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### A system for managing the local economic development of communities

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**Abstract.** In today's environment, it has become an important task to support and stimulate local economic development of communities to improve the living standards of the population and create sustainable and competitive community structures. The purpose of this study is to examine the system of management of local economic development of communities, which is becoming an increasingly important task in the context of social, economic, and political development of modern societies. The research has yielded the following results: using high-quality data from the publication *Local economic development: Models, resources and financing tools*, various models and approaches to managing local economic development of communities, including centralized and decentralized systems, as well as options for involving citizens in decision-making, were considered; using statistical sources of the Information and Analytical System for Monitoring Statistical and Administrative Indicators of Territorial Communities, Statistics Portal of Lithuania, Statistics Poland, a comparative analysis of local community development management systems in Ukraine, Poland, and Lithuania was carried out; the level of participation of citizens and stakeholders in decision-making processes and the development of local economic development strategies were analysed; the use of technology was assessed to improve the productivity of local economic development through ground research from the Centre for Innovation Development; the mechanisms of cooperation and coordination between different levels of government with the influence of factors were investigated and compared; territorial communities were analysed by region with regard to citizens' appeals on the activities of local self-government bodies using statistical data from the website of the Government Contact Centre; recommendations and strategies for improving the system of local economic development management were developed. The study of the system of management of local economic development of communities is of great practical importance in modern conditions, where a favourable economic environment at the level of local communities is an important factor for improving the living standards of the population and creating sustainable and competitive community structures

**Keywords:** infrastructure and investments; partnership between sectors; resource efficiency; increasing competitiveness

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## Introduction

Implementing an effective system of local economic development management is a key task in the modern world. Communities are fundamental components of social and economic life, and their success in development affects the overall level of well-being and sustainability of the socio-cultural environment. Local economic development is a strategically important task for ensuring sustainable growth, meeting the vital needs of the population, and preserving natural resources.

The modern world is facing numerous challenges, such as globalization, climate change, demographic changes, and technological progress. These challenges require new approaches to managing economic development at the local level. An effective system of local economic development management requires innovative strategies, a wide range of tools and the active participation of citizens. Therefore, studying the system of local economic development management is of strategic importance. The significance of this topic lies in the fact that proper management of local development allows achieving greater sustainability, realizing the potential of local resources, and contributing to the competitiveness of communities. The research on this topic includes consideration of numerous aspects, such as the effectiveness of management tools, involvement of citizens in decision-making, consideration of regional specifics, and the problems of implementing innovative approaches to local economic development, developing strategies and programmes, and coordinating efforts between different levels of government and NGOs.

Currently, there is a significant amount of research that focuses on the management of local economic development of communities. Scientists and experts from different countries have already studied this topic, analysing its various aspects and the experience of developed countries in its development. In her work, Ukrainian scientist T. Fedorenko (2023) analysed approaches related to management and functionality that relate directly to the local economic development of communities in such countries as: Germany, the USA, Poland, China, and Ukraine. Based on this extensive analysis, she developed recommendations that will primarily contribute to a significant improvement of the local economy in Ukraine. I. Storonianska *et al.* (2021) were able to analyse the financial support for tourism development by local governments in Ukraine based on information from official sources of local governments of Ukrainian territorial communities with tourism potential. The analysis revealed that only four of the five elements that make up the tourism infrastructure had an adequate level. The tourism industry faced a problem with one element due to the epidemic. Z. Siryk *et al.* (2021) assessed the results of the financial decentralization component and used this assessment to identify ways to improve the effectiveness of administrative and territorial reform in Ukraine.

The Ukrainian researchers T.V. Malyshivskiy & V.V. Stefinin (2021) examined the management of community economic development using the concept of local economic development. The authors also proposed a model

of a management system in communities based on the identification of instruments of influence to ensure rapid economic growth. O.Yu. Matveieva (2021) reviewed and studied the experience of Ukrainian communities in the context of the European paradigm of sustainable development. The author suggested the need for the transition of Ukraine's governance system from "economism" of social relations to "smart" governance that meets the requirements and needs of informed and considered decisions in the interaction of all components of sustainable development in a globalized society. N.I. Galunets (2023) analysed the peculiarities of local economic development and argued its importance for territorial communities in the period of post-war reconstruction of Ukraine.

The area covered by these studies does not take into account certain aspects: there is no specific attention to ways to stimulate the local economy in times of crisis, nor to the importance of using innovations and technologies to improve the efficiency of local economic development, nor does it consider the role of the public in the formation and implementation of local development strategies. The purpose of the study is to systematically analyse and develop specific recommendations and strategies for improving the system of local economic development management in communities. In studying the system of local economic development management, two main tasks can be identified that should be considered and addressed during the study. The first task is focused on comparing and analysing models of local economic development management. To accomplish it, the following steps should be taken: consider different models and approaches to local economic development management, including centralized and decentralized systems, as well as options for involving citizens in decision-making; conduct a comparative analysis of local economic development management systems in different countries or regions; analyse the level of participation of citizens and other stakeholders in decision-making processes.

The second task is aimed at assessing the use of technology to increase the productivity of local economic development. In order to successfully complete this task, the following actions should be taken: assess the use of technology to increase the productivity of local economic development; explore mechanisms of cooperation and coordination between different levels of government (local, regional, national) to ensure effective local development management and consider the impact of various factors, such as globalization, climate change, demographic changes, technological progress, on them; analyse territorial communities by region in terms of their citizens' appeals on the activities of local self-government bodies.

## Materials and Methods

The materials used for this study are important sources of information that allowed considering different models and approaches to managing local economic development of communities, as well as to conduct a comparative analysis of these systems. First, the study is based on the source

Local economic development: Models, resources and financing tools (2020), and then for the statistical study, data from the Information and analytical system for monitoring statistical and administrative indicators of territorial communities (2023), Statistics portal of Lithuania (2023), Statistics Poland (2023), research from the Centre for Innovation Development and official data from the website of the Government Contact Centre were used. Thus, using the sources, the study identified key trends and principles that can serve as a basis for further strategies and recommendations in the field of local economic development of communities.

The method of analysis was used to study territorial communities by region, where citizens were most active in addressing issues related to the activities of local governments. It also allowed examining the level of participation of citizens and other stakeholders in decision-making processes and the development of local economic development strategies, thereby creating a basis for further understanding of the system's functioning. The statistical method was used to collect and process numerical data from territorial communities in different regions to determine how technology affects economic development at the local level. The processing of these data allowed identifying the specifics of technology use in different regions, which helped to understand different approaches and strategies in the development of local economies. In addition, the statistical method allowed determining the key factors that influence the effectiveness of local economic development, in particular, in the context of technology use.

Another method used in this study is comparison. This method has been used to identify differences in the systems of local community development management in different countries. The choice of countries for the analysis, such as Ukraine, Lithuania, and Poland, has several justified reasons. These countries are located in geographically close regions of Central and Eastern Europe, which makes it possible to compare similar socio-cultural and economic contexts. In addition, the choice of these countries is based on their interest in international comparison and exchange of best practices in local development. The theoretical basis of this analysis is based on the concepts of local development, decentralization, and administrative efficiency. Local development is seen as a key element of sustainable social and economic progress, and its effective management is becoming a crucial factor in achieving this goal. Decentralization, in turn, implies the transfer of power and responsibility to the local level, promoting greater citizen participation in decision-making. In addition, the use of this method allowed for a structured and reasonable study of the effectiveness and features of different systems of local economic development management.

The next method was synthesis. It was used to combine different types of information, concepts, and approaches to create a new, integrated view of the management system. In particular, it was needed to consider different models and approaches to managing local economic development, including centralized and decentralized systems, as well

as options for involving citizens in decision-making. This method allowed for a deeper understanding and integration of different aspects of the local economic development governance system, creating new insights and approaches for further research and practical application. It also helped to explore the mechanisms of cooperation and coordination between different levels of government to ensure effective local development management. The abstraction method was also used in the course of the research. It allowed highlighting key aspects and general principles of the system, ignoring details and specific contexts. In addition, it helped to generalize the data obtained and identify universal principles applied in different local communities to improve the efficiency of local economic development management.

Other methods used in the study were generalization and specification. The first of these methods was used to summarize the key findings and main aspects of the study. In particular, this method allowed focusing on the most important ideas and results of the study. It also helped to develop specific recommendations and strategies for improving the system of local economic development management. Specificity was used to identify the impact of various factors, such as globalization, climate change, demographic change, and technological progress, on local economic development.

## Results

### Comparison and analysis of management models of local economic development of communities

Comparing and analysing models of local economic development management is an important tool for understanding the effectiveness of different approaches and identifying optimal strategies. In addition, this study will help to deepen the understanding of the local economic development management system.

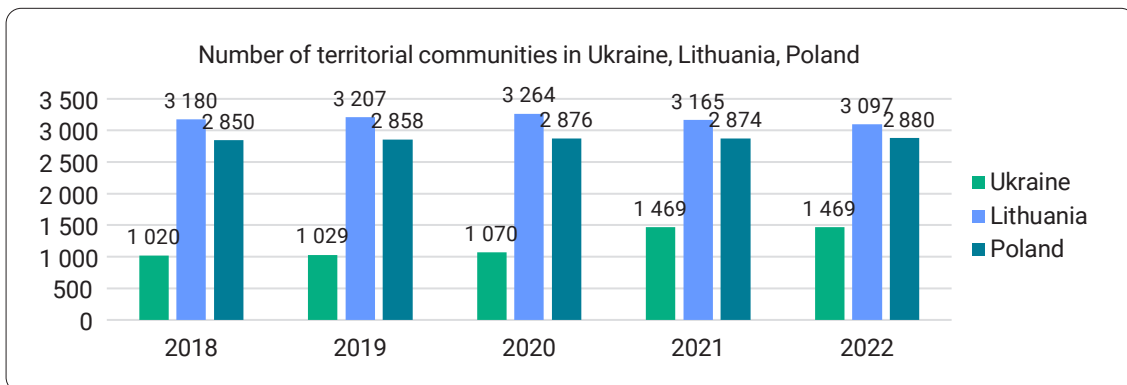
To begin with, different models and approaches to local economic development management, including centralized and decentralized systems, as well as options for involving citizens in decision-making, were considered. There are several different models and approaches to managing local economic development in communities. Table 1 summarizes some main models, including centralized and decentralized systems, as well as approaches to engaging citizens in decision-making.

Each of these models can be effective, depending on the specific conditions and objectives of the community. Usually, a combination of different models can be optimal for achieving successful local economic development. Further, based on data from statistical sources of the Information and analytical system for monitoring statistical and administrative indicators of territorial communities (Information and analytical..., 2023), Statistics portal of Lithuania (2023), Statistics Poland (2023), Figure 1 was developed, which shows the number of territorial communities for the years 2018 – second half of 2022 in Ukraine, Lithuania, and Poland.

**Table 1.** Basic models and approaches to involve citizens in decision-making

Name of the model/approach	Characteristic	Advantages	Disadvantages
Centralized	In a centralized management system, decisions and strategies are formed and adopted at the central level of government (state or regional).	Efficiency in solving national or regional problems, standardization of regulations.	Lack of consideration of local characteristics, less incentive for local entrepreneurship, limited access of citizens to power.
Decentralized	In a decentralized system, power and responsibility are transferred to a local level of government, such as local authorities or local governments.	Greater flexibility, consideration of local needs, support of local entrepreneurship, greater access of citizens to power.	Risk of heterogeneity of strategies, less coordination in solving national problems.
Partnership	In this approach, partnerships are formed between various stakeholders such as government, business, the non-profit sector and citizens.	Involvement of various resources and knowledge, more effective solution of complex problems.	Requires a large amount of coordination and agreement between all participants.
Model of citizen participation	In this model, the emphasis is on the active participation of citizens in decision-making and influence on the economic development of their communities.	Increasing the legitimacy of decisions, taking into account the real needs of citizens.	May lead to difficulties in reaching consensus, requires time and resources to engage citizens.

**Source:** developed by the author using the resource Local economic development: Models, resources and financing tools (2020)

**Figure 1.** The number of territorial communities

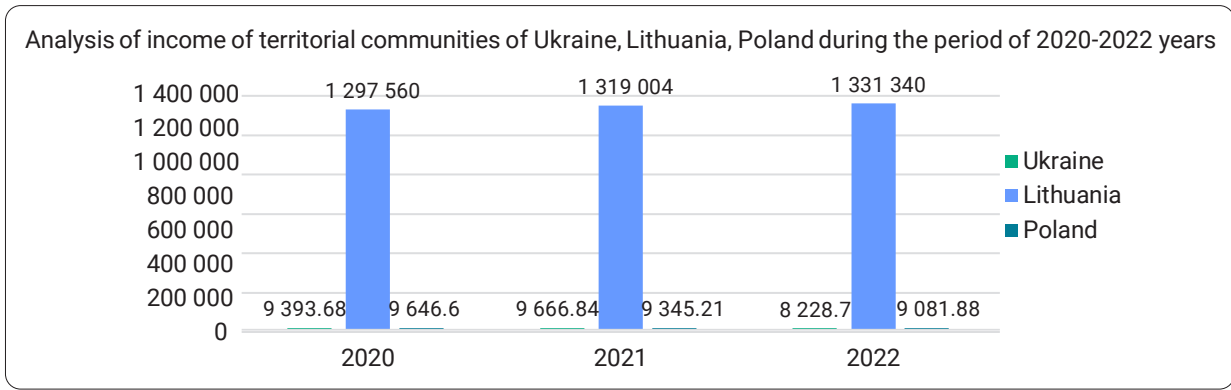
for the years 2018-the second half of 2022 in Ukraine, Lithuania, and Poland

**Source:** developed by the author based on the resources Information and analytical system for monitoring statistical and administrative indicators of territorial communities (2023), Statistics portal of Lithuania (2023), Statistics Poland (2023)

Based on the statistical information provided on the number of territorial communities in Ukraine, Lithuania, and Poland for the years 2018-2022, the following conclusions were made. The number of territorial communities in Ukraine has been growing since 2018 by 449 communities in 2021-2022. This indicates the implementation of the territorial structure reform and the amalgamation of communities for more efficient resource management and development of territories. The number of territorial communities in Lithuania has shown less fluctuation over the period and remains in the range of 3180-3264. This may indicate the stability of the territorial structure and the absence of significant changes in the number of communities. The number of territorial communities in

Poland also shows a slight increase from 2018 by 30 communities in 2022. This indicates a certain development of the country's territorial structure, although the pace of change is moderate.

Thus, the general trend in the number of territorial communities in the countries under consideration indicates a certain movement towards improving the territorial structure and finding optimal forms of governance at the local community level. In the context of the economic comparative analysis of regional development, Figure 2 shows the dynamics of territorial community revenues in the period from 2020 to 2022 in euros. The study covers not only Ukraine, but also two Central European countries – Lithuania and Poland.



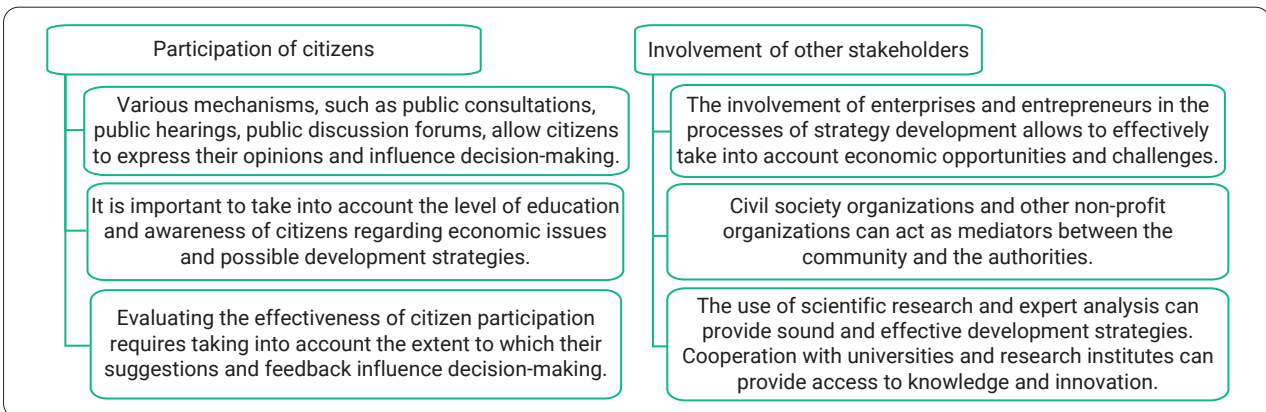
**Figure 2.** The dynamic of income of territorial communities of Ukraine, Lithuania, Poland in the period from 2020 to 2022 in euros

**Source:** developed by the author based on resources Information and analytical system for monitoring statistical and administrative indicators of territorial communities (2023), Statistics portal of Lithuania (2023), Statistics Poland (2023)

Thus, the comparative analysis shows similar trends in the development of local systems, but there is still a variety of strategies and approaches, which is determined by the cultural, historical, and economic characteristics of each country. Based on the data on local community revenues for 2020-2022 in Ukraine, Lithuania, and Poland, several conclusions can be drawn. Ukraine has a certain decrease in the revenues of territorial communities from 2020 to 2022 by 13%, primarily due to the appreciation of the euro against the hryvnia and the introduction of martial law in the country. Lithuania is expected to see a slight increase of 2% between 2020 and 2022. Poland is marked by significant fluctuations, but also shows a slight decrease in revenues from 2020 to 2022 by 6%. The overall level of territorial community revenues in Lithuania is significantly higher than in Ukraine and Poland. Lithuania has relatively stable growth over this period because it has the euro currency.

Lithuania has higher total revenues of territorial communities compared to Ukraine and Poland. In turn, Ukraine shows some economic growth, but its level of revenues in 2022 remained lower than in Lithuania and Poland due to the war. This data can serve as a basis for further

economic analyses and the development of strategies for managing territorial development in different countries. The analysis of the level of participation of citizens and other stakeholders in decision-making processes and the development of local economic development strategies is of great importance, as it reflects the activity of citizens in the formation and implementation of initiatives that will contribute to development. The ability of citizens to participate in decision-making contributes to the consideration of diverse needs and views in the development of strategies, which contributes to the wider implementation of solutions and ensures their suitability for specific community conditions. Citizen participation in local initiatives also increases the level of legitimacy and trust in the decisions made. Therefore, analysing the level of participation of citizens and other stakeholders in decision-making processes and the development of local economic development strategies plays a key role in ensuring sustainability and addressing the diverse needs of communities. Figure 3 illustrates the participation of citizens and other stakeholders as a fundamental element of democratic and effective governance aimed at achieving economic development.



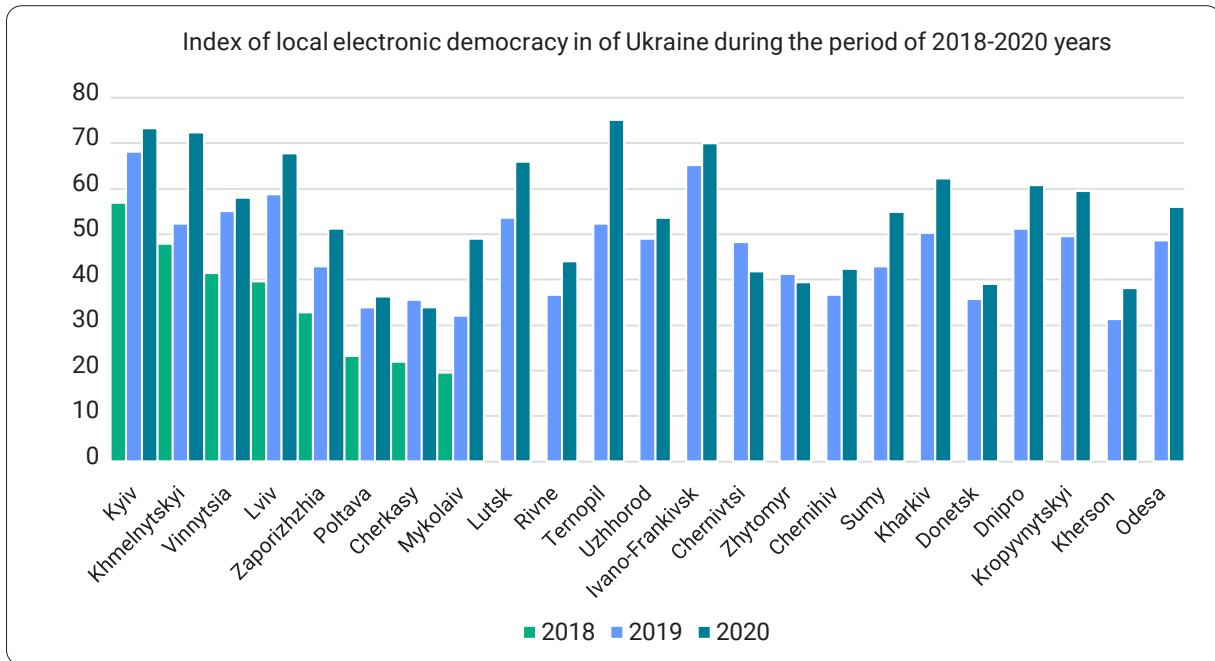
**Figure 3.** The participation of citizens and other stakeholders in decision-making processes and development of local economic development strategies

**Source:** developed by the author

The overall conclusion is that maximizing the participation of citizens and various stakeholders in the governance and strategic development of local economies is an important prerequisite for sustainable and inclusive economic growth. Ensuring transparency, equity, and access to information can contribute to the development of effective and acceptable strategies for all stakeholders.

#### Evaluation of the use of technologies to increase the productivity of local economic development

The use of technology to increase the productivity of local economic development plays a critical role in shaping a sustainable and competitive socio-economic environment. Based on data from sources taken from the official website of the Centre for Innovation Development, Figure 4 shows the index of local e-democracy in Ukraine for 2018-2020.



**Figure 4.** Index of local e-democracy in Ukraine for 2018-2020

**Source:** developed by the author based on the resource by H. Prykhodko *et al.* (2018), A. Yemelyanova *et al.* (2019), A. Yemelyanova & S. Loboyko (2020)

This chart shows that most cities have experienced some positive growth in the indicator over the past three years. The highest growth rates are observed, in particular, in Ivano-Frankivsk, Ternopil and Kyiv. Also, as expected, the capital Kyiv has the highest average score, indicating greater opportunities for high earnings. However, other cities, such as Lviv, Odesa, and Kharkiv, also have fairly high averages. Some cities are experiencing growth, while others may be experiencing a relative decline, such as Kherson. The difference between the maximum and minimum values is large, indicating economic inequality between different regions. This data can serve as a basis for a deeper analysis of the regional economic situation, earnings dynamics, and opportunities for improving economic development in individual cities. The absence of data for 2018 is explained by the fact that although a request was sent to the cities during the study, not all of them provided the relevant data. The relevance of the data for 2021-2022 is currently problematic, primarily due to some important events that have shaped the socio-economic landscape. First, the global COVID-19 pandemic has significantly complicated the collection and analysis of economic data due to the suspension of certain activities and restrictions on the work of statistics

collection agencies. Secondly, the outbreak of Russia's full-scale invasion of Ukraine has caused additional difficulties in keeping records and analysing economic indicators. Urgent measures to ensure the security and defence of the country required the suspension of some economic operations and led to delays in the work of government agencies and organizations, including the collection, processing, and publication of economic data. These circumstances resulted in a temporary lack of up-to-date data for the period.

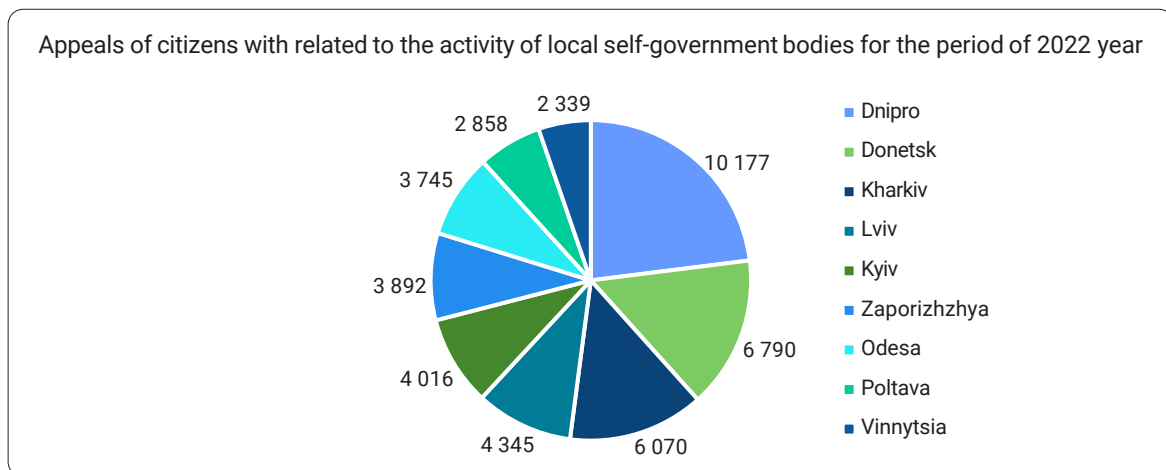
In addition, it is important to consider the impact of various factors on local economic development. Therefore, Table 2 compares the mechanisms of cooperation and coordination between different levels of government (local, regional, national) with the impact of factors such as globalization, climate change, demographic changes, and technological progress on local economic development.

This table provides a summary of how different levels of government can cooperate and coordinate to ensure effective local economic development, considering the impact of global factors. Using data from the Government Contact Centre website, the most active territorial communities were analysed by region in 2022 in terms of citizens' appeals on local government activities (Fig. 5).

**Table 2.** Comparison of mechanisms of cooperation and coordination between different levels of government with the influence of factors

Factors	Levels of Government		
	Local level	Regional level	National level
Globalization	Development of local enterprises that can compete in the global market. Conclusion of international partnerships and trade agreements.	Participation in regional business associations and other international organizations. Joint solution to global problems, such as environmental issues.	Development of national export strategies, participation in international economic forums.
Climate change	Implementation of local initiatives to reduce emissions and adapt to climate change.	Joint projects at the regional level to join forces in the fight against climate change.	Development of national strategies for reducing the impact on climate change and participation in international environmental agreements.
Demographic changes	Development of local programs to solve problems related to changes in the population structure.	Participation in regional initiatives on migration and the labour market.	Determination of national policies regarding demographic changes and social programs.
Technological progress	Introduction of new technologies in the local economy and educational programs.	Joint initiatives with regional companies for the development of new technologies.	Development of national strategies for digital transformation and innovation.

Source: developed by the author



**Figure 4.** The most active territorial communities in oblasts by region for 2022 regarding citizens' appeals regarding the activities of local self-government bodies

Source: developed by the author

The largest number of appeals was received from the Dnipro territorial community, which indicates the activity and involvement of the local population. Even in the face of certain difficulties due to the conflict situation, citizens of Donetsk territorial communities express their questions and needs. In turn, Odesa and Zaporizhzhia territorial communities are marked by an average number of appeals, which may indicate stability, even development and a balance between the needs of citizens and the effectiveness of local self-government. Poltava and Vinnytsia territorial communities are less active in responding to citizens' appeals compared to other regions. In general, in each region, requests from local communities are more related to compensation for damages to victims, provision of housing and

humanitarian aid to internally displaced persons. This data can be used to further study the problems and needs of communities in individual communities and to develop effective strategies for local governments to respond to them.

To improve the system of local economic development management, it is recommended to implement specific strategies and measures, such as creating an interaction platform, introducing a digital monitoring platform, ensuring public participation in decision-making processes, creating an innovation fund, and integrating education and training programmes. The creation of a centralized platform for interaction serves to exchange information and cooperation between government, business, and civil society. To implement this recommendation, a web portal

should be developed where stakeholders can share initiatives, project information and feedback.

The next recommendation relates primarily to the introduction of a digital monitoring platform, which is used to track development indicators and the use of resources. To implement this monitoring, it is necessary to use a geodata and analytics system for real-time reporting and analysis. In turn, to ensure public participation in decision-making processes, regular meetings and initiatives should be organized to help take citizens' opinions into account. Create a fund to finance innovative projects and enterprises. This fund can be created by developing competitive programmes for investors and defining selection criteria for financial support. To integrate education and training programmes to educate the local population, partnerships should be established with educational institutions and businesses to help create special programmes tailored to the needs of the community. These recommendations constitute a comprehensive approach to improving the local economic development management system in communities and will contribute to the creation of a sustainable and effective environment for development.

However, there are also problems that may arise during the implementation of these recommendations. One of these challenges may be the financial constraints associated with insufficient funding for development initiatives. To address this issue, it is important to consider additional funding opportunities, such as partnerships with businesses, grants, and investments. Another problem is related to the diversity of cultures and opinions of citizens, which can affect the formation of a single strategic direction for community development. To overcome this challenge, it is important to organize training and campaigns on intercultural understanding to support inclusiveness and joint development. Also, when creating a web portal or special programmes to educate the local population, there may be a problem related to technical difficulties, such as low technical literacy in the community. To address this, citizens should be provided with access to training resources and technical support to facilitate their participation in the digital environment. In the realm of political complexities related to changes in government and priorities, it can be difficult to ensure the sustainability of strategies. It is then necessary to consider the sustainability and continuity of strategies regardless of political changes, so as not to disrupt development processes.

Understanding these issues and implementing specific measures will help to create a stable and effective system of local economic development management for communities that meets the unique needs and conditions of each region. Considering all aspects of the study, the recommendations provided and the problems that may arise during implementation can serve as a strategic guide to improve the economic activity and social prosperity of communities. Proposals for expanding the use of innovative technologies, increasing the level of citizen participation, and optimizing the mechanisms of cooperation between

different levels of government form a practical basis for positive changes in the local economic development system.

## Discussion

At the current stage of Ukraine's development, the economic condition of communities is determined by a complex of factors. Despite some progress in several regions, there are challenges that require attention and systemic solutions. Important areas for further development include supporting entrepreneurship and creating a favourable business climate, improving infrastructure to stimulate economic activity, developing educational and research initiatives to ensure a skilled workforce, and promoting innovative technologies. Social development and ensuring access to quality health and social services also remain key aspects. Ensuring coordination and cooperation between government agencies, the business community and communities is therefore essential to effectively address these challenges.

The topic of local economic development has also been studied by researchers E. Malizia *et al.* (2020). In their book, they highlighted the relevance of the theory to provide information support for local strategic planning in the context of significant differences in regional economic indicators. It is worth agreeing with the authors' opinion, as this study allows understanding the basic concepts and principles that determine local economic development and taking them into account when formulating strategies and plans at the local level. The analysis of differences in regional economic indicators, noted by the authors, indicates a different approach to planning and the use of theoretical foundations to ensure effective development management in different territories. R.D. Lamie & S.C. Deller (2020) investigated and critically analysed local and regional food networks. Thus, their results show that most studies currently lack a theoretical basis. It is worth agreeing with the authors' opinion, as the lack of theoretical underpinning indicates the need to develop or apply an appropriate theory to better understand and explain phenomena in food networks.

Other researchers who have examined the potential utilization and impact of human and natural resources in the Bulukumba region are H. Saleh *et al.* (2020). They found that the combined impact of natural and human resources affects the economic development of the region, but it is necessary to optimize and strengthen the potential of resources using modern technologies and changes in community culture, which will contribute to economic growth. It is appropriate to agree with the authors' opinion, since the determination of the joint impact of natural and human resources on the economic development of a region indicates their interaction and interdependence. The interest in optimizing and strengthening the potential of resources using modern technologies and changes in community culture indicates the need to adapt to change to promote economic growth.

Interested in studying the impact of community-based cash-for-work programmes in Jordan, M. Loewe *et al.* (2020) first examined in detail and then argued that such



programmes, if designed seriously and more broadly, can have significant benefits not only for their direct participants, even if - under the current structure - after payment for work, the impact on employment and investment remains limited, and the changed gender roles may be unsustainable. It is worth agreeing with the authors' view that cash-for-work programmes can serve as an effective tool to alleviate pressure on refugee host communities. These programmes not only promote employment and skills development, but can also have a positive impact on local infrastructure and social fabric. Haudi *et al.* (2020a) examined the socio-economic needs and challenges of local communities in Raub, Malaysia, and conducted a township survey of 300 respondents to develop recommendations and interventions. The authors' opinion is ambiguous. On the one hand, it is true that the socio-economic growth of rural areas is not limited to the problem of poverty alone. Other physical and psychosocial aspects can influence community development, and their consideration is important for formulating effective strategies. In addition, private-public partnerships in Malaysia have been shown to be empirically successful. Such partnerships can create additional opportunities for community development by providing support and resources. On the other hand, the study notes that there are many rural areas that have not been fully explored and developed. This can make it difficult to understand their potential and challenges, thus making it difficult to formulate effective strategies.

Other researchers who have studied the mobilization of communities of practice for local community development are E. Annan-Aggrey *et al.* (2022). They examined how this issue can accelerate Canada's Sustainable Development Goals (SDGs), and they also found out what benchmarks are needed for successful practices in community management. It is worth disagreeing with the authors' opinion, as the phrase used in the study, "progress has been made in some places" leaves room for ambiguity about specific achievements. This can lead to a sense of uncertainty about how well the SDGs have been implemented. The study also states too broadly that the local government level is recognized as a key place to develop efforts, especially as the SDGs are relevant to local community development. A. Catalinac *et al.* (2020) examined and analysed waste management strategies, networks, and economic progress at the local development level in contemporary Japan. In their conclusions, they confirm the theory and explain other aspects of Japanese policy, in particular, why there is a tendency to distribute pork to less profitable areas. It is worth agreeing with the authors' opinion, as the study is based on a theoretical concept that states that politicians motivate voters by organizing competitions between groups and distributing rewards depending on the level of support provided in elections. This approach makes logical sense, especially in the context of the political process.

Exploring the role of local communities in social media and protected area management separately, J. Pereira *et al.* (2022) conducted a social media study to examine how

local communities interact and are embedded in the structure and dynamics of communication between stakeholders, using Quirimbas National Park, Mozambique, as an example. Through the analysis, they were able to identify a network of limited cooperation that lacks bidirectional communication. It is worth agreeing with the authors' opinion, as the recommendation to improve communication and involve communities in decision-making processes is constructive. This emphasizes the importance of including communities in the development and implementation of conservation strategies. L. Haji *et al.* (2020) studied the role of local community participation in land and forest management. They explained the role of community participation in sustainable forest management, then introduced the barriers and drivers of local community participation, respectively, and highlighted some practical experiences of local community participation in forest management. The authors' opinion is ambiguous. The recognition that the conservation, protection, and sustainable use of forests has an important function in ensuring the environmental sustainability of the globe is constructive. Forests provide numerous ecosystem services, such as climate regulation, biodiversity conservation and soil fertility maintenance. But on the other hand, the introduction of social principles for agricultural systems and interventions requires specificity and detail to ensure their effectiveness.

The author of the book M. Patynska-Popeta & T. Zinchuk (2022) outlined how the community's view of rural economic development policy is evolving, as well as the factors that influence development prospects. The author's opinion is ambiguous. On the one hand, current economic trends suggest that the economic gap between rural and urban areas may be widening. Taking this difference into account is important for designing effective rural development policies. On the other hand, there is a need to consider a variety of development strategies, as there is no one-size-fits-all approach for all rural areas. Also, cooperation with community development professionals should be considered, which requires support and resources for their effective work. Haudi *et al.* (2020b) studied the socio-economic needs and gaps of local communities and then provided recommendations for offering the necessary assistance and interventions. They decided to develop a predictor of socio-economic success through a survey in Kuala Lipis District, Malaysia, with 300 respondents, plus a face-to-face interview. The authors' conclusion that the influence of the private and public sectors is explained by the socio-economic development of the country is noteworthy. This reflects the realization that cooperation between these sectors can be a key factor in ensuring sustainable community development. This is indicative of a practical approach to solving problems at the level of specific communities, particularly in the Kuala Lipis district in Malaysia.

In their study, H.B. Tantoh *et al.* (2021) provided practical evidence and lessons learned from good water management practices that focus on community economic development in northwest Cameroon. Through the analysis

of data collected through participatory research methods, the authors found that centralized control, prevalence of poverty, passive public participation, the private sector and low levels of local community participation continued to hinder the provision of water in these areas. It is appropriate to agree with the authors' view, as the study uses a literature review of sub-Saharan natural resource management initiatives that are successful and based on community participation. This is important to consider the context and learn from positive experiences. The study also recognizes power as a crucial determinant of access to resources. This contributes to an informed discussion of governance systems and their impact on resource allocation.

Researchers L. Guibrunet *et al.* (2021) analysed four Mexican forests and compared the results of the analysis with the literature on environmental justice and conservation. Through this detailed analysis, the authors concluded that achieving meaningful recognition of local communities' value systems requires: developing awareness of structural political and economic factors, and an epistemological transformation that permeates protected area management, where local value systems are considered as one of the various legitimate knowledge systems. It is worth agreeing with the authors' view that recognizing the three key factors that make it difficult to recognize local community value systems can be an important contribution to identifying and addressing problems in conservation management. However, it may be important to keep in mind that assessing value systems is a complex task, and that the diversity of perspectives and approaches in local communities should be considered. R. Huggins *et al.* (2021) investigated the impact of the Industrial Revolution on the influence of local communities in the UK. In conclusion, the authors identified one of the reasons for the limited impact of public policy on local and regional economic development. This reason is that historical industrialization has left a lasting imprint on contemporary culture in many regions, making it difficult to promote change. It is worth agreeing with the authors' view, as the use of historical data to assess the causal relationship between industrialization and cultural dimensions suggests that these factors interact. This can be useful for formulating regional development policies and strategies.

In their study, R. Rugeiyamu *et al.* (2021) examined and clarified the interaction of local governments to support economic development and service delivery to local communities in Tanzania. After analysing and researching documentary reports, it was concluded that local governments promote economic development by providing loans with favourable terms and improving business infrastructure. It is worth agreeing with the authors' opinion, as the study honestly and objectively identifies problems, such as difficulties with non-performing loans and failure to provide entrepreneurial skills. This is key to formulating strategies and policies to address these challenges.

In summary, the research study of the local economic development management system in Ukraine, Poland, and

Lithuania has identified key aspects and trends that determine the success of economic development at the local level. An analysis of different governance models, the level of citizen participation, the use of technology and coordination between different levels of government has identified important aspects and issues affecting community development. The study identified important recommendations for improving the effectiveness of governance systems, such as increasing the role of citizens in governance processes, using modern technologies, and strengthening cooperation at different levels of government. In addition, it was noted that many studies on the economic development of local communities are aimed at identifying optimal models of governance and resource allocation to achieve efficiency and equity at the local level. The results of certain studies help to identify factors that influence the development of local communities, as well as to develop strategies to ensure sustainability and consider the unique characteristics of each region. Such research is aimed at addressing the specific problems and needs of local communities, which is key to supporting the development of society as a whole.

## Conclusions

As a result of the study of the local economic development management system, it is important to note that the analysis of different models and approaches to managing local economic development of communities revealed significant differences between centralized and decentralized systems, as well as different options for involving citizens in decision-making.

Using official statistical data, an analysis of the dynamics of territorial community revenues in the period from 2020 to 2022 for Ukraine, Lithuania, and Poland was conducted, which revealed certain similar trends in the development of local systems, but also highlighted the diversity of strategies and approaches in each country. According to the findings, the number of territorial communities in Ukraine has increased since 2018 by 449 communities in 2021-2022, which indicates the implementation of the territorial structure reform and amalgamation of communities for more efficient resource management and development of territories. Lithuania is marked by a stable number of 3180-3264 communities, while Poland also shows a moderate increase since 2018 by 30 communities in 2022. As for the revenues of territorial communities, Ukraine has a certain decrease by 13%, so it remains lower compared to Lithuania, which has a 2% increase in income, while Poland has a decrease in income by 6%, but still has more income from territorial communities compared to Ukraine. The general trend is towards economic growth and stabilization, but different countries are developing at different rates and approaches. The assessment of the level of citizen and stakeholder engagement revealed the importance of their role in shaping local economic development strategies.

The analysis of the use of technology to improve the productivity of local economic development allows identifying key aspects that affect the effectiveness of community

development. It was conducted on the example of Ukraine, considering its historical and economic context. According to the analysis of the local e-democracy index in Ukraine for 2018-2020, there has been a positive growth in most cities, with more than 70% growth rate in Ivano-Frankivsk, Ternopil, and Kyiv, but other cities such as Lviv, Odesa, and Kharkiv also have a fairly high average value of about 56-67%, indicating an improvement in the interaction and influence of citizens on local governance and development processes.

The study of the mechanisms of cooperation and coordination between different levels of government, considering global and local challenges, highlights the need to combine global and local initiatives to achieve sustainable and balanced economic development. In addition, the activity of citizens, manifested through appeals to local governments, indicates their interest and participation in resolving issues related to their lives and communities. Based on the results obtained, recommendations and strategies have been developed to improve the system of local economic development management. These findings can serve as a basis for further research and development of local

development policies, contributing to the formation of a sustainable and competitive environment for communities, considering their needs and resources.

The system of local economic development management is a critical topic for further study in light of current challenges and extraordinary circumstances. The development of effective partnership mechanisms between government institutions, business and civil society has proven to be a key factor in ensuring the sustainable and balanced development of local communities, especially in unforeseen situations such as martial law. Therefore, further study of this topic is of great importance for the adaptation of public initiatives and management decisions, ensuring the sustainable development of local communities in the face of uncertainty and difficulties.

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### Conflict of Interest

None.

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## Система управління місцевим економічним розвитком громад

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**Анотація.** У сучасних умовах стало важливим завданням підтримка та стимулювання місцевого економічного розвитку громад з метою поліпшення життєвого рівня населення та створення стійких та конкурентоспроможних громадських структур. Метою цього дослідження є вивчення системи управління місцевим економічним розвитком громад, що стає все більш актуальним завданням у контексті соціального, економічного та політичного розвитку сучасних суспільств. В результаті проведення дослідження було отримано такі результати: за допомогою високоякісних даних із видання *Local economic development: Models, resources and financing tools* розглянуто різні моделі та підходи до управління місцевим економічним розвитком громад, включаючи централізовані та децентралізовані системи, а також варіанти залучення громадян до прийняття рішень; за допомогою статистичних джерел Інформаційно-аналітичної системи моніторингу статистичних та адміністративних показників територіальних громад, *Statistics Portal of Lithuania*, *Statistics Poland* був проведений порівняльний аналіз систем управління місцевим розвитком громад в Україні, Польщі, Литви; було проаналізовано рівень участі громадян та стейкхолдерів у процесах прийняття рішень та розробці стратегій місцевого економічного розвитку; оцінено використання технологій для підвищення продуктивності місцевого економічного розвитку за допомогою ґрунтових досліджень з Центру розвитку інновацій; досліджено та порівняно механізми співпраці та координації між різними рівнями уряду з впливом чинників; проаналізовані територіальні громади за регіонами щодо звернення громадян з питань діяльності органів місцевого самоврядування за допомогою статистичних даних з сайту Державної установи “Урядовий контактний центр”; розроблені рекомендації та стратегії для вдосконалення системи управління місцевим економічним розвитком громад. Дослідження системи управління місцевим економічним розвитком громад має велику практичну значимість у сучасних умовах, де сприятливе економічне середовище на рівні місцевих громад є важливим чинником для поліпшення життєвого рівня населення та створення стійких та конкурентоспроможних громадських структур

**Ключові слова:** інфраструктура та інвестиції; партнерство між секторами; ефективність ресурсів; підвищення конкурентоспроможності

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