

UDC 336.5

DOI <https://doi.org/10.32782/tnv-pub.2025.1.6>

ECONOMIC ANALYSIS IN THE SYSTEM OF PUBLIC ADMINISTRATION OF THE REGION.

Kudrina O. Yu. – Doctor of Economics Sciences, Professor,
Professor at the Department of Business Economics and Administration,
Sumy State Pedagogical University named after A. S. Makarenko
ORCID: 0000-0002-7364-1998

Kalchenko I. V. – Postgraduate Student
at the Department of Business Economics and Administration,
Sumy State Pedagogical University named after A. S. Makarenko
ORCID: 0009-0004-9699-7235

Economic analysis in public administration of the region is a type of analytical activity that involves the study of economic phenomena, processes, and results, allowing for informed managerial decisions. Based on the results of economic analysis, an objective assessment of the region's development status can be provided, and reserves for its improvement can be identified.

Economic analysis allows for determining the current economic condition of the region, identifying key economic advantages and corresponding development vectors, and exploring possibilities for mobilizing additional resources. All these aspects emphasize the relevance of economic analysis in the activities of public authorities.

The theoretical foundations of regional economic development have been studied by such scholars as Sokil V. V., Degtyaryova I. O., Panova T. V., Medvid V. Yu., Kondratenko N. O., Krasnonosova O. M., Papp V. V., and Zavadskiy G. M., among others.

The aim of this article is to identify the features of economic analysis and its role in the system of public administration of the region.

The article concludes that economic analysis is an essential component of the analytical activity of public authorities. It is noted that each economic indicator characterizing regional development, as well as the results of economic analysis of regional development as a whole, serve as markers of specific processes that must be considered when substantiating public policy decisions. The author emphasizes the growing gap between the level of economic development of Ukraine's regions during the period of martial law, which requires additional attention from the state and local authorities. It is also noted that solving certain economic problems is possible through the efforts of regional public administration bodies, provided there is cooperation with other regions, support for local economic entities; and collaboration with business representatives and other stakeholders in the region.

Key words: public administration, region, development, economic analysis, public authority, statistical analysis.

Кудріна О. Ю., Кальченко І. В. Економічний аналіз в системі публічного управління регіоном

Економічний аналіз у публічному управлінні регіоном – це вид аналітичної діяльності, що передбачає дослідження економічних явищ, процесів, результатів, і дозволяє приймати обґрунтовані управлінські рішення. За результатами економічного аналізу може бути надана об'єктивна оцінка стану розвитку регіону і виявлені резерви для його поліпшення. Економічний аналіз дозволяє визначати поточний економічний стан регіону; ключові економічні переваги та відповідні вектори (напрями) розвитку регіону; можливості мобілізації додаткових ресурсів тощо. Всі це актуалізує використання економічного аналізу у діяльності публічної влади.

Теоретичні основи економічного розвитку регіонів досліджували такі науковці як: Сокіл В. В., Дегтярьова І. О., Панова Т. В., Медвідь В. Ю., Кондратенко Н. О., Красноносова О. М., Пapp В. В., Завадських Г. М. та інші.

Метою статті є визначення особливостей економічного аналізу та його місця в системі публічного управління регіоном.

У статті зроблено висновки про важливість економічного аналізу, як складової аналітичної діяльності органів публічної влади. Відзначено, що кожен з економічних показників,

які характеризують регіональний розвиток, а також результати економічного аналізу регіонального розвитку в цілому є маркерами певних процесів, що мають бути прийнятими до уваги при обґрунтуванні рішень публічної влади. Акцентовано увагу на зростанні розриву між рівнем економічного розвитку регіонів України за період воєнного стану, що потребує додаткової уваги з боку держави, а також місцевих органів влади. Відзначено, що вирішення окремих економічних проблем можливе силами регіональних органів публічного управління за умов розвитку співробітництва з іншими регіонами, підтримки місцевих економічних суб'єктів; співпраці з представниками бізнесу та іншими стейкхолдерами у регіоні.

Ключові слова: публічне управління, регіон, розвиток, економічний аналіз, публічна влада, статистичний аналіз.

Introduction. Economic analysis in public administration of the region is a type of analytical activity that involves the study of economic phenomena, processes, and results, allowing for informed managerial decisions. Based on the results of economic analysis, an objective assessment of the region's development status can be provided, and reserves for its improvement can be identified. Given that high-quality economic analysis is a vital element not only in modern economics and management but also in public governance, studying its features is highly relevant.

Analysis of recent research and publications. The theoretical foundations of regional economic development have been studied by such scholars as Sokil V. V. and Degtyaryova I. O. [1], Panova T. V. [2], Medvid V. Yu. [3], Kondratenko N. O., Krasnonosova O. M., and Papp V. V. [4], Zavadskiy G. M. [5], Muzychenko-Kozlovska O. V. [6], Shevchenko O. and Zhuk V. [7], Voznyak G. V. [8], and others.

For instance, Sokil V. V. and Degtyaryova I. O., analyzing the experience of regional development in developed countries, note that the primary indicator of successful regional policy is ensuring sustainable development, which is significantly influenced by the active use of available and attracted financial resources [1]. Thus, the economic component is a crucial factor in regional development.

Panova T. V. points out that the foundation of regional stability is its ability to maintain steady economic growth, improve the quality of life of the population, and adapt to changes, which requires the application of economic and administrative management methods [2]. Therefore, public administration serves as a tool for ensuring the stable development of the region.

According to Medvid V. Yu., economic regulation of regional development involves bringing the territory, economic system, and economic space into a balanced state of components, aimed at the primary characteristics of the region, the change of which ensures the desired development trend [3, p. 4].

Thus, economic analysis, as the foundation of regional economic regulation, is an important component of public administration.

The aim of the article is to determine the role of economic analysis in the system of public administration of the region.

Results. To identify the current tasks for regional public authorities, a preliminary study of the region's status and development prospects, including the economic component, must be conducted. This requires a high-quality economic analysis that allows for:

- determining the current economic state of the region;
- identifying key economic advantages and corresponding development vectors;
- assessing economic conditions and/or the potential for mobilizing additional resources through a clear definition of all components of the region's potential.

Kondratenko N. O., Krasnonosova O. M., and Papp V. V. note that the economy of Ukrainian regions is characterized by a decline in financial support for development due

to the financial and economic crisis, a reduction in sources of additional (non-budgetary) financial resources, an unfavorable investment climate, and ineffective local economic policies [4].

Zavadskykh G. M. emphasizes that the economy of a particular region is part of the national economy, based on microeconomic relationships (between enterprises, markets, production means, and infrastructure) [5]. Therefore, its analysis should be conducted within the context of integrative interaction with other regions.

The State Statistics Service of Ukraine continuously monitors the current state of regional development [6]. However, given the rapid dynamics of economic and political processes and the need to identify trends, continuous trend-watching of regional economic development is essential.

Since trend-watching relies on statistical information, let's examine some indicators of regional development in Ukraine.

For example, in 2024, the share of loss-making enterprises in regional portfolios increased significantly (Figure 1). After the tax rate hike in Ukraine in early 2025, the number of small businesses that closed their operations altogether increased significantly. The regions leading in these processes include Dnipro, Kyiv, and Kharkiv regions.

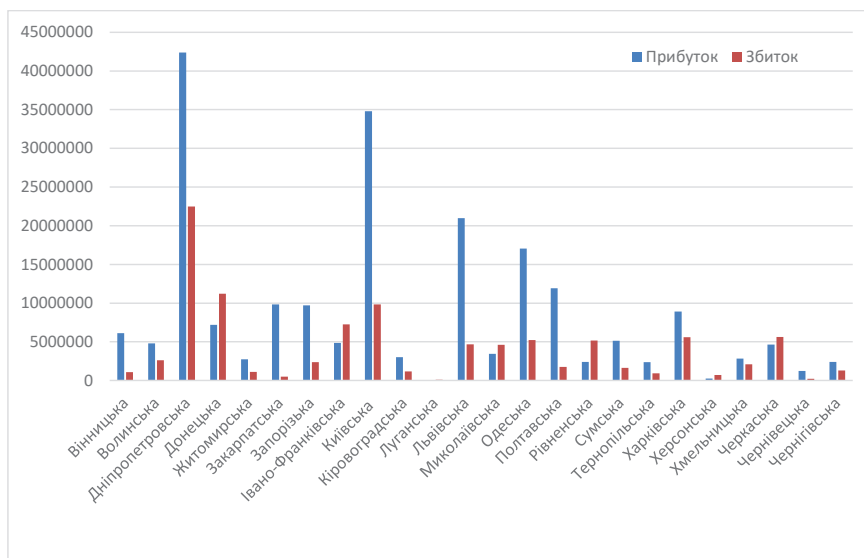


Fig. 1. Net profit (loss) of enterprises by region, January-September 2024, thousand UAH (compiled by the author based on data from [9])

Such facts are a powerful marker for urgent reform of the country's economy and support of national business entities. For regional authorities, such analysis results should serve as an impetus for implementing programmes to support regional economic entities.

Export-import operations are characteristic indicators of the regional economy's «embeddedness» (integration) in the global business space. In 2024, the volume of exports in Ukraine was significantly lower than imports, indicating that regional economies are underdeveloped and unable to compete with other regions at the international level (Figure 2).

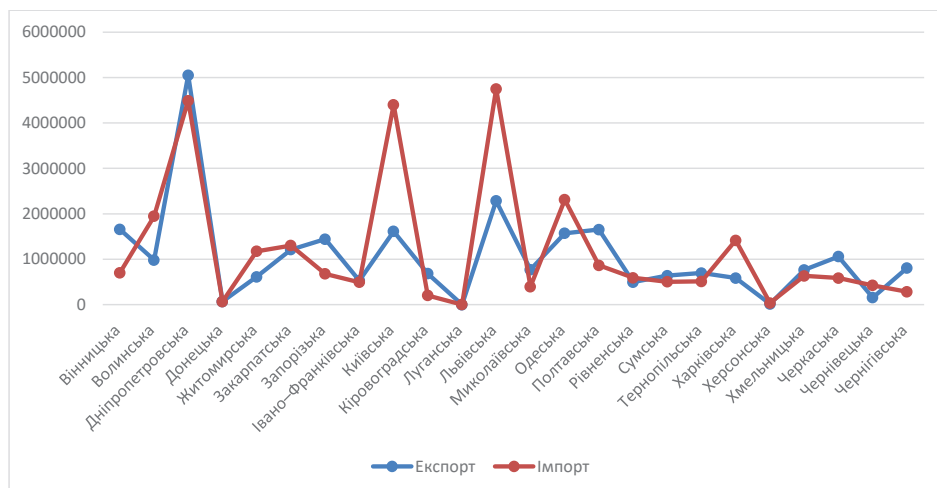


Fig. 2. Export-import operations of Ukrainian regions, January-October 2024 (compiled by the author based on data from [9])

The largest export-import volumes in Ukraine are observed Dnipro, Kyiv, Lviv and Odesa regions.

Due to the economic crisis, regional environmental protection expenditures were predictably low (Figure 3).

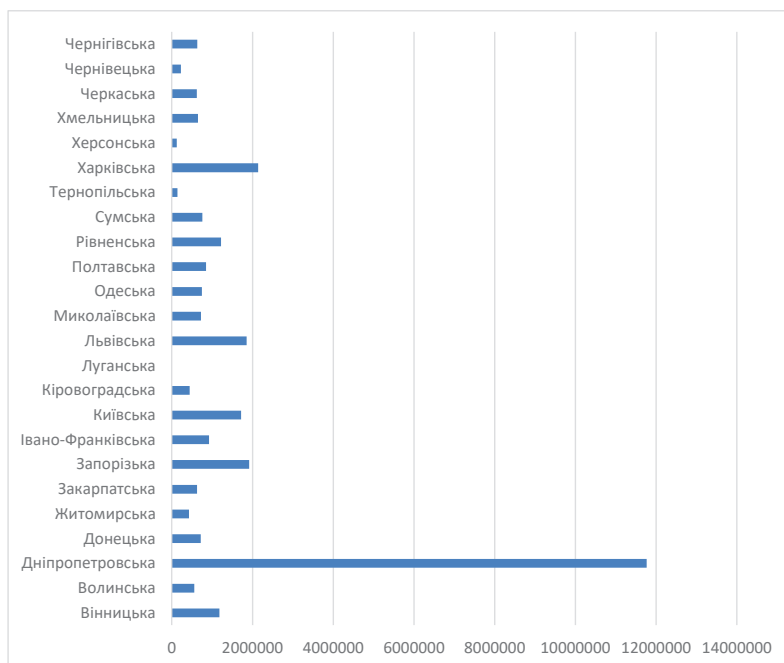


Fig. 3. Environmental protection expenditures by region in 2023, thousand UAH (compiled by the author based on data from [9])

Therefore, each of the economic indicators that characterise regional development, as well as the results of economic analysis of regional development in general, are markers of certain processes that should be taken into account when justifying public authorities' decisions.

Choriy Y. notes that overcoming the challenges of socio-economic development of regions requires cooperation between different levels of government, local communities, the private sector, NGOs and an integrated approach [10].

Thus, in summary, a professionally conducted economic analysis of a region demonstrates the effectiveness of budget expenditures, the use of resources and the region's potential for development, etc. Such an analysis allows identifying untapped internal resources, strengths and weaknesses of the region, assessing possible scenarios of its development and competitive advantages over other regions, covers important fundamentals of the region's life and development, creates a powerful basis for timely detection of transformations taking place in the region and a basis for making informed management decisions.

The resolution of certain economic problems in the regions of Ukraine lies in the following areas:

- development of interregional cooperation (task for regional authorities: search and selection of constructive directions);
- development of cross-border cooperation between territories;
- strengthening integration processes into the global economic system (primarily focusing on European integration as the optimal development path);
- support from regional public authorities for local economic entities;
- strengthening economic relations and cooperation between economic entities and public administration bodies.

Conclusions. Thus, based on the results of the conducted research, the following points were highlighted:

- economic analysis is an essential component of the analytical activities of public authorities;
- each of the economic indicators characterizing regional development, as well as the results of the overall economic analysis of regional development, serves as markers of certain processes that must be considered when making public authority decisions;
- the gap in the level of economic development between the regions of Ukraine has significantly widened during the war with the Russian Federation, requiring additional attention from both the state and local authorities;
- the resolution of certain economic problems is possible through the efforts of regional public administration bodies, provided there is cooperation with other regions, support for local economic entities, and collaboration with representatives of regional businesses.

The obtained results can be utilized in the practice of public administration of the region and serve as the foundation for approaches to monitoring and evaluating the effectiveness of regional public administration.

BIBLIOGRAPHY:

1. Сокіл В. В., Дегтярьова І. О. Сутність фінансової конкурентоспроможності регіону як об'єкта публічного управління України. Вісник НАДУ при Президентові України. *Серія: Державне управління*. 2017. № 1. С. 76–83.
2. Панова Т. В. Механізми та принципи публічного управління сталим розвитком регіону. *Наукові перспективи*. 2024. № 2 (44). С. 404–415.

3. Медвідь В. Ю. Економічне регулювання регіонального розвитку: теорія, методологія, практика: монографія. НАН України, Ін-т економіко-правових досліджень. Київ : Вид-во «Діса плюс», 2015. 282 с.
4. Кондратенко Н. О., Красносова О. М., Папп В. В. Проблеми та перспективи соціально-економічного розвитку регіонів України. *Бізнес Інформ*. 2022. №1. С. 198–204.
5. Завадських Г. М. Регіональна економіка. Електронний посібник. URL : https://elib.tsatu.edu.ua/dep/feb/ptbd_2/page11.html (дата звернення: 25.12.2024 р.)
6. Музиченко-Козловська О. В. Соціально-економічний розвиток регіону: таблиця і графічна візуалізація: посібник. Видавництво Omni Scriptum S.R.L., 2024. 228 с.
7. Шевченко О., Жук В. Ризики диспропорційності економічного розвитку регіонів України та їх подолання. Аналітична записка. 2011. *Сайт niss.gov.ua*. НІСД. URL : <https://www.niss.gov.ua/doslidzhennya/regionalniy-rozvitok/riziki-disproporsiynosti-ekonomichnogo-rozvitku-regioniv-ukraini>
8. Возняк Г. В. Регіональний розвиток: сутність і методологічна основа. *Регіональна економіка*. 2015. № 3. С. 34–43.
9. Державна служба статистики України. Офіційний сайт. URL: <http://www.ukrstat.gov.ua/> (дата звернення: 25.12.2024 р.)
10. Чорій Ю. Соціально-економічний розвиток регіону як економічна наукова дефініція. *Економіка та суспільство*. 2023. № 57. URL : <https://economyandsociety.in.ua/index.php/journal/article/view/3250/3173> (дата звернення: 25.12.2024 р.)

REFERENCES:

1. Sokil V. V., Dehtiarova I. O. Sutnist' finansovoyi konkurentospromozhnosti rehionu yak ob'yekta publichnoho upravlinnya Ukrainy [The Essence of the Financial Competitiveness of the Region as an Object of Public Administration of Ukraine]. Visnyk NADU pry Prezydentovi Ukrainy. Seriya: Derzhavne upravlinnya. 2017. No. 1, pp. 76–83 [in Ukrainian].
2. Panova T. V. Mekhanizmy ta pryntsypy publichnoho upravlinnya stalym rozvytkom rehionu [Mechanisms and Principles of Public Administration of Sustainable Regional Development]. *Naukovi perspektvy*. 2024. No. 2 (44), pp. 404–415 [in Ukrainian].
3. Medvid V. Yu. Ekonomichne rehulyuvannya rehional'noho rozvytku: teoriya, metodolohiya, praktyka [Economic Regulation of Regional Development: Theory, Methodology, Practice]. Monograph. National Academy of Sciences of Ukraine, Institute of Economic and Legal Research. Kyiv: Disa Plus Publishing House. 2015. 282 p. [in Ukrainian].
4. Kondratenko N. O., Krasnonosova O. M., Papp V. V. Problemy ta perspektvyv sotsial'no-ekonomichnoho rozvytku rehioniv Ukrainy [Problems and Prospects of Socio-Economic Development of Ukrainian Regions]. *Business Inform*. 2022. No. 1, pp. 198–204 [in Ukrainian].
5. Zavads'kykh H. M. (n.d.). Rehional'na ekonomika [Regional Economy]. Electronic textbook. URL: https://elib.tsatu.edu.ua/dep/feb/ptbd_2/page11.html [in Ukrainian].
6. Muzychenko-Kozlov'ska O. V. Sotsial'no-ekonomichnyy rozvytok rehionu: tablychna i hrafichna vizualizatsiya [Socio-Economic Development of the Region: Tabular and Graphical Visualization]. Guidebook. Omni Scriptum S.R.L. Publishing House. 2024. 228 p. [in Ukrainian].
7. Shevchenko O., Zhuk V. Ryzkyky dysproportsiynosti ekonomichnoho rozvytku rehioniv Ukrainy ta yikh podolannya [Risks of Disproportionality in the Economic Development of Ukrainian Regions and Their Overcoming]. Analytical note. 2011. National Institute for Strategic Studies. URL: <https://www.niss.gov.ua/doslidzhennya/>

regionalniy-rozvitok/riziki-disproporciynosti-ekonomichnogo-rozvitku-regioniv-ukraini [in Ukrainian].

8. Voznyak H. V. Rehional'nyy rozvytok: sutnist' i metodolohichna osnova [Regional Development: Essence and Methodological Basis]. *Regional Economy*. 2015. No. 3, pp. 34–43 [in Ukrainian].

9. Derzhavna sluzhba statystyky Ukrayiny [State Statistics Service of Ukraine]. Official website. URL: <http://www.ukrstat.gov.ua/> [in Ukrainian].

10. Chorii Yu. Sotsial'no-ekonomichnyy rozvytok rehionu yak ekonomichna naukova defnitsiya [Socio-Economic Development of the Region as an Economic Scientific Definition]. *Ekonomika ta suspil'stvo*, 2023. No. 57. URL: <https://economyandsociety.in.ua/index.php/journal/article/view/3250/3173> [in Ukrainian].