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OF URBAN SETTLEMENTS**

The article deals with current changes taking place in urban areas of agrarian regions of Ukraine. The analysis shows that big cities today are typically generators of innovation and investment development for a specific territory whereas towns are mainly serving centers in rural areas. It reflects changes in the socio-economic development of urban settlements that occur in trans-social relations. It was proved that the narrowing of production functions has led to imbalances between the major cities' subsystems. All cities are elements of urban skeleton of geospatial management and resettlement that is why their development influences the entire economic space of Ukraine. They need state support and efforts on the part of governments in order to use competitive advantages of cities, enhance their socio-economic development. The development of modern urban settlements must be associated not only with the increase of their area or population, but with optimal use of inner-city resources and building of the urban environment. All cities are part of the geospatial reference frame of management and resettlement, as their development depends on the development of the entire economic space of Ukraine.

**Keywords:** city, region, socio-economic development, settlement system, the agricultural region.

**Леся Заставецька. НАПРЯМИ АКТИВІЗАЦІЇ СОЦІАЛЬНО-ЕКОНОМІЧНОГО РОЗВИТКУ МІСЬКИХ ПОСЕЛЕНЬ**

У статті проаналізовано сучасні зміни, які відбуваються у розвитку міських поселень аграрних регіонів України. Проаналізовано, що великі міста на сьогоднішній день є, як правило, генераторами інноваційно-інвестиційного розвитку для певної території, а малі міста - переважно обслуговувальними центрами для сільських територій. Всі міста є елементами опорного каркасу геопросторової організації господарства і розселення, тому від їх розвитку залежить розвиток всього господарського простору України. Вони потребують як державної підтримки, так і зусиль з боку органів самоврядування щодо використання конкурентних переваг міст, активізації їх соціально-економічного розвитку.

**Ключові слова:** місто, регіон, соціально-економічний розвиток, система розселення, аграрний регіон.

**Леся Заставецька. НАПРАВЛЕНИЯ АКТИВИЗАЦИИ СОЦИАЛЬНО-ЭКОНОМИЧЕСКОГО РАЗВИТИЯ ГОРОДСКИХ ПОСЕЛЕНИЙ**

В статье проанализированы современные изменения, происходящие в развитии городских поселений аграрных регионов Украины. Проанализировано, что крупные города на сегодняшний день являются, как правило, генераторами инновационно-инвестиционного развития для определенной территории, а малые города - преимущественно обслуживающими центрами для сельских территорий. Все города являются элементами опорного каркаса геопространственной организации хозяйства и расселения, поэтому от их развития зависит развитие всего хозяйственного пространства Украины. Они нуждаются как в государственной поддержке, так и требуют усилий со стороны органов самоуправления по использованию конкурентных преимуществ городов, активизации их социально-экономического развития.

**Ключевые слова:** город, регион, социально-экономическое развитие, система расселения, аграрный регион.

**Problem setting.** In the modern context of transition from centralized to network economy the deformation of geospatial industry organization occurs. Network space is a space where economic processes are based on self-organizing basis, self-sufficiency of information network subjects, their hierarchical decentralized, mostly horizontal interaction, functional diversity. Its formation is an important factor in changing the spatial organization of settlement, which gradually takes the form of a network. There occurs gradual reformatting of geographical configuration of space by focusing around the new transport and communication structures, new styles and production centers, property redistribution, etc.

**Analysis of the recent research and publications.** The history of economy development and learning the processes of its organization (W. Weber, D. Elliston, P. Krugman, A. Lesch, I. Tyunen, D. Friedman, T. Hagestrand etc.) confirm the variation of socio-economic development of areas, existence in it the center and the periphery, where there are centripetal and centrifugal forces. This is manifested in resettlement: inevitably there are centers of large population concentration, which due to their socio-economic potential (production

facilities, social facilities) and management function "attract" surrounding areas due to the flows of information capitals, goods from large settlements and vice versa, in small, there are permanent connections of so-called centers and their periphery.

I. Pylypenko describes the relationship of large and peripheral settlements and notes the following characteristics:

- dominance of centrifugal tendencies of influence for the center and centripetal for the periphery;
- dominance for the center of diversification of social structure, complexity of socio-economic functions and components, for the periphery - simplification, facilitation of relationships, usually by simplifying the structure;
- high public attraction of the center and, as a result, concentration of social objects, processes and phenomena. Instead for the periphery typical is deconcentration of public activity;
- within the center dominate integration processes, strengthening of relationships between territorial entities and social groups, and for the periphery are more inherent disintegrative processes that lead to the weakening of connections and in some cases - to complete isolation of structures.

**Main material.** Under the influence of these relations occurs the transformation of settlement, the main

feature of which remains central-peripheral relations. In the future is necessary the separation of individual settlements, so-called dominant centers, which would disseminate innovations, capital in less developed settlements. These centers can be urban settlements.

In agricultural regions, characterized by fair distribution of small urban settlements and the presence of 1-2 big cities, the feature of modern urbanization processes is to stop the growth of cities and socio-economic degradation of small urban settlements. This is reflected in the reduction of number of urban residents in all types of settlements, reducing their social and economic potential and the role of regions in the economy. In modern conditions it is necessary the revitalization of these settlements so that they can provide administrative, industrial, organizational and economic relations with surrounding areas, become centers of innovation and competitive advantages. This is especially true in connection with the development of network structures, in which urban areas will become important centers of innovation and innovative types of activities.

Prospects for further development of cities in Ukraine are related primarily with economic growth of regional centers, which are the main drivers of innovation and investment development of regions. In each region these perspectives are different, but for all regional centers is important to identify the main types of production and services, which will be the so-called "reducers" of socio-economic growth of cities, the spread of its influence on the surrounding area by means of increasing the employment of citizens and improving the conditions of life. For the regional centers that are located in agricultural regions, it may be food and light industry, agricultural engineering, a number of ancillary industries – production of building materials, containers, etc., and service industries – education, health, recreation and others.

Cities, located in industrial areas, have already folded structure of economy, but it requires changes in the direction of dying of those industries, which are uncompetitive in the region. They have inherent metropolisation processes, which are characterized by suburbanization, formation of centers of innovation, integration into the world economic system and others. Metropolis territories contribute to the formation of network structures of production and thus – strengthening the position of cities in settlement systems. In modern terms it appears in reducing the growth of a big city (often the center of agglomeration) and increasing the rate of urban growth around it (if rates are not increasing, their rates of reducing are slightly lower than for a big city). Concentration of historical and cultural heritage, objects of service and management, traditional way of life of inhabitants are important factors of "sustainability" of such settlements, their save from degradation. Reducing the population of large cities and development of agglomeration areas (clusters around the main cities) is the sign of de-urbanization that is common to all big Ukrainian cities. This stage, as in examples of world cities, will be changed with the revival stage of cities on a new qualitative basis. The basis of this renaissance can be the entry of new features of the city, changing the planning structure, changing the role in settlement system and others.

The development of modern cities is linked not only to the increase of population or area, but to processes of intensive usage of inner-city resources and development of open communication urban environment; formation of urban agglomerations and formation of the system of relations "city-suburban zone"; strengthening the role of reference frame of urban space, building the network structures, the purpose of creation of which is to strengthen the position of urban centers in the network economy of Ukraine.

Cities investigations demonstrate great changes that occur in their population size and features of functioning. These changes in all regions of the country are: reducing the population size of settlements due to deterioration demo-reproductive processes and living conditions of the population, increasing the migration outflow of population; narrowing the socio-economic base of urban settlements, especially its manufacturing component; changing the functional structure of settlements by narrowing town molding industries, deterioration of geo-ecological situation in the city and others. Depending on the level and the type of economic development these changes are different. In old-cultivated agricultural regions, where cities are mainly small, monofunctional (agricultural), such changes led to socio-economic degradation of settlements due to "washout" of their structure the industrial component. Strengthening of socio-economic basis of the service industry (trade, education, recreation, etc.) turned the city into service centers of rural regions. Urban areas are now in the stage of decline and then will be the stage of revival on the new socio-economic basis. The current state can be considered as progressive phenomenon, because are liquidated inefficient elements of the production structure of cities, and there may be new, the structure of socio-economic base of settlements can be changed, can occur new functions. It may be possible provided the scientific justification of city forming functions of cities, turning them into "poles of growth" for the surrounding areas. It is necessary to separate certain settlements, i.e. dominant centers that would disseminate innovations, capital, etc. on less developed settlements.

In agricultural areas such settlements can be regional centers (centers of diffusion of innovations) and 2-3 inter-regional centers, which should focus on inter-regional functions. All other urban settlements should be developed in accordance with a specific brand for it.

In order to identify the brand, the city should create its image. It is defined by such parameters

- quality of life – availability of housing, access to social services, food quality, availability of facilities for recreation, level and availability of education, treatment;
- human capital (human resources), training, adaptation to new conditions and requirements;
- infrastructure – transport, communications, data transmission facilities, hotels, personal services;
- high technology – ability of the territory to develop and maintain high-tech types of activities, update existing;
- capital – mass of capital which is concentrated at the site in the form of own and borrowed funds;
- regulatory authorities;
- business infrastructure – availability and level of services in the sphere of consulting, audit, absence of

bureaucracy;

- power – team of personalities, competence of team members, style of decision making.

Today is important to create trendy city profiles, which would increase their role in socio-economic development of areas.

In agricultural regions, where the majority of urban settlements are small towns and urban villages, 1-2 enterprises of production sector or service institutions are able to form their brand. Such enterprises “reducers” of socio-economic development of cities can become enterprises of food and light industry, recreation, trade and education facilities.

In some cases, there is possible to make a re-branding of cities, i.e. their return to the previous city forming function. It is necessary to take into account the resource advantages of the city, its role in the settlement, situation in urban space and so on.

Effective regional policy in our country is impossible without defining the role of small urban settlements, without solving the problems of socio-economic development. These problems include:

- demographic – depopulation because of negative processes of reproduction and migration and deterioration of its age structure;

- demo-social – depletion of labor and resource potential through migration; worsening of living conditions, high level of unemployment, narrowing of settlement functions;

- economic – closing of enterprises, insufficient financial and material base for the implementation of target programs and projects; insufficient level of infrastructure development;

- social – poor condition of social infrastructure, beautification of cities and towns, preservation of historical and cultural heritage;

- environmental – lack of funds to implement the ecological functions of cities.

The uncertainty of these problems for a long time led to the reduction in intensity of resettlement relations with other settlements (mainly rural), weakening their role in territorial systems of settlement. It is necessary to implement measures in order to change the regional development policy that will involve conversion of small cities and towns in the so-called “business centers” for the surrounding rural area. It is necessary to ensure comprehensive development of every settlement, which provides for mutual and proportional development of the city as a whole, ensuring unity of its elements, i.e. population, production, social services, environment.

Each of the settlements must be developed according to its competitive advantages and the role that it performs in the system of distribution and management. Those productions or social functions will gradually wither away and be replaced by other, if they do not meet the needs of population of the territory. Therefore, the current socio-economic situation, that is temporary, can be progressive phenomenon; due to economic stagnation may appear new functions of settlements, changed structure of their economic base. The structure of industrial cities is advisable to perform “as through the rapid development of industries that define the scientific and technological progress, and through the method of liqui-

dation of unpromising businesses, phasing out old industries with the change of their specialization.

Research on social and economic base of small urban settlements can identify the key ways to accelerate the socio-economic development. These ways were developed in 1997 by D. Tkach, but because of social reconstruction are left unattended by managers and economists.

Since urban settlements in the agriculture region are situated in farming areas, the important area of their development is the food industry with preference to small businesses that produce competitive products and can rapidly focus according to the market needs (enterprises of tinned horticultural, flour-cereal, dairy, meat, confectionery and other industries). It is important to revive the sugar factories by developing beet specialization of regional agriculture. Enterprises of sugar, alcohol industry, production of building materials need reconstruction and modernization.

Focusing in small cities and surrounding rural areas a large number of female workers allow to focus on small enterprises of light (mainly clothing) industry.

Significant prospects have the creation of small enterprises in the sphere of maintenance service of people and technology, recreation. At this it is necessary to consider the impact of farming on the environment, limiting environmental factors.

Concentration managerial, organizational and administrative functions (district centers) and social institutions (hospitals, institutions, trade school, houses of culture) many cities leads to the fact that small urban settlements gradually transformed into the so-called “Business centers” for the surrounding areas.

There are a group of towns in rural areas for their future development, namely:

1) the city with certain environmental constraints to development, with significant opportunities for industrial production, they can place large, medium and small businesses that would use cheap labor and processed to agricultural raw materials, which would be non-waste technologies and the modern equipment; concentration in cities such social institutions and inter-regional significance makes them a service center for the population of the region;

2) cities with disability of industrial production (small upgraded for the extraction and processing of construction and agricultural raw materials, sewing company), but with significant opportunities for tourism and inter-service values;

3) agro-industrial, cultural, educational and tourist centers of regional importance;

4) cities and towns – centers of agro-industrial development of services of regional importance;

5) cities and towns – recreational centers;

6) cities and towns with the necessary priority development of the service sector and small enterprises for processing of agricultural and construction materials.

Determining the areas of social and economic growth of cities in Ukraine, we should take into account the economic features of the areas where they are located. In recent years, Ukrainian scientists are actively seeking ways to socio-economic growth in the regions of Ukraine. In particular, M. Baranowski typed territories

of Ukraine by the level of depression (7 types) and defined the ways to stimulate socio-economic development for each type. He explained the main principles to overcome depression, namely: 1) the objectivity and openness; 2) the concentration of resources; 3) the partnership of government in overcoming depression; 4) subsidiary or division of responsibilities between different authorities; 5) selectivity – select special programs to address the problem of depressed areas; 6) enhance domestic resource regions; 7) the inadmissibility of the use of programs to address current issues; 8) competition in obtaining financial resources; 9) coordination of the existing legal framework and practice of regional development; 10) inter-regional cooperation; 11) inertia; 12) programming. Based on these principles, we can provide the most appropriate search mechanisms to encourage the development of districts in different regions of Ukraine.

An important tool used to determine areas of social and economic development, is to determine their level of competitiveness. Given the competitive edge regions of Ukraine, S. Zapototsky identified the following areas:

a) With the highest rating:

1) Kiev has the highest concentration of financial and investment resources, developed business environment favorable EGP high labour potential, significant indicators of productivity;

2) Dnipropetrovsk, Donetsk, Kharkiv, Zaporizhia, Luhansk are industrialized regions that are attractive for investments, well-provided with natural resources, have developed business environment and infrastructure facilities;

3) Kiev, Odessa, Lvov, Poltava region, the Crimea – regions with favorable social and geographical location, attractive for investment projects;

b) the average of the competitive advantages of Vinnytsia, Mykolayiv, Cherkasy, Chernihiv, Ivano-Frankivsk, Sumy, Zhytomyr, Kherson, Kirovohrad, Khmelnytsky region – are quite balanced agro-industrial specialization, moderate investment and innovative activity, provided certain types of resources especially land;

c) low-rated competitive advantages, Zakarpattia, Rivne, Chernivtsi, Volyn, Ternopil region – the area of agricultural specialization, with reduced rates of industrial development, innovation and low investment activity. Among these areas the least competitive advantages Ternopil region and though the necessary priority development programs of socio-economic development, to bring it to the state of depression at the time of the administrative-territorial reform in our country.

Research of rural cities and towns of Ukraine shows that the majority of urban settlements narrowed its socio-economic base by suspension of industrial enterprises. And the settlement where this company was the only one in the group were the cities and townships without functional dominant. All other settlements function as a business (including and district) centers, which form the basis industry needs for the city, individual institutions which serve the needs of the residents of surrounding areas (trade, education, health, etc.). Formation of image of each settlement is a condition for further social and economic growth, finding its place in today's geospatial. The development of modern urban settlements to be associated not only with an increase in their area or population as optimal use of inner resources and the building of the urban environment.

**Conclusions.** So if big cities are generators of innovation and investment development for certain territories, small towns are mostly servicing centers for rural areas. All cities are elements of urban skeleton of geospatial management and resettlement, that is why because of their development depends the development of entire economic space of Ukraine. They need state support and efforts on the part of governments in order to use competitive advantages of cities, enhance their socio-economic development. The development of modern urban settlements must be associated not only with the increase of their area or population, but with optimal use of inner-city resources and building of the urban environment.

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