation; the goal of local economic development is to improve the quality of life for all” [12].

The United Nations Human Settlements Program (UN-Habitat) uses the following definition: “Local economic development is a process of cooperation between the local community and all sectors, aimed at

Article’s History:

Received: 13.12.2021

Revised: 11.01.2022

Accepted: 12.02.2022

Suggested Citation:

Reshetilov, G. (2022). Local economic development in territorial communities. *Ukrainian Black Sea Region Agrarian Science*, 26(1), 69-78.

stimulating local entrepreneurship to ensure the viability and sustainability of the local economy; it is a tool to promote the creation of new jobs and improve the quality of life of all, including the poor and marginalized" [13].

The study of theory and practice, mechanisms and tools for financing local economic development, financing various projects and initiatives in the field of local economic development, as well as a review of current international experience has been the subject of research by scholars such as N. Baldych, N. Khodko [14], K. Blishchuk [15], V. Mamonova [16], K. Kravchuk, L. Mocharska [17]. The principles of organization and practical aspects of cooperation of territorial communities to ensure local economic development were the subject of consideration of the following scholars: V. Vakulenko, A. Tkachuk [18], O. Vrublevskiy [19], V. Zasadko [20], T. Zhuravl, O. Ignatenko, G. Borsch, O. Kurt, F. Tedick [21]. Such researchers as V. Tolkovanov [22], M. Shkilniak [23] M. Dziupyn, O. Kalashnikova, O. Kolesnikov [24], paid a lot of attention to the creation of methodological and methodological basis for cooperation of territorial communities. However, it should be noted that currently there is no comprehensive approach to assessing local economic development. In the conditions of financial and economic crisis there is a need to provide theoretical and methodical bases of local economic development of territorial communities.

The purpose of the article is a theoretical substantiation of scientific principles and development of practical recommendations for local economic development of the territorial community.

The scientific novelty of the article is to highlight the theoretical and practical principles of local economic development, as the topic is quite relevant. Formed his own vision the concept of local economic development are permanent synergy of actions of the business community, government, civil society and academia, which aims to improve the quality of life and economic potential of a particular community.

MATERIALS AND METHODS

To achieve this goal, the article uses general and special research methods: method of theoretical generalization and comparison — to determine the essence of the concept of local economic development; hermeneutic — in the study of legal aspects of local community development; comparative and graphic — to study the dynamics and structural changes in the development of Olshanske city council; SWOT-analysis to analyze internal and external factors that may affect the local development of the community; analysis and synthesis — in outlining the priority areas of local development. The main stages of work on the scientific article were: the preparatory stage at which the topic of the article was chosen, its comprehension and substantiation of relevance; the stage of work on the content involved drawing up a plan and structure of a scientific article, conducting research and summarizing its results; at the

final stage the formation of conclusions and registration of the list of the literature was provided.

The information base of the study was: laws and regulations of Ukraine on the reform of decentralization, local self-government and cooperation of territorial communities; scientific monographic literature on strategic planning of territorial communities and local economic development; scientific articles of domestic and foreign authors in periodicals; materials of scientific conferences, etc. The source of data from this study is the Ministry of Development of Communities and Territories of Ukraine; Olshanske village council; Internet.

RESULTS AND DISCUSSION

However, despite the significant amount of scientific work in this area of research, some aspects of this multifaceted problem remain controversial and require further research. It is important to consider research on best practices, available opportunities and tools that the local community can use for local economic development to ensure greater competitiveness of their communities in today's complex world of new conditions and realities. At present, the tools of local economic development that can be used by the community are not sufficiently studied for territorial communities. Among the debatable issues of local economic development of territorial communities that need to be addressed is the effective management of local resources, creating comfortable conditions for the operation of businesses that already exist in the community, what budgetary resources of the territorial community can be the main source of funding for local economic development, how to involve various stakeholders, stakeholders, groups in discussing local economic development issues in communities and what tools to use to involve them in decision-making, etc. All these unresolved issues at the theoretical level are reflected in practice, in the inefficient implementation of the process of local economic development of territorial communities. The analysis of scientific sources allowed us to conclude that the problem of local economic development is currently the number one issue on the agenda of local government.

The concept of local development is defined as a special form of regional development, in which the central place is occupied by endogenous factors. Different variations of the concept of "local economic development" (further LED) are given in the economic literature.

Local economic development is the process by which a local government and/or community, based on groups, manages available resources and makes new commitments to partnerships, either with the private sector or among themselves, to create new jobs, employment and stimulation of economic activity in a clearly defined economic zone [2].

In the process of studying the scientific literature, the authors found that the definitions of "local economic development" are different, but they all have the following common components [25; 9; 7]:

1. LED is participatory. It is based on partnerships

between local authorities, the private sector, other public sector agents and civil society to promote local business. LED initiatives are community-led and locally owned.

2. Local governments provide leadership and coordination in planning and implementing LED initiatives directly or through delegation to public agencies.

3. The LED plans combine efforts in different sectors, developing both formal and informal economies, to achieve community goals such as better quality jobs, poverty reduction, environmental sustainability and the inclusion of marginalized groups, including women, youth, and people with disabilities and indigenous peoples.

4. LED initiatives vary significantly depending on local needs and conditions. These may include infrastructure development, research and innovation, vocational training, attracting new investment, technical and financial services to new and existing businesses, favorable procurement policies and marketing support.

5. LED is a long-term process aimed at developing inclusive, sustainable communities.

Having studied different approaches, the authors formed their own vision of local economic development — a constant synergy of business community, government, civil society and academia, which aims to improve the quality of life and economic potential of a particular community. Considering successful practices of local economic development and a series of practical manuals developed by PROMIS Project experts, the authors determined that the main factors influencing local economic development include [7; 14; 26]:

Demographic information:

- information on the demographic situation in the community, which will be the basis: to compile the demographic profile of the territorial community, to determine social needs and future trends in local economic development;

- availability of various demographic information (on the state of implementation of gender policy at the local level, employment of local people, features of their education and characteristics of human resources, etc.) is necessary for a more detailed understanding of the impact of factors on local economic development;

- knowledge of the demographic characteristics of the community will influence the determination of the effectiveness of the implementation of local economic development programs and projects.

Economic information:

- will give us the general characteristic of local economy (structure, features, its influence on environment);

- breaking down the information on the local economy by sectorial sector can give an idea of the efficiency of the local economy, how the sectors are interconnected, which sectors are prospering and which are declining, where there are opportunities for business development, and the total value of local production chains;

- having information about the labor market will help to develop a carefully thought-out profile of the workforce, which will highlight the level of skills, shortages, skills that are declining, and trends in local economic

development. It can be used to identify labor market shortages, barriers to entry and employment and programs for potential labor, as well as to identify industrial sectors that can be helped and encouraged to locate in the area. It can identify specific groups of unemployed people, which will help suggest what LED actions are needed.

- understanding the nature and scale of the informal sector's economy is fundamental to understanding how the local economy actually works. It is important to know how the informal sector supports and works with the formal sector, as well as how to maintain and improve the productive quality of this activity.

Information about a business-friendly environment:

- reveals to us the state of affairs of municipal bodies in supporting or hindering the development of business in the formal (including economic activities carried out in the framework of state accounting and control and reflected in official statistics) and informal sectors (economic activity carried out outside the state accounting and control, and therefore not reflected in official statistics);

- explains to us why the business projects were successful or failed; the number and specialization of enterprises located in the area; the attitude of enterprises to the activities of the municipality; existing business environment infrastructure that supports the development of small and medium-sized businesses and enterprises, its role in supporting new business and business development; description of labor relations in the area; regarding the existing small and medium business development programs in the area; diversity of local norms in local councils, which provide a simplified and accelerated procedure for the creation and state registration of enterprises (reducing the time and cost of starting a new business at the local level or establishing them at a level no higher than in other communities);

- initiating a business-friendly study can help determine the satisfaction of local businesses and their perspectives, helping the municipality's management to improve actions and activities that affect the business-friendly environment.

Physical infrastructure:

- it will provide information on the state of transport, telecommunications, gas, water, electricity and wastewater treatment services. Such data can highlight current and future infrastructure shortcomings and needs and help prioritize infrastructure investment for local economic development.

Regional, national and international information:

- studying information on regional, national and international economies helps to identify new markets and opportunities for business development (ie increasing exports, expanding remittance flows, diversifying industry links, additional opportunities to promote tourism);

- understanding these economic links can also identify activities that need to be strengthened to embrace value realized outside the local economy. This will increase the amount of money circulating in the local economy, help create jobs and grow businesses (for example, residents

spend money in stores in other cities because they cannot find produce locally);

- with information on existing economic zones and existing economic ties between large cities and regions of other countries, we will be able to design it to provide links between towns and secondary cities of other countries in the context of local economic development.

The main goals of LED are to promote economic prosperity and social well-being by creating a business-friendly environment together with the integration of vulnerable groups (individuals / families who are in difficult life circumstances and cannot overcome them on their own, their needs for social services) into communities and promoting a dynamic and positive attitude of the population to the development of their region [25].

The actors of local economic development include “government and government bodies (local, regional and central) responsible for sectorial policies (industry, environment, labor, public works, transport, etc.), representatives of economic activity and public services (business, banks, unions, etc.), educational institutions, public organizations, mass media, etc”.

Development actors work at the local, district, national, international and transnational (global) levels. At each of these levels, they can be from the public (government) sector, the private (business) sector or from civil society (ordinary citizens) [27].

It is common to call different groups of actors stakeholders (stakeholders), and interactions between them to call meetings with several stakeholders (stakeholders). This poses enormous challenges for communication and consensus building.

A stakeholder is any individual, group, or organization that may influence or believe that a program may be affected by the program [18].

A key aspect of local development management is the effective management of stakeholders. This is an important component for the successful implementation of any project, program or activity.

Stakeholders can influence projects in a variety of ways, both positively and negatively, and need to be actively managed. Risk management and further risk reduction depends to some extent on the effective management of stakeholders.

The process of local economic development management includes: definition of strategic and tactical goals, tasks of local development; collection, processing and analysis of information from primary sources; choice of forms, methods, levers, tools, measures, methods of local development management; making managerial decisions; development of a road map for clarification of stages and updating of management decisions; control and monitoring of the implementation of management decisions and their consequences.

Management technology, as a process of managerial decision-making, can be presented as a consistent set of actions of the subject, which are aimed at obtaining the expected results in the process of local development. Management decisions are made on the basis of

collecting, processing and analyzing information from primary sources, the quality of which depends on the results of decisions. On the basis of the analysis of the initial information the choice of forms, methods, levers, tools, actions and receptions of management becomes. Management decisions involve the development of an action program and organization of the process of their implementation.

The main actors in local development management are local authorities, local governments and communities. In the context of decentralization, other institutions, such as regional and local development agencies, community development resource centers, local government associations, local project bureaus, consultation centers, business centers, play a key role in the community-based approach to local development, associations and others. Executive power in the region, districts and Kyiv is exercised by local state administrations. The local state administration is a local executive body and is part of the system of executive bodies [2].

The experience of developed countries shows that under the influence of changes in the world over the past 50 years, there have been changes in the practice of local economic development planning, in particular changes in the methodology of local development management [3]. Note that the process of managing local economic development is carried out by central authorities, local state executive bodies and local governments. Decision-making procedures in local development management depend on the task at hand. For example, the procedures for developing, approving and implementing local economic development programs include various bodies responsible: executive bodies of village, locality, city councils; standing commissions of village, locality, city councils; Executive Committee; village, locality, city councils; executive bodies of village, locality, city councils; standing commissions of village, locality, city councils.

Local economic development was studied on the example of Olshanske village council.

Olshanske village council was formed in accordance with the Law of Ukraine “On Voluntary Association of Territorial Communities” by the decision of the twelfth session of the village council of the seventh convocation of August 25, 2016 No. 1 “On Voluntary Association of Territorial Communities”. The community included 13 localities: Olshanske, the village of Yasna Zorya and the villages of Yasna Polyana, Shostakove, Trikhaty, Kovalivka, Sapetnya, Ternuvate, Andriyivka, Novoadriyivka, Sukha Balka, Korchyne and Novoyurivka.

Administrative center — town Olshanske [28]. The territory of Olshanske village council is inseparable, its boundaries are determined by the external boundaries of the jurisdiction of the united territorial communities. The minimum distance of localities to the administrative center is 1 km, the maximum — 5 km. The area of access to the potential administrative center is determined at a distance of not more than 7 km. paved roads. The territory of Olshanske village council is 24658.9368 hectares, namely: Olshanske village council — 1567.3789 hectares;

Trikhatsky Starostynsky District No. 1 — 4138.1379 ha; Shostakovsky Starostynsky District No. 2 — 6033.94 ha; Kovalivsky Starostynsky District No. 3 — 6807.18 hectares; Yasnaya Polyana Starostynsky District No. 4 — 6112.3 hectares [28]. On the territory of Olshanske village

council industrial development prevails for the most part, but also the agro-industrial complex functions. The vast majority of the population is employed in business. Information on the demographic situation and the labor market of Olshanske village council is concentrated in Table 1.

Table 1. Demographic situation and labor market of Olshanske village council, 2020

No.	Name of the locality	Number of households	Number of inhabitants
1	Olshanske urban-type settlement	2634	3958
2	Trikhatsky Starostynsky District No. 1	370	1110
3	Shostakovsky Starostynsky District No. 2	305	1105
4	Kovalivsky Starostynsky District No. 3	685	2031
5	Yasnaya Polyana Starostynsky District No. 4	295	861
Total		4289	9065

Source: [28]

Significant economic potential of Mykolayiv district and region is concentrated on the territory of Olshanske territorial community. Local businesses play an important role in community life: job creation, cooperation in building infrastructure, participation in important community events. Among the largest enterprises are such as [28]:

1) Yugcement PRJSC (former Olshanske cement plant) Dyckerhoff Cement Ukraine cement production and sales

(Director Marco Cartouran);

2) PJSC “Olshanske ATP-14865”, transport services (Director Sklyar Sergey Vadimovich);

3) Olshanske branch of PJSC Kyiv-Dniprovske MPPZT, railway transport services; etc.

The area of agricultural land of Olshanske territorial community is 18506.7413 ha, arable land 15231.7858 ha (Table 2).

Table 2. Land structure of Olshanske territorial community

Land category	Land area, ha
Agricultural land	18506,7413
Arable	15231,7858
Pastures	2423,5875
Perennial plantings	452,031
Afforestation	1960,5153
Ponds and reservoirs	1102,94

Source: [28]

The area of personal farms is 1049.5492 hectares. The number of personal farms — 1660, the number of persons entitled to land share (share) — 1311 people. The area of agricultural land designated for allotment is 11765.1357 ha (arable land). Lands are leased to legal entities — 8428.8690 ha (arable land). Number of agricultural legal entities established on the territory of the community — 4. Number of farms — 39, with 4295.8368 hectares of land. Limited liability companies — 11, they leased land — 5673.46 hectares [27].

Sources of formation of the revenue part of the special fund of the city budget are determined in accordance with Art. 69 (note 1) of the Budget Code of Ukraine (as amended) [29]. According to the special fund of the local budget, the figures for 2021 are UAH 851,474 thousand.

The main sources of filling the special fund are the own revenues of budgetary institutions, the planned amount for 2022 of which is 455,000 thousand UAH, which is 53.4% in the structure of revenues of the special fund of the city budget [26].

The estimated amount of environmental tax revenues is calculated taking into account the latest changes in budget legislation, revenues of this tax for 2022 is 396,474 thousand UAH, which is 46.6% in the structure of revenues of the special fund of the village budget.

Expenditures of the local budget for the implementation of local/regional programs in 2022 include expenditures in the amount of UAH 3,303.084 thousand, including:

- program of reforming and development of housing and communal services on the territory of Olshanske village council (extended by the decision of 01/04/17 No. 11 until 2020 (until the adoption of new programs) Decision No. 10 of 12/11/2020, on the program of Olshanske village council and extended until 2023, which extends to the territory of village councils that have joined the Olshanske village council) — UAH 300,000 thousand;

- the program of social and economic development of Olshanske village council for 2017-2020 was extended

by the decision from 02/24/17 No. 1 to 2020 (inclusive) Decision No. 10 from 12/11/2020 and extended until 2023 until the adoption of new programs validity The programs of the Olshanske settlement council extend also in the territory of the village councils which have joined the Olshanske settlement council) — 2 235,158 thousand UAH;

- The program “Environmental Protection” for 2019-2022 (Decision No. 1 of 04/18/2019, Decision No. 10 of 12./11/2020. Extended until 2023 until the adoption of new programs (validity of subsequent settlement programs) — 396,474 thousand UAH;

- The program of social and economic development of Olshanske village council for 2017-2020 was extended by the decision of 02/24/17 No. 1 until 2020 (inclusive) Decision No. 10 of 12/11/2020 on the program of Olshanske village council, extended until 2023 year, which extends to the territory of village councils that joined the Olshanske village council) — 371,452 thousand UAH [10].

The study with the help of SWOT-analysis analyzed the social, environmental and economic spheres of Olshanske village council. SWOT-analysis of the social sphere is given in table 3 [10].

As a result of the SWOT analysis, the following conclusions can be drawn:

- 1) lack of investment in the community and the Small and Medium Business Support Program;

- 2) there is a need to attract investors to implement projects to create modern enterprises for processing agricultural products, road infrastructure, green tourism, etc.;

- 3) the dominant part of the working population is unemployed or has left Ukraine;

- 4) long-term operation of roads without major/current repairs complicates the full-fledged connection between the settlements of territorial community (hereinafter TC), has a negative impact on meeting the needs of the population in goods and services.

Table 3. SWOT — analysis of the social sphere of Olshanske village council

Strengths:	Weaknesses:
<ol style="list-style-type: none"> 1. Existing infrastructure of administrative, educational, medical services provided to the local community. 2. High level of development of the social and educational network of institutions. 3. Cultural and historical heritage. 4. Improvement of settlements and recreation areas. 5. Developed network of water supply and lighting. 	<ol style="list-style-type: none"> 1. Provision of health care personnel. 2. Weak material base and level of energy saving in TC utilities 3. Insufficient arrangement of sports grounds. 4. Low level of security for citizens. 5. Insufficient legal and educational work among the population of all ages. 6. Lack of effective communication between TC settlements
<ol style="list-style-type: none"> 1. Development and improvement of the material base of educational, medical and cultural institutions. 2. Development of tourist infrastructure in natural recreation areas and near architectural and historical sites. 3. Improving the quality of medical care. 4. Development of out-of-school and sports institutions. 	<ol style="list-style-type: none"> 1. Outflow of young people in search of work. 2. Lack of opportunities for self-realization. 3. Deterioration of the criminogenic situation.

Source: [28]

Having investigated the sites of territorial communities of Mykolayiv region, the authors also note that no community has such a significant number of master plans as in Olshanske village council — 8 [28].

The master plan is a long-term strategy that is developed and approved in the interests of the respective territorial community, taking into account public and private interests. In other words, the master plan is a comprehensive document that reflects the current state of construction, infrastructure, restrictions, etc., but is also aimed at local community development.

It should also be noted that Olshanske village council ranks seventh [30] in the rating of institutional capacity and sustainable development of small and medium-sized communities in Ukraine.

Local development Olshanske village council is based on creative principles, in particular, in the village of Trykhaty Olshanske territorial community on the banks of the Southern Bug River is an international festival of kites “Tryhutty International Kite Festival-2021”. There are no analogues to this show in Ukraine yet, that Mykolayiv region is the center of this special sport. In addition to

participants of the festival from Mykolayiv, Dnipropetrovsk, Zaporizhia, Kherson, Luhansk and Odessa regions, there are representatives from India, Germany, Turkey, Switzerland, Poland, Brazil, Italy and the Netherlands. The increase in the number of both domestic and foreign representatives at the festival each year testifies to the effective promotional activities of the Olshanske village council. The festival is also held at a high international level thanks to the coordinated cooperation of public activists, in particular the NGO “Unity Force”, which operates in Olshanske, local authorities and community residents.

Having conducted a study of local development and the results of SWOT-analysis of Olshanske territorial community, the authors identified its main problems [28]:

1. Lack of proper communication between local governments and local businesses.

2. Difficulty for the community to provide appropriate business proposals due to lack of qualified specialists, lack of proper infrastructure, limited resources.

3. Problems of institutional support of local development (institutions of local / regional development exist,

but their activities are not coordinated; they inefficiently use available resources, formally cooperate with the community).

4. Lack of proper planning in the community (development programs are mostly formal or ineffective, because they are developed without public and business involvement; there is no monitoring of these programs), including formalism in the preparation of planning documents, application of program-target method.

5. Providing information support to business (providing information about property and land that can be used by business, potential investment objects in the community, a list of current regulations, etc.).

6. Inability to effectively use the community's own resource potential to fill the budget and ensure community capacity.

7. Low human resources in the field of LED and lack of specialists in strategic planning.

8. Lack of integrated approaches to the implementation of local economic development strategy (ensuring the implementation of regional and interregional local economic development projects).

9. Lack of cooperation processes.

Cooperation can become an effective tool for local economic development of Olshanske village council. The possibility of cooperation of territorial communities is provided by the Constitution of Ukraine, which states that "territorial communities of villages, settlements and cities may unite on a contractual basis objects of communal property, as well as budget funds for joint projects or for joint financing (maintenance) of communal enterprises, organizations and institutions, to create appropriate bodies and services for this purpose" (Part 2 of Article 142) [31]. The main principles of cooperation of territorial communities are defined by the Law of Ukraine "On Cooperation of Territorial Communities" (hereinafter the Law) of June 17, 2014 [32].

Cooperation of territorial communities (hereinafter cooperation) is considered as a relationship between two or more territorial communities, carried out on a contractual basis in the forms prescribed by law to ensure socio-economic, cultural development of territories, improving the quality of services based on common interests and goals. fulfillment by local self-government bodies of the powers specified by law. The aim of such cooperation should be to improve the quality of services to the population, the development of territories and the well-being of communities on the basis of common interests and goals. The mentioned Law envisages state stimulation of cooperation by providing subventions, transfer of objects of state property to communal ownership, methodological, organizational and other support of the activity of subjects of cooperation [21; 33].

Cooperation enables communities to jointly and mutually beneficially address important issues of local importance, to influence the development of territories without uniting communities. Proposals for cooperation can be made by village, settlement, city mayors, deputies

of local councils, as well as members of the territorial community as a local initiative [34; 19; 20].

Article 3 of the Law of Ukraine "On Cooperation of Territorial Communities" stipulates that the subjects of cooperation are territorial communities of villages, settlements, cities, which cooperate through village, settlement and city councils [32]. The list of subjects of cooperation is exhaustive and cannot be interpreted in detail. This means that no one but the territorial communities of villages, towns and cities can be the subjects of cooperation. Part 1 of Article 4 of the Law defines 5 forms in which such cooperation can be developed [32].

Based on the study of successful practices of cooperation between communities [28; 35; 23] and the dialogue between Olshanske village council and Koblivka rural territorial community, given the understanding of both communities, the benefits of inter-municipal cooperation and community willingness to transparency and long-term cooperation, we identified a potential cooperation for Olshanske settlement.

The purpose of cooperation will be to provide in the territory of Olshanske settlement council of the Nikolaev area rendering of services in the field of town-planning and architecture according to requirements of the current legislation and increase of efficiency of use of means of local budgets.

In the course of the research the expediency of cooperation is substantiated exercising the powers of the executive committee of Olshanske village council in the field of construction, urban planning and architecture and improving the efficiency of local budgets by delegating the Department of housing and communal services, landscaping, environmental protection, infrastructure, urban planning, architecture and capital construction of the Koblivka rural territorial community of the Mykolaiv district of the Mykolaiv region with the transfer of relevant resources to the following individual tasks:

- providing urban planning conditions and restrictions for the design of construction sites, landscaping in the manner prescribed by the Law of Ukraine "On Regulation of Urban Development" in Olshanske village council of Mykolaiv district of Mykolaiv region;

- granting to builders of passports of binding of temporary constructions for carrying out business activity in the settlements of Olshanske settlement council of the Nikolaev area;

- granting in accordance with the current legislation to customers of construction of the passport of building of land plots in the territory of Olshanske settlement council of the Mykolaiv area;

- issuance of initial data for design on the territory of Olshanske village council;

- maintenance of the town-planning cadastre on the territory of Olshanske settlement council;

- control over observance of the legislation, the approved town-planning documentation at planning and building of the territory;

- approval of land management documents;
- exercise of other powers in the field of urban planning and architecture in accordance with the requirements of current legislation.

Areas of cooperation: construction, urban planning and architecture.

The form of cooperation is determined by as delegation of separate tasks of department of housing and communal services, accomplishment, environmental protection, infrastructure, town-planning, architecture and capital construction of the Koblivka rural territorial community of the Mykolaiv region with transfer it of corresponding resources.

The expected financial results from the cooperation expected minimizing the amount of own financial resources aimed at ensuring cooperation organized by local communities. Other conditions of cooperation: recalculation of the subvention for reimbursement for services rendered, department of housing and communal services, landscaping, environmental protection, infrastructure, urban planning, architecture and capital construction of Koblivka rural territorial community of Mykolaiv district of Mykolaiv region from the budget of Olshanske village council according to the calculation.

CONCLUSIONS

After researching different approaches, was formed our own vision of the concept of local economic development. It is established that the main factors influencing the local economic development of territorial communities,

of course, are demographic and economic information, physical infrastructure and information about business-friendly environment, regional, national and international economy. With the help of SWOT-analysis, the local development of Olshanske village council was studied and relevant conclusions were made, in particular, that the local development of Olshanske territorial community is based on creative principles, which include holding the international kite festival "Tryhuty International Kite Festival-2021".

At the same time, given the presence of creative approaches in local community development, the study identified its main problems. It is argued that the use of cooperation will be a promising tool for local economic development of Olshanske village council. It is proposed to conclude a cooperation agreement based on the dialogue between Olshanske village council and Koblivka village council, the main form of which will be the delegation of certain tasks of the department of housing and communal services, landscaping, environmental protection, infrastructure, urban planning, architecture and capital construction of Koblivka village council with the transfer of relevant resources. The effectiveness of such cooperation will be to minimize the amount of own financial resources aimed at ensuring cooperation organized by local communities.

Further research in this area may focus on the study of the impact of individual instruments of local economic development, which will help local communities in their successful application.

REFERENCES

- [1] Ammari, A.O. (2012). Classification of stakeholders based on mutual expectations. *Actual Problems of Economics*, 8, 150-155.
- [2] Borysenko, Yu.V. (2018). *The formation of network systems in the management of local community-oriented development* (Thesis, Dnipropetrovsk Regional Institute for Public Administration National Academy for Public Administration under the President of Ukraine, Dnipro, Ukraine).
- [3] Vorobei, V. (2021). *The manual "Local economic development in territorial communities: Useful tips and best practices"*. Kyiv: Prohrama USAID DOBRE.
- [4] Klyuchnik, A.V., Kormyshkin, Yu.A., & Galunets, N.I. (2020). The impact of amalgamated territorial communities infrastructure on the formation of their competitive advantages. *International Journal of Management (IJM)*, 11(5), 1045-1057.
- [5] Slava, S., & Hrin, H. (2000). *Local economic development: Modern concepts and methods*. Uzhhorod: PV "Mystetska liniia".
- [6] Treller, D. (2014). *Local economic development is the way to the enlightenment of the community: A guide to the basics of theory and practice MER*. Kyiv.
- [7] Boyko, N.I., Vasylychenko, H.V., Hirchak, I.Ya., Luksha, Ye.O., Olenkovska, L.P., Parasyuk, I.L., Revenko, T.M., Serebryanska, D.M., & Stasyuk, R.P. (2019). *Models of local economic development*. Kyiv: Project USAID PULS.
- [8] Bleikli, E. Dzh. (2002). *Planning of local economic development: Theory and practice*. Lviv: Litopys.
- [9] Vasilchenko, G., Parasyuk, I., & Yeremenko, N. (2015). Development planning of territorial communities. *Training manual for local self-government officials*. Kyiv: LLC "Pidpriumstvo "VI EN EJ".
- [10] Nudelman, V., & Sanzharovskiy, I. (2002). *Development of the territorial community development strategy*. Kyiv. Publishing House of "Data Bank Ukraine".
- [11] Parkhomenko, V., Proshka, V., & Mavko, P. (2002). *Strategic development planning of territorial communities*. Lviv: SPOLOM.
- [12] Local economic development. (2003). *Developing and implementing local economic development strategies and action plans*. Washington: World Bank.

- [13] United Nations Human Settlements Program (UN-Habitat). (2021). Retrieved from <https://www.un.org/ru/ga/habitat/>.
- [14] Baldych, N., Hrynychuk, N., Khodko, N., Chorniy, L., & Hlibishchuk, Y. (2020). *Local economic development: Models, resources and financing tools*. Kyiv: Partnership for the development of cities.
- [15] Blishchuk, K. (2018). Territorial development management: Economic aspects. *Efficiency of Public Administration*, 1(54), 217-224.
- [16] Baldych, N., Mamonova, V., & Hrynychuk, N. (2013). *Sources and mechanisms of financing local economic development*. Kyiv: Center for Public Expertise. The project "Local Economic Development of Cities of Ukraine".
- [17] Vorobei, V., Kravchuk, K., & Mocharska, L. (2013). *Economic development of the territory. Local development agencies. PPV knowledge networks*. Kyiv: Kolir PRO.
- [18] Berdanova, O.V., Vakulenko, V.M., Valentiuk, I.V., & Tkachuk, A.F. (2017). *Strategic planning for the development of a united territorial community*. Kyiv.
- [19] Vrublevskiy, O.S. (2014). *Cooperation of territorial communities*. Kyiv: IKTs "Lehalnyi status".
- [20] Zasadko, V.V. (2014). Improvement of the mechanisms of intermunicipal cooperation in the border territories of the Western regions of Ukraine. Kyiv: National Institute for Strategic Studies.
- [21] Vakulenko, V. (Ed.). (2012). *Intermunicipal cooperation*. Kyiv: Feniks.
- [22] Tolkovanov, V.V. (2017). Priority tasks and approaches to modernization of local self-government at the present stage: Domestic and foreign experience. *Theory and Practice of Public Administration and Local Self-Government*, 1. Retrieved from <https://cutt.ly/PVm1onE>.
- [23] Shkilniak, M.M. (2018). Criteria for effective management of communal property of territorial communities. *Innovative Economy*, 1-2, 96-102.
- [24] Dziupyn, M., Kalashnikova, O., & Kolesnikov, O. (2017). Analysis of the state of implementation of cooperation between territorial communities and communities in Ukraine. Lviv: VHO ASSN.
- [25] Meleganich, G.I. (Eds.). (2016). Local development with the participation of the community. *Regional aspects and sustainable city development*, 4. Kyiv: VAITE. Retrieved from http://cba.org.ua/images/MANUALS/Monography_final.pdf.
- [26] Official website of the Decentralisation. (n.d.). Retrieved from <https://decentralization.gov.ua/about>.
- [27] Berdanova, O.V., Vakulenko, V.M., Hrynychuk, N.M., Koltun, V.S., Kuybida, V.S., & Tkachuk, A.F. (2017). *Management of the development of united territorial communities on the basis of public participation*. Kyiv.
- [28] Official website of the Olshansk territorial community. (n.d.). Retrieved from <https://olshanske-rada.gov.ua>.
- [29] Law of Ukraine No. 2456-VI "Budget Code of Ukraine". (2010, July). Retrieved from <http://zakon3.rada.gov.ua/laws/show/2456-17>.
- [30] Marcovich, A., & Shinn, T. (2010). From the triple helix to a quadruple helix. In *Paper presented at the 9th international triple helix conference*. Madrid: Working Paper of the services, OPOCE.
- [31] Constitution of Ukraine. (1996, June). Retrieved from <http://zakon5.rada.gov.ua/laws/show/254%D0%BA/96-%D0%B2%D1%80>.
- [32] Law of Ukraine No. 1508-VII "On the Cooperation of Territorial Communities". (2014, June). Retrieved from <https://zakon.rada.gov.ua/laws/show/1508-18#Text>.
- [33] Partnership of territorial communities and the public sector: Why it is important? (n.d.). Retrieved from <https://www.prostir.ua/?news=partnerstvo-terytorialnyh-hromad-ta-hromadskoho-sektoru-chomu-tse-vazhlyvo>.
- [34] Vatamaniuk-Zelinska, U.Z., Pazak, M.R., & Malets, P.I. (2016). Principle of industrial cooperation of territorial communities and their voluntary association in the context of the provisions of the laws of Ukraine of the same name. *Efektivna Ekonomika*, 1. Retrieved from <http://www.economy.nayka.com.ua/?op=1&z=4730>.

Місцевий економічний розвиток територіальних громад

Георгій Олександрович Решетілов

Миколаївський національний аграрний університет
54008, вул. Георгія Гонґадзе, 9, м. Миколаїв, Україна

Анотація. В результаті реформ децентралізації і місцевого самоврядування територіальні громади отримали більше ресурсів та повноважень розпоряджатися ними, у цьому сенсі питання місцевого розвитку стало для громад особливо актуальним. Мета статті полягає у вивченні процесів місцевого економічного розвитку Ольшанської сільської ради. Відповідно до поставленої мети, були сформульовані та вирішені такі завдання: дослідити значення поняття «місцевий економічний розвиток» і фактори впливу; на теоретичному рівні визначити суб'єкти місцевого економічного розвитку і їхнє місце в процесі управління; проаналізувати соціально-економічний розвиток Ольшанської сільської ради і виявити основні проблеми її місцевого економічного розвитку; дослідити можливість впровадження форм співробітництва громад Ольшанської сільської ради. Для досягнення мети у статті застосовуються загальні і спеціальні методи: метод теоретичного узагальнення і порівняння; герменевтичний; порівняльно-графічний; аналізу і синтезу. У статті сформоване власне бачення концепції місцевого економічного розвитку. Встановлено, що процедура прийняття рішення в управлінні місцевим розвитком залежить від поставленої задачі. Охарактеризовано місцевий економічний розвиток Ольшанської сільської ради. В ході дослідження автори визначили, що місцевий економічний розвиток сільської ради базується на творчих засадах. У статті обґрунтовано, що використання кооперації громад буде перспективним інструментом місцевого розвитку. Встановлено, що для Ольшанської селищної ради потенційним суб'єктом співпраці є Коблевська сільська радаю Миколаївської області. Завданням співпраці буде забезпечення надання послуг у сфері містобудування і архітектури на території Ольшанської селищної ради згідно вимог чинного законодавства і збільшення ефективності використання коштів місцевих бюджетів

Ключові слова: місцеве самоврядування, цілі і фактори місцевого економічного розвитку, органи влади, співпраця громади, грант, творча діяльність