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MODELS OF STATE POLICY OF ECONOMIC DEVELOPMENT OF TERRITORIAL COMMUNITIES: THEORETICAL AND METHODOLOGICAL PRINCIPLES

The article defines the theoretical and methodological principles of the formation and implementation of state policy to ensure the economic development of regions and territorial communities. The article considers the main models of the formation and implementation of state policy to ensure the economic development of regions and territorial communities. The features of the application of different models of the formation and implementation of state policy to ensure the economic development of regions (territorial communities) in different countries and the possibility of their application in Ukraine in modern conditions are characterized.

Keywords: *state administration, mechanisms of state administration, state policy, models of state policy, territorial communities, economic development of territorial communities, development of regions, theoretical and methodological principles.*

Problem setting. Theoretical and methodological models of economic development of territories (countries, regions, cities) are formed and implemented as a result of generalizations that arise under the influence of various processes occurring in the global economy as a result of the corresponding evolution of the economic system, and the basic principles, structure and mechanisms for ensuring economic development are formed on the basis of specific examples of certain countries, regions on the basis of statistical and analytical observations.

The choice of goals, vectors, mechanisms and instruments for ensuring economic development of territories (countries, regions, cities) largely depends on the state, namely the relevant state policy. The adoption of justified and adequate state management decisions

in this area is possible only on the basis of a thorough study of the economy and models of economic development, as well as the adaptation of basic theoretical concepts to the specific socio-economic conditions of a particular country, region, territorial community.

Recent research and publications analysis. A comprehensive theoretical study of economic development issues and the features of the formation and implementation of theories and models of state economic development policy, including regions and territorial communities, has received wide coverage in the scientific works of such scientists as H. Arndt, G. Daly, S. Dudley, M. Esping-Andersen, E. Kruger, J. Mill, H., Galbraith, M. Porter, S. Harris, J. Schumpeter, M. Todaro and others [1; 2; 3; 6; 8; 9; 12; 15; 16; 18].

However, many issues regarding the features of the application of relevant models, their components or elements in the formation and implementation of state economic development policy of regions and territorial communities in modern conditions remain insufficiently researched.

Paper objective. The purpose of the article is to determine the theoretical and methodological principles of the formation and implementation of state policy to ensure the economic development of regions and territorial communities.

Paper main body. When studying the basic theoretical and methodological models of economic development, it is important to identify their specific features that laid the foundation for the development trends of economic objects (country, region, territorial communities) and contributed to their progress. For this, it is advisable to consider the essence and content of the scientific categories “development” and “economic development”.

It should be noted that the scientific definition of “development” is most often used in the following combinations: economic development, socio-economic development, development of the economy of the country (region, territory, city).

In all these cases, development means any progressive change, primarily in the economic sphere. If the change is quantitative, we speak of economic growth. In the case of qualitative change, we may be talking about structural changes or a change in the content of development, or about the economic system acquiring new characteristics. In general, in the scientific literature, the development process is identified with the driving force of progress, which always has a direction determined by a goal or system of goals [10].

According to H. Arndt, the complex nature of transformations, encompassing profound

changes in the social, political, economic, technical and institutional spheres, in the spheres of infrastructure, technology, education, social and in the sectors of the main factors of production – capital, natural resources – is economic development [6].

Mill J. notes that the driver of economic development is economic interests associated with property relations, depending on the actually existing forms of ownership of the means of production [8].

Dudley S. argues that economic development is productive in nature, and in a growing economy, there is always a process of reducing or eliminating poverty, inequality and unemployment [2].

Schumpeter J. adds the factor of innovation to economic development, noting that “... economic development consists in the emergence of something new, previously unknown, namely innovation” [16].

Kruger E. notes that economic development is an increase in welfare, income per capita, improvement in the quality of life, and an increase in the degree of satisfaction of the basic needs of all members of society [4].

Among the main value orientations of economic development, Professor Todaro M. singles out: an increase in the standard of living – an increase in the income of the population, which, on the one hand, should contribute to an increase in the number of jobs, the quality of education, and increased attention to cultural and humanitarian values; on the other hand, such a combined approach contributes to the growth of material well-being, personal and national self-awareness; providing the individual and society as a whole with greater opportunities for choice in the economy and social sphere in order to weaken its subjugation and dependence on other people and countries, and protect it from suffering; increasing the supply and availability of vital goods and services (food, housing, health care, and security) [18].

Therefore, the above allows us to conclude that economic development is a multi-vector process that includes the transformation of the entire economic system, which leads to radical changes in society, people’s behavior, public institutions, and, as a result, leads to the acceleration of economic growth, the level of social protection of the population, the reduction of inequality and the elimination of unemployment. Dynamic economic development is always associated with the identification of objective development trends, setting goals and establishing desired values – target indicators of economic development, on the basis

of which a set of necessary state management measures can be developed to develop a development strategy and tactics.

A significant contribution to the study of theoretical and methodological models of state policy of economic development was made by the Dutch sociologist G. Esping-Andersen. His classification of models of development of national economies is noteworthy: a liberal-oriented model of development of the national economy (“American, Anglo-Saxon” models) with minimal state obligations, which apply only to the poorest part of the population; a social-democratic model (“Swedish, Scandinavian” models), focused on equalizing the incomes of all members of society through a progressive system; model of a social market economy (Central European, Rhine model) – a corporate model with a developed social insurance system, which is closely related to wages [3].

However, the fact of declaring the postulates of the concept of a welfare state as a desirable option for socio-economic development prompted G. Esping-Andersen to reconsider the parameters that need to be included in the model of a welfare state, namely: “... the scale of “decommodification” – limiting the perception of labor as a commodity, that is, reducing the dependence of the individual’s existence on the functioning of the market system; stratification – the social structuring of living standards and solidarity relations, which operates through the social security system; the interaction of the state, family and those market institutions that are responsible for the well-being of citizens” [3].

In the presence of significant problems in the field of economic development, the model of industrial development is quite relevant, which is considered in detail in the scientific work of J. Galbraith [9].

In this case, the economy is considered not as a means to ensure the well-being of the country’s citizens, but as the main goal of state policy, and the main indicator of national progress in the specified model of economic development is gross domestic product (GDP) [9].

In modern conditions, an example of the successful application of the industrial development model is China. However, a feature of the Chinese model of economic development is that it becomes more and more complex every year, as new priorities are being defined – innovations, social and regional development, high-quality public services to the population, etc.

Given the fact that the modern world hides many challenges and threats, it is extremely relevant to study and implement the mobilization model of economic development, the founder of which is considered to be S. Harris [15].

First of all, it should be noted that the mobilization model of economic development is characterized by multifacetedness, when some sectors of the economy and society arrive in a state of mobilization, while others do not. This development model is chosen by countries that have determined a catch-up development path for themselves. It can exist in any form of economy (market, non-market, private, state). Eight principles of the mobilization model of economic development are distinguished: the target orientation of state policy; the principle of achieving the goal at any cost; the principle of the main link; the principle of continuity; the principle of ideocracy (the promotion of a national idea that is able to inspire people to maximum labor efficiency (hard work, innovation, ingenuity, etc.)); the principle of strong power; the principle of command (“monolithic unity”); the principle of consciousness and personal responsibility [15].

The following theoretical and methodological model of state policy of economic development provides for increasing the competitiveness of the country by improving the conditions for business and people’s livelihoods in order to establish the country as a strong system capable of competition, the elements of which function in a coordinated and harmonious manner.

A significant contribution to the definition of the competitiveness of states and the competitiveness model was made by M. Porter. In conditions of increasing external influences and uncertainty, this model of economic development is relevant for the development of countries and regions (territories). Providing favorable conditions for the economy and livelihoods of the population, maintaining systemic stability, and adequately responding to external challenges and opportunities are precisely the abilities of the territory (country, region, city, etc.) that characterize competitiveness [13].

The competitiveness model is based on the following four determinants of the economy, which form the environment that promotes or hinders economic development. These four determinants include: factor conditions; conditions of domestic demand; related and supporting industries; firm strategy, structure, and competition. In addition to the above, there are two other variable determinants (random events and government actions) that can either

enhance or weaken the synergistic effect of the interaction of these four factors, but they must be taken into account [13].

The most common at the current stage of development of global society is the sustainable development model, which is also called the “global model of the future of civilization”. This model was ratified at the UN Conference on Development and Environment in Rio de Janeiro in 1992.

In the work of G. Daly (Herman Edward Daly) [1], the concept of sustainable development economics was introduced, and P. Victor [12] proposed an interactive development model that confirms the fact that even within the framework of generally accepted approaches to the economy there are opportunities to achieve its stable state. The concept of “sustainable development” includes environmental, resource, socio-economic and political aspects, which implies the need to more actively use territorial and cross-sectoral approaches in state policy.

Many countries in the world have adopted sustainable development models as a necessary basis for further development, since its application contributes to solving current problems that should not pose a threat to future generations.

The “smart” sustainable development model (SSDM) is aimed at ensuring the use of information and communication technologies in the formation and implementation of state policy for the economic development of territorial communities, which is used both in the interests of development and for managing operations in emergency situations in order to improve the lives of millions of people around the world. SSDM is a response to global challenges, such as resource constraints, international and interregional competition, new technologies, etc. The basis of the “smart” sustainable development model is to improve the quality of life without harming the environment, increase labor productivity, combine innovations and rational decisions regarding the use of available resources, etc. That is, economic growth under the conditions of the SSDM model is ensured by knowledge, innovation, creativity, and a certain culture of life [17].

Accordingly, it can be determined that within the framework of the above-mentioned model, investing in innovation and advanced training in order to increase labor productivity is a key tool of state policy for the economic development of territorial communities.

The rapid global growth of income inequality, both in developing countries and in economically developed countries, has led to the formation of a model of inclusive development,

which implies the need to ensure employment of the population and high social standards. Moreover, everything must be carried out on the basis of a harmonious combination of high rates of economic growth and adherence to the principles of sustainability. It is the threat of social tension and the danger of slowing down the pace of economic development that income inequality carries [7].

The growing number of studies aimed at finding other factors that influence economic development models has contributed to the realization by representatives of the authorities of many countries of the world of the fact that an economy based only on material well-being is no longer effective. And the main indicators of well-being, according to most theorists, are: the level of GDP per capita; life expectancy; the presence of civil liberties; a sense of security and confidence in the future; family stability; employment guarantees; the level of corruption; the level of trust in society; generosity and generosity; the feeling that you are happy, etc. [5].

So, the main elements of territorial (regional) development models, recognized in modern conditions in the world, are: the chosen economic policy in the country (region, territory), the purpose of which is to increase the level of well-being and quality of life of the population; the choice of the optimal structure of economic development that corresponds to the potential and goals of the region (territory); the choice of appropriate ways, mechanisms, tools, resources to implement the set goal, etc.

Let us consider directly the theoretical and methodological models of state policy for the economic development of territorial communities (regions).

It is advisable to begin the study of existing theoretical and methodological models of economic development of territorial communities (regions) with an understanding of the fact that with the acquisition of "real independence" by regions (separation of economic and financial structures, decentralization of management), a new, actually regional, sphere of interests and responsibility is formed, that is, the regionalization of the economy becomes part of the processes of liberalization and democratization of state administration in the economic sphere.

Socio-economic transformations carried out in the regions are largely aimed at increasing the efficiency of regional development. Political, economic and social factors affect the dynamics of economic development of regional economic systems and increase the gap between them in terms of the level of such economic development.

Regional development is quantitative and qualitative changes in the internal socio-economic structure of the region. In economically developed countries, regional development is increasingly taking on the character of compromises, which is determined by the peculiarities of the evolution of regional policy, the transformation of the principles of the modern process of convergence of regions, the hierarchy of regulation of regional disparities using both new and old mechanisms for harmonizing its local space [14].

Models of economic development of territories (regions) are usually divided into: theoretical, which allow substantiating a hypothesis for testing the consequences of economic behavior and provide qualitative answers to specific questions; empirical, aimed at testing the qualitative predictions of the theoretical model and interpreting these predictions by the results obtained. The choice of a rational model of regional socio-economic development, as a model that can be a standard for reproduction, should be formed as a result of generalizations that arise under the influence of various economic factors and processes. And models of economic development of territorial communities (regions) are formed taking into account a number of determinants, including: the type of economy of the region; specialization of the economy of the region; industry (production and technological) and corporate structure; socio-political situation in which the issue of economic development of territorial communities (regions) is raised [11].

It should be noted that the search for a rational theoretical and methodological model of state policy for the economic development of territorial communities (regions) in Ukraine is due to a number of factors, one of which is the exhaustion of the model of the "raw material economy", which is built on neoliberal principles, which was based on profitable sales of raw materials and minerals on the world market.

The modern development strategy of territorial communities (regions) of Ukraine, in our opinion, should gravitate towards a model of sustainable development based on the principles of environmental integrity, social security and economic efficiency. Considering this, it is important to note that the development of regions (territorial communities) carried out on the basis of sustainable development should include five vectors: meeting the basic needs of the population (quality of health care and education services, satisfaction with living space, etc.); efficient use of resources (water, electricity consumption, waste disposal, etc.); environmental cleanliness; development and free access to infrastructure; orientation towards sustainable

development in the future – compliance by local authorities with national and local target environmental programs.

Conclusions of the research and perspective of further development in this direction. Thus, as the above theoretical and methodological generalization shows, the process of economic development is dynamic, the model of economic development of territorial communities of the economy in a particular country may undergo certain adjustments depending on factors of an objective and subjective nature. During the period of intersystem transition in any country, several models of state policy of economic development can coexist simultaneously: a model based on the principles of the previous system, and a model that generates the formation of a new system. This statement is especially relevant in Ukraine in the conditions of Russian military aggression, when different regions and territories are to a greater or lesser extent under the influence of military actions (temporarily occupied territories, frontline territories, border territories with the aggressor, territories that are remote from the front line, etc.).

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