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## **THE SYSTEM OF PRIORITIES AND INSTRUMENTS FOR THE DEVELOPMENT OF THE REGIONAL POLICY OF THE EU**

**Abstract.** The article considers the system of priorities and instruments for the development of the regional policy of the EU, taking into account the evolution of the EU's regional policy, which consists in changing its very essence (from rallying and cohesion into a local-oriented regional policy), the stages of the regional policy of the EU (economic essence and trends ) and the current problems of implementing systemic reforms in the EU. Attention is drawn to the fact that the inconsistency and inconsistency of the EU's regional policy may become a threat to the territorial integrity of the region and to strengthen the efferent forces within the regional association. The mentioned systemic challenges increase the importance of considering the issue of building regional policy in other stable states, which, among other things, differ in size, geographical diversity, population size, and economic potential.

In recent years, there has been an increase in attention to regional studies, in-depth theoretical studies on the significance of the basic ideas concerning the development of socio-economic territorial systems, the preparation of the latest approaches to the formation and implementation of regional policy, the improvement of the system and management of the internal regions of the state.

The study of regional policy and regional development and the synthesis of experience in its implementation in the countries of the European Union has become the subject of discussion by well-known scientists, and a multidimensional approach to the definition of «regional policy» has led to divergent views on its objects and subjects.

Therefore, the purpose of the article is to summarize the system of priorities and tools for the development of the regional policy of the EU, taking into account the evolution and stages of the EU regional policy and determining the ways of ensuring it.

Due to the fact that at present there is a problem of implementation of system reforms in the EU, which is connected with its vulnerability to modern challenges,

the article emphasizes the need to improve coordination of regional economic policy of the EU, employment and social problems, implementation of a joint fiscal policy, as well as a new PESCO defense project designed to strengthen European defense.

**Key words:** the regional policy of the EU, stages of EU regional policy, regional development, cohesion policy, rallying policy, EU macro-regional strategies

**Introduction.** Successful economic development depends to a large extent on an adequately constructed regional policy that is designed to address several multi-directional tasks at the same time: to ensure social justice; to keep incentives for innovation and investment activity; to improve the living conditions of the population on different territories according to geographic and economic parameters.

The inconsistency and inconsistency of regional policy may become a threat to the integrity of the region and to strengthen centrifugal forces internally.

The mentioned systemic challenges increase the importance of considering the construction of regional policy in other stable state entities, which, among other things, differ in terms of size, geographical diversity, population size, and economic potential.

**Analysis of recent research and publications.** In recent years, there has been an increase in attention to regional studies, in-depth theoretical investigations on the essence of the basic concepts associated with the development of socioeconomic territorial systems, the rationale for the latest approaches to the formation and implementation of regional policy, the improvement of the system and process of governance of the internal regions of the state.

Significant contributions to the study of regional policy and development were made by such well-known Western scholars as A. Weber, W. Isard,

F. Perry, G. Myrdal, A. Hirschman, J. Friedman, C. Weaver, T. Hegerstrendt and others. The policy of regional development, the generalization of the experience of its implementation in the countries of the European Union, have devoted their works to Y. Butler, G. Gorzelak, V. Voles, and G. Voles, V. Nizhni, T. Potkansky, P. Segvari, D. Yul, and others.

But the multivariate approach to the definition of «regional policy» leads to divergent views on its objects and subjects. In the dictionary of regional policy «EuroRegio Ukraine», which is posted on the website of the Institute for Regional and European Integration Studies of Ukraine, the following interpretation of «regional policy» is presented: first, as a direct policy (regional policy of the state), which aims to assist the authorities, institutions and entrepreneurs at a certain local level; and secondly, as a policy of regional and local authorities (regional policy), based on local capabilities and resources. From this definition, there are two essential features: firstly, the state is the subject of regional policy (and more specifically – central government), and secondly, the main objective of regional policy in the realities of the European Union is equalization in regional development [8].

**Formation of the purposes of the article.** The purpose of the article is to summarize the system of priorities and tools for the development of the regional policy of the EU, taking into account the evolution and stages of the EU regional policy and defining ways of ensuring it.

**Presentation of the main research material.** The structure of the EU's regional policy has two components: an internal regional policy that covers EU member states and ensures cooperation between regions through the EU's internal borders; the EU's external regional policy, which involves cooperation with non-EU countries.

Over the past 50 years, the EU has undergone several historical stages in the development and implementation of its regional policy, therefore, there is a

transformation of the purpose and essence of the EU's regional policy. It is aimed at creating a new, active role for regions in the development of the EU. In a context of globalization, regions are beginning to differ among themselves not only by socio-economic criteria, but also by the level of inclusion in global processes (interconnection between regional and global partners at the subregional level, and not with the states).

Each direction of the EU common policy in the process of transformation acquires a regional color. The attention to the role and limits of the application of the principle of subsidiarity, as well as the interaction of various joint policies at the regional level, is constantly growing. In EU regulatory documents, regional policy is increasingly replaced by the notion of cohesion policy, which means the interweaving of regional and social policies, which are no longer considered in isolation. The policy of rallying involves simultaneous rallying both horizontally – between the regions, and vertically – between the strata of society (social policy) (table 1).

Therefore, the concept «Europe of the Regions» is transformed into the «Regions in the European Union» model commonly accepted in the regional policy of the EU.

Table 1

**Stages of the emergence and formation of EU regional policy**

Stage	Key events	Result	
The first stage (1957–1988)	The first European funds were created – the European Social Fund (ESF, 1958), European Guarantee Fund for Agricultural Development (EGFSR, 1962) European Regional Development Fund (ERDF, 1975)	The EU's regional policy is structured	Regional rallying policy
The second stage (1989–1993)	The signing of the Single European Act (1986) Introduction to the Community of Greece, Spain, and Portugal (1986). Adoption of the Program on the Single Market (1986)	The first attempts has been made to combine tools within different pilot programs. Period of improvement of EU regional policy	

Continued Table 1

The third stage (1994–1999)	The Treaty on European Union (1993) came into force and the Treaty on European Economic Community was revised. The creation of a new financial instrument of the EU - the Fund of Unification - and a new body - the Committee of the Regions and the introduction of the subsidiarity principle.	The EU has become a full member of the regional policy partnership along with nation states.	Regional cohesion policy
Fourth stage (2000–2006)	Adoption of the «Agenda 2000» – EU financial plan for 2000–2006. (developed since the mid-1990s). Entry into the EU of 10 new states (2004). Adoption of the Lisbon Strategy (2000).	In the EU texts, regional policy is increasingly replaced by the notion of cohesion policy, which means the interweaving of regional and social policies, which are no longer considered in isolation.	

The concept of «Europe of the Regions» is substantially changed in content and expresses the peculiarities of the EU's regional policy in a certain period. At the same time, regional policy always had a central problem in the model of the internal architecture of the territorial administration of national states and its functioning (Table 2).

Table 2

**The evolution of EU regional policy within the framework of the «Europe of Regions» concept [7]**

Stages	Stage Determination	Economic content	Concepts & Trends
1960–1980	Top-down regional policy	Balancing regional disparities within integration processes	Poles of growth, Fordism, centralization, the state of welfare
1980–1990	Europe of regions	Endogenous development	Post-Fordism, decentralization, self-government, local production systems
1990–2000	Europe with region	Decentralization and powers of the regions as a way to improve management efficiency	Management approach to the public sector, standardization of procedures for increasing efficiency, reducing welfare, privatization
2000–2010	Regions for Europe	Increasing the competitiveness and innovation of the regions (the Lisbon process)	Transfer of managerial approach to the public sector in local governments, regional innovation systems, questioning the idea of regional convergence
2000+	Place-based policy	Territorialization, specificity as a source of the territorial capital	Guidance notes (governance), educational and creative regions, smart specialties, smart cities

Thus, the evolution of the EU's regional policy is divided into certain stages, the essence of which is the change in regional policy itself: from Europe to the European Union («Europe of the Regions») and to the regional approach in the region («Regions in the European Union»).

The current stage of regional policy is based on a local approach that prioritizes diversity as a real European value, unlike homogeneity. It should become the key to meeting the ambitions of the community in each region, regardless of spatial, historical and national peculiarities, considering everything that any locality has unused opportunities for development.

However, despite the large resource of comprehensive development that can be realized on the basis of a local approach, there is no less potential for economic growth opportunities at the level of national states. The advantages of staying in a large national state include: firstly, an increase in the value of public goods per capita, with an increase in the number of people who finance them (monetary and foreign policy, trade authority, and the elimination of the effects of natural disasters); secondly, the nationwide total size determines the size of the domestic market; thirdly, the risk of idiosyncratic shocks in the context of group accumulation of region-specific deviations of high-status leaders is mitigated by redistributing the rest of the population; fourthly, the factors of all kinds of security are increasing in order [7; 1].

Consequently, even this may be an important argument in favor of the fact that the regions will not be able to assume the functions of a national state.

From these positions, the regions were seen as the main source of innovation and the subject of achieving competitiveness.

Today, the EU has several instruments for regional policy: the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund (EAGGF) and the Financial Instrument for Fisheries Guidance (FIFG). In addition to these, the Trust Fund supports



environmental and transport projects in countries where GDP is below 90% of the EU average.

Realization of projects and programs of regional cooperation of the EU with neighboring countries can be effective only with their adequate information and communication support. Ensuring maximum awareness of regional partnership, its positive perception and understanding should be carried out throughout the European Neighborhood, in particular in the Ukrainian communicative space.

There are different approaches to understanding the regional policy, but they are all reduced to the fact that regional policy is an integral part of the state's policy aimed at organizing the country's territory in accordance with the state development strategy.

Given the recent trends, the EU has begun to develop a systemic crisis, which has been affected by a number of large-scale problems, including global financial and migration crises, the terrorist threat, security challenges in the Eastern European region in connection with the aggression of the Russian Federation, the problems of transatlantic cooperation in the context of the activities of the US administration after the 2016 presidential election, as well as the growing contradictions in the Community itself due to the intensification of separatist movements.

The brainstorming of institutional processes and the impossibility of further deepening integration forces leading EU states to look for ways to overcome crises and develop a new global development strategy that would effectively address the challenges that are constantly occurring in a globalized world.

The process of reforming and expanding the EU through the inclusion in the Community of the states of Central and Eastern Europe, on one hand, has contributed to strengthening the international role of the EU as a representative of 28 states, but on the other hand, it has still not managed to overcome any imbalances in the economic development of the participating states, nor the

different foreign policy interests, which, of course, also influenced the beginning of manifestations of certain crisis phenomena in operation.

It should be emphasized that on March 1, 2017, the European Commission presented a White Paper on the future of Europe by 2025, and later, on March 25, 2017, during the EU summit on the occasion of the 60th anniversary of the signing of the Rome Accords, the President of the European Commission Jean-Claude Juncker voiced the scenarios of possible Community development [1] (table 3).

Table 3

**Scenarios of the possible development of the European Union till 2025 [5]**

Scenario	Key affect	Consequences	Feature
The first scenario «Do not change anything»	envisages the implementation of the current reform program, which was presented by the European Commission in 2014	can lead to an even greater increase in contradictions between the Member States, complicate the decision-making process on important issues, and the effectiveness of their implementation, in this case, will be even harder to talk about	
The second scenario «Leaving only a single market»	means the curtailment of certain parts of political integration between the EU members while preserving a single European market for goods and services	States will resolve contradictions bilaterally	The most pessimistic scenario
The third scenario «Europe of several speeds»	at the request of the participants, there is a deep integration in certain spheres, while other members, if they wish, can join the relevant initiatives.	may form a group of countries that will have a dominant influence on decision making, while the least involved in the integration of the state will lose the opportunity to influence this process	
The fourth scenario «Do less, but more efficiently»	increase the effectiveness of EU action in selected industries through the allocation of core resources to them	will cover such areas as regional development, health, parts of the common labor and social policy that are not directly related to the operation of the single market	
The fifth scenario «Do more but together»	deepening of further integration between participants in all branches and transfer of powers to the general organizational level, thus forming a federation	foreign policy without indicating the ways of realizing these directions as security, economic development, social policy	The most optimistic scenario

Earlier, on June 7, 2017, the European Commission presented an analytical report entitled «The Future of European Defense», outlining key trends and challenges in the EU security and defense field, and outlining three



scenarios to overcome the threats and strengthen the EU's defense capabilities by 2025. Among the options for the future of European defense scenarios are «Cooperation in the field of security and defense», «Collective Security and Defense» and «Joint Defense and Security» (table 4).

Table 4

**Scenarios of the Future of European Defense of the European Union [2]**

Scenario	Key aspects
The first scenario	development of cooperation depending on the specific case and individual control of defense potential and procurement
The second scenario	combining certain financial and operational assets to enhance solidarity in defense matters
The third scenario	protection of Europe will be the responsibility of the EU and NATO, whose cooperation will be complementary and will be implemented by the EU through the European Defense Fund

A number of internal and external threats faced by the European Union today (among them aggression of the Russian Federation, the migration crisis in Europe, a series of terrorist acts in European cities, the unpredictable policy of D. Trump on the European security system, the strengthening of the position of the left and right political forces in the European states, Brekxit and its consequences, in particular the threat of the «domino effect» in other Member States of the Community) has forced European leaders to be more consolidated in terms of a shared vision of the future this EU, and thus commit itself to promising directions for the development of the EU, and the Rome Declaration of 2017, signed at the celebrations of the 60th anniversary of the 1957 agreements of Rome, may become a document whose implementation will not only become the strategic basis for the formation an adequate response to the urgent internal challenges of EU development, but will also strengthen the position of association in the international arena, consolidate the European states in the fight against external threats.

It is also worth noting the emphasis on the importance of building a new partnership with Africa, which will be based on education, health, and energy. It

emphasizes that this region will be defined as more priority for the EU than, say, the region covered by the Eastern Partnership Initiative. In this case, this is not a very positive signal for Ukraine, because, in fact, the refusal of the expansionist policy and the lack of interest in the Eastern dimension of the neighborhood policy does not correspond to the Ukrainian Euro-integration interests.

**Conclusions.** Thus, today there is a problem of implementing systemic reforms in the EU since the EU's vulnerability to modern challenges has become evident.

As the most acute economic and security problems have arisen, the most active discussions and the first practical steps in the EU are being carried out to reform these areas of activity. It is about improving the coordination of economic policies, paying more attention to employment and social problems, implementing a common fiscal policy, as well as a new defense and security project PESCO, which aims to make European defense more effective and achieve greater output, providing enhanced coordination and cooperation in investment, capacity development and operational readiness.

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## **СИСТЕМА ПРІОРИТЕТІВ ТА ІНСТРУМЕНТІВ РОЗВИТКУ РЕГІОНАЛЬНОЇ ПОЛІТИКИ ЄС**

**Анотація.** У статті розглянуто систему пріоритетів та інструментів розвитку регіональної політики ЄС з урахуванням еволюції регіональної політики ЄС, яка полягає у зміні самої її сутності (від гуртування та згуртування до регіональної політики, яка орієнтується на місцевий підхід), етапів регіональної політики ЄС (економічної сутності та тенденцій) та сучасних проблем впровадження системних реформ в ЄС. Акцентується увага на тому, що неузгодженість і нескоординованість регіональної політики ЄС може стати загрозою цілості регіону і посилити відцентрові сили всередині регіонального об'єднання.

Зазначені системні виклики збільшують важливість розгляду питання про побудову регіональної політики в інших стабільних державах, які, крім іншого, відрізняються за розміром, географічним розмаїттям, чисельністю населення та економічним потенціалом.

В останні роки спостерігається збільшення уваги до регіональних досліджень, поглиблених теоретичних досліджень щодо сутності основних

понять, пов'язаних з розвитком соціально-економічних територіальних систем, обґрунтуванням останніх підходів до формування та реалізації регіональної політики, удосконалення системи та процесу управління внутрішніми регіонами держави.

Вивчення регіональної політики та регіонального розвитку та узагальнення досвіду його реалізації в країнах Європейського Союзу стало предметом дискусії відомих вчених та багатовимірною підходу до визначення «регіональної політики», який призвів до розбіжних поглядів щодо її об'єктів та суб'єктів.

Тому метою статті є узагальнення системи пріоритетів та інструментів розвитку регіональної політики ЄС з урахуванням еволюції та етапів регіональної політики ЄС та визначення шляхів її забезпечення.

У зв'язку з тим, що на теперішній час існує проблема реалізації системних реформ у ЄС, яка пов'язана із його вразливістю перед сучасними викликами, в статті наголошується на необхідності поліпшення координації регіональної економічної політики ЄС, зайнятості та соціальних проблем, реалізації спільної фінансової політики, а також нового проекту з питань оборони PESCO, покликаною посилити європейську оборону.

**Ключові слова:** регіональна політика ЄС, етапи регіональної політики ЄС, регіональний розвиток, політика гуртування, політика згуртування, макрорегіональні стратегії ЄС.

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## **СИСТЕМА ПРИОРИТЕТОВ И ИНСТРУМЕНТОВ РАЗВИТИЯ РЕГИОНАЛЬНОЙ ПОЛИТИКИ ЕС**

**Аннотация.** В статье рассмотрена система приоритетов и инструментов развития региональной политики ЕС с учетом эволюции региональной политики ЕС, которая заключается в изменении самой ее сущности (от сплочения к региональной политике, ориентированной на локальный подход), этапов региональной политики ЕС (экономической сути и тенденций) и современных проблем внедрения системных реформ в ЕС. Акцентируется внимание на том, что несогласованность и неkoordinированность региональной политики ЕС может стать угрозой целостности региона и усилить центробежные силы внутри регионального объединения. Указанные системные вызовы увеличивают важность рассмотрения вопроса о построении региональной политики в других

стабильных государствах, которые, помимо прочего, отличаются размером, географическим разнообразием, численностью населения и экономическим потенциалом.

В последние годы наблюдается увеличение внимания к региональным исследованиям, углубленным теоретическим исследованиям сути основных понятий, связанных с развитием социально-экономических территориальных систем, обоснованием последних подходов к формированию и реализации региональной политики, совершенствованием системы и процесса управления внутренними регионами государства.

Изучение региональной политики и регионального развития и обобщение опыта его реализации в странах Европейского Союза стало предметом дискуссии известных ученых и многомерных подходов к определению «региональной политики», которые привели к неоднозначности взглядов относительно ее объектов и субъектов.

Поэтому целью статьи является обобщение системы приоритетов и инструментов развития региональной политики ЕС с учетом эволюции и этапов региональной политики ЕС и определения путей ее обеспечения.

В связи с тем, что в настоящее время существует проблема реализации системных реформ в ЕС, которая связана с его уязвимостью перед современными вызовами, в статье подчеркивается необходимость улучшения координации региональной экономической политики ЕС, занятости и социальных проблем, реализации совместной фискальной политики, а также нового проекта по вопросам обороны PESCO, призванного усилить европейскую оборону.

**Ключевые слова:** региональная политика ЕС, этапы региональной политики ЕС, региональное развитие, политика объединения, политика сплочения, макрорегиональные стратегии ЕС.

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