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Changes priorities in the concepts of regional policy and tools for its implementation on the path to European integration

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The spread of integration forces any state to decentralization processes regarding the management of national development by strengthening the regional level of power and self-government, which actualizes regional policy as a direction of scientific-theoretical reflection and political-legal practice. Regional policy, its organizational, institutional and material basis becomes the primary task of the modern state as a political institution.

A feature of the regional policy of the countries of the European Union is the presence of two independent, but at the same time interconnected levels of its regulation and implementation. The supranational level aims to level regional disparities and create prerequisites for the harmonious development of regions throughout the EU. National policies are formed taking into account the main program documents of the EU on regional development, although they have their differences.

Understanding the importance of regional development for the national policy of modern states, before the further spread of integration processes, the latter turn to reforms, the main content of which is the development of regional democracy. An analysis of the experience of introducing such reforms in the countries of Central and Eastern Europe, primarily in Ukraine, proves that the integration processes take place consistently, are based on political stability, are initiated from below and are supported by the entire society. Recently, our country almost fully meets the conditions for full membership in the EU.

Key words: European Union, Ukraine, European integration, regional policy, national policy, decentralization processes, regional democracy.

Introduction. In the documents of the EU, the term «regional policy» is interpreted as a system of measures aimed at strengthening the unity of the national economies of the Member States and ensuring their harmonious development so as to level the differences between the regions and eliminate the backwardness of the least developed of them. Thus, often instead of the term «regional policy» the notion of "cohesion policy" is used, which involves simultaneous proceedings horizontally (between regions – Regional Policy) and vertically (between sectors of society – social policy). Therefore, there is a change in the conceptual apparatus concerning regional and social policies, when they are no longer considered separately.

The main goal of the article is to analyze the changes priorities in the concepts of regional politics on the path to European integration.

Research methods. The main methods that were used in the research process are systemic, interdisciplinary and structural-functional methods. Such general scientific methods of cognition as induction and deduction, analysis and synthesis, comparison and analogy, generalization and abstraction were also applied.

Research results. Regional policy as part of national policy in the field of economic and social development in Western Europe began to emerge during the Great Depression of 1929–1933. UK has

the longest history of regional policy – over 70 years. In most Western European countries, this policy began to be implemented after the Second World War. It is believed that the year of emergence of regional policy in Italy is 1950, when the «South cashier» was created; in Germany – 1951, in the Netherlands – 1951–1952; In Ireland – 1952, in France – mid 50s XX century, in Belgium – 1959.

Regional policy in Western Europe was aimed at creating new jobs in regions with surplus labor in 50-60s of XX century. This primarily concerned agricultural and old industrial regions.

The Treaty of Rome (1957) declared the desire of member states to ensure the full development of their economies by reducing the gap between different regions. The main purpose of the Treaty of Rome was the provision of socio-economic conditions that contributed most to the development of competition. To achieve this goal, it was decided to ban any assistance from the central and regional authorities. The only common institution aimed at regional development and defined in the Treaty of Rome, was the European Investment Bank, which for nearly 20 years was the only source of investment financing regional development.

The 60s of the XX century were associated with a report submitted by the European Parliament and the European Commission, which pointed

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to the need for joint actions towards strengthening and harmonization of regional development. Including:

- The report Motta (May 9, 1960) proposed the establishment of a consultation committee for regional issues and started a program of European regional policy.
- The report Birkelbaha (December 17, 1963) insisted on the transfer to the European Commission's special disposition of funds intended for the financing of regional policy and a central office documentation and dissemination of European contacts with local authorities.
- The report Rossi (October 9, 1964) pointed to the need to rethink the role and place of regional policy in the Community and emphasized the need to prepare the European Regional Development Plan [2].

The Proposals made in the above reports, as well as the ones initiated by the European Commission coincided with a deep political crisis within the Community related to the statements in favor of expanding the powers of the European Parliament and the European Commission. As national political issues of the countries forming the EU dominated the regional, the offered proposals for the reform of European regional policy were post-poned indefinitely.

Despite the slow and contradictory political decision-making process regarding regional policy the Directorate General for Regional Policy was created in 1968, making it possible to start setting up coordinating national activities in the field of regional policy in particular as regards the provision of national regional aid. [3].

In terms of accumulation of structural problems, including low productivity, low level of professional education and training of manpower, poor infrastructure, lack of basic capital and so on, it became clear that the policy of stimulating competition is not capable of ensuring a uniform development of the Community and regional aid was necessary at least to distort the free market. Therefore, in the early 70s of the XX century the purpose of European regional policy was the elimination of the backlog and leveling the chances of regional development.

In 1973 for the first time in reports, Thomson published the results of a comparative analysis of the nine regions of the Member States, under which two types of regions in need of regional support were defined. These included regions that had agricultural and industrial problems.

For the purpose of comparison and harmonization of different national systems of regional aid, it was necessary to introduce a common statistical nomenclature of European Regions (NUTS). In the beginning, three levels of statistical units in each country – members of the community were pointed out, and in 1996, this nomenclature has been expanded by two new lower levels [7].

In 70s of the XX century, EU determined the three main areas of European regional policy:

- 1) regional focus of other Community policies agricultural, energy, industrial, etc.;
- coordination of regional policies of the Member States;
 - 3) financial support to troubled regions [3].

The Activity in the first two areas started earliest, the third trend began in the late 70s. It led to the creation in 1975 of the European Regional Development Fund (ERDF). This event launched an active regional policy in the EU. Financing of this institution was carried out in the mode of quotas for each of the member states.

Evaluating this period, we note that despite the modifications, European regional policy is not consistent with its principles, as in many European countries ERDF costs are considered only as compensation payments to the EU budget. This led to a series of reforms of the ERDF and its reorientation to attract investment to less developed regions to increase endogenous potential of regions and mobilize local resources.

Since then the focus on the use of endogenous potential, encouraging local entrepreneurship and stimulating innovation became the dominant philosophy of European regional policy.

Despite some success of the integration potential of a common regional policy in the 80s, the 90s of the XX century ensure gradual progress and regional development failed. A stimulus, which could only provide a major change or historic agreement was necessary. This incentive was the simultaneous enlargement of the EU through the accession of Greece, Spain and Portugal and further deepening of European integration through the adoption of the Single European Act (reform of the structural funds) and the Delors Package I [4].

The reform of the structural funds in 1988 had both political and economic consequences for the principles of partnership and concentration and gave the European Commission the opportunity to work closely with regional authorities, often bypassing national governments. Thus, the formation and implementation of cohesion policy increasingly strengthen regionalism in Europe and ensure the creation of multi-level governance in the EU. This also contributed to the inclusion of the Maastricht Treaty provisions on the establishment of the Committee of the Regions, an advisory body of the EU, which started operating in 1994.

The foundation of all regional policy in the 90s of the XX century occurred in 1988, when the Council adopted three regulatory orders:

- A framework that establishes new challenges for the Structural Funds.
- Horizontal containing the coordination of the funds between themselves and their relations with the European Investment Bank [1].

In the Maastricht Treaty (1992) to national regional management initiatives were added to special initiatives in the area of cohesion. One of the goals of the EU was to promote economic and social progress, which would be balanced and sustainable, in particular through the establishment of free movement without borders by strengthening economic and social cohesion and the creation of economic and monetary union.

In the period from 1994 to 1999 the Structural Funds priorities included:

- 1. Promoting and updating the structure of backward regions.
- 2. Conversion of regions, border regions or parts of regions affected by industrial decline.
- 3. Combating long-term unemployment and improving youth employment and people eliminated from the labor market, equal employment opportunities for men and women.
- 4. Creating favorable conditions for the adaptation of workers to industrial changes and changes in production systems.
 - 5. Promotion of rural development.
- 6. The development and restructuring of regions with extremely low population density [2].

The first goal was dominant, as more than two thirds of the total appropriation allocated through the Structural Funds, managed through the various types of assistance to backward regions. Thanks to such measures in the period from 1986 to 1996 GDP per capita in purchasing power parity in ten poorest regions in the EU grew from 41% to 50% of the average in the EU.

In 1997, the European Commission prepared an information document "Agenda 2000", which was a draft program of action to strengthen the European Union and offered a series of reforms to modernize regional policy. In 1999 at the Berlin summit, a political agreement on the whole package of issues was reached, according to which the main priorities of regional policy for 2000-2006, determined:

- 1. Promoting and altering patterns of backward regions.
- 2. Support for economic and social transformation (conversion) areas that are faced with problems of a structural nature.
- 3. Promoting the adaptation and modernization of policies and systems of education, training, employment [4].

The overall support for all three new priorities in 2000-2006 covered 40% of the EU population.

At all stages of programming, monitoring, and controlling the execution of programs and projects, partnership between EU institutions, national, regional and local governments, non-governmental organizations, especially those working in the field of environmental protection, equal rights for men and women was expanded [9].

Assessing the whole entire package of changes adopted by the EU Council and the European Commission during this period, we can conclude that most of them were aimed at further improving the efficiency of the Structural Funds, simplifying management, ensuring greater transparency and flexibility in the EU financial instruments, improving cost control and decentralization in the implementation of programs.

For effective development of the regions of the EU in the future, the European Commission has identified new priorities of regional policy for the period 2007–2013.

First of all, the new policy significantly narrowed the scope of its goals, to which major efforts will be directed:

- 1. Convergence smoothing inequalities between countries and regions.
- 2. Increasing employment and competitiveness of the regions.
- 3. European territorial boundaries of cooperation (cross-border, transnational) [5].

These changes in regional politics led to differences in the principles of EU structural funds, which are the main financial instruments of policy implementation. Instead of the five, that were previously, there were only three – the European Regional Development Fund, European Social Fund and the Cohesion Fund.

All available funds and programs now had to unite into one financial instrument in a certain direction and serve the achievement and realization of one of the three priorities set by regional policy development for the period.

The Reforms Structural Funds of 1988–2013 radically revised EU regional policy, introducing new principles that allowed to move from random, uncoordinated action to comprehensive structural activities, whose purpose was to increase the effectiveness and efficiency of regional aid in order to increase the cohesion of member countries [2].

The third wave of reform of the EU structural funds was also closely associated with the new priorities of EU regional policy for 2014–2020 biennium, which was formulated in line with the development of the European Union "Europe 2020".

EU Regional Policy for the next period from 2014 to 2022 undergoes adaptive changes, caused mainly by the need of structural transformation of the economy weaker of EU countries and the global financial crisis. In order to receive the money from the EU structural funds, future regions will have to prove not their conservatism but the ability to contribute to the implementation of the strategy "Europe 2020". This is the essence of the adaptive approach to regional policy imperatives of global development [6].

Despite the reduction in funding programs, such incentives should lead to more effective allocation of funds. This approach, in case of failure

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of government administrations of specific regions in the coming years could further aggravate the problem of inequality of regions, but the EU is trying to remedy this situation through a new system of division of regions and accordingly changing the proportions of their funding.

Investment under the ESF covers all regions of the EU. Over 80 billion Euros are intended for investments in human capital. Additional 3.2 billion in the period 2014-2020 Euros will be allocated for youth employment initiatives [See: 8].

In the period of 2014–2021, ESF activities will focus on four thematic objectives:

- promoting employment and supporting labor mobility;
- promoting social inclusion and combating poverty;
- investing in education, skills and lifelong learning;
- increasing institutional capacity and efficient public administration.

For the period 2014–2020, this Fund allocate will allocate 74 billion euro.

According to the budget for the years 2014–2020 cohesion policy will be of 325 billion euro in the prices of 2011 (366.8 billion at current prices). The Cohesion Fund budget received about 75 billion euros. They will be aimed at increasing economic growth and job creation, climate change, energy dependence and social problems. Investments will be directed to all regions of the EU, but with the low level of development. In contrast to the previous programming period (2007–2013), when countries recipients under this program were all countries where GDP per capita was less than 75% of the average in the EU-27, in the new period, the countries are divided into three groups:

- the least developed (GDP less than 75% of the average);
- Transition (GDP between 75 % and 90% of the average for the Union);
 - developed (90 % of GDP) [10].

In general, the least developed countries will receive in the years 2014–2021 185.37 billion EUR, 36.16 billion the transitional countries, and the developed – 55.52. In addition, sparsely populated and remote areas will be allocated 1.56 billion euros, interregional development – 10.23 billion euro. All amounts are expressed in current prices and do not include internal division of the Cohesion Fund.

Conclusions. The Reforms Structural Funds radically revised EU regional policy, introducing new principles that allowed to move from random, uncoordinated action to comprehensive structural activities, whose purpose was to increase the effectiveness and efficiency of regional aid in order to increase the cohesion of member countries.

However, the experience of regional policy in the EU shows that by itself regional policy is not

capable to ensure accelerated economic growth and increase revenues in depressive regions. The Structural Funds should be treated with caution; as independent experts suggest that we should not pay too much attention to internal regional disparities but better focus on sustainable economic growth across the country.

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Зміни пріоритетів у концепціях регіональної політики та інструментах її реалізації на шляху до європейської інтеграції

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Поширення інтеграції змушує жодну державу до децентралізаційних процесів щодо управління національним розвитком шляхом зміцнення регіонального рівня влади та самоврядування, що актуалізує регіональну політику як напрям науково-теоретичної рефлексії та політико-правової практики. Регіональна політика, її організаційне, інституційне та матеріальне підгрунтя стає першочерговим завданням сучасної держави як політичного інституту.

Особливістю регіональної політики країн Європейського союзу є наявність двох самостійних, однак у той же час взаємопов'язаних рівнів її регулювання та здійснення. Наднаціональний рівень ставить за мету нівелювання регіональних диспропорцій та створення передумов для гармонійного розвитку регіонів по всій території ЄС. Національні політики формуються з урахуванням основних програмних документів ЄС щодо регіонального розвитку, хоча і мають свої відмінності.

Розуміючи вагомість регіонального розвитку для національної політики сучасних держав, до подальшого поширення інтеграційних процесів, останні звертаються до реформ, основний зміст яких полягає у розвитку регіональної демократії. Аналіз досвіду запровадження таких реформ в країнах Центральної та Східної Європи, перш за все в Україні, доводить, що інтеграційні процеси відбуваються послідовно спираються на політичну стабільність, ініціюються знизу та підтримуються усім суспільством. Останнім часом наша країна майже у повному обсязі відповідає умовам до повноправного членства в ЄС.

Ключові слова: Європейський Союз, Україна, євроінтеграція, регіональна політика, національна політика, децентралізаційні процеси, регіональна демократія.