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## **THE RESOURCES-USAGE MECHANISM AS A BASIS FOR INTEGRATED URBAN DEVELOPMENT**

*The article deals about the conceptual forming of resources-usage mechanism as a basis of the integrated urban development. Studied the factors of influence on city economic environment: resources potential, costs reducing for municipal and territorial development, entrepreneur activity, administration and sectoral economic links.*

**Keywords:** *resources-usage mechanism, governmental and municipal policy, urban development, integration factors, city's economic system.*

Urban development and its spatial-functional transformation depends on exposure to a large number of factors. The modern city is a complex economic, social, environmental, administrative and information system of interrelated elements that have their own specific and, sometimes, unique characteristics. However, achieving the goals of sustainable, harmonious and balanced urban development requires the creation of a relevant mechanism for the integration of the above-mentioned aspects. The Leipzig Charter emphasized the need of holistic strategies at different levels, as well as enhancing the coordination of sectoral areas of governmental and municipal policy [1]. As one of the bases for an integrated urban development indicated a full-scale involvement and effective use of all available resources. Thus, integrated development should be based on the mechanism of effective resources-usage, which makes the need for a conceptual representation of a mechanism like this.

The mechanism of resources-usage should provide integration patterns of functioning economic environment, according to its hierarchy-structural combination, that will reach the focus on sustainable development. I Vovk and O Pogajdak [2] in their study highlights this interpretation of the categorical entity of mechanism. The

authors point out that the concept of "mechanism" derived from the technical disciplines and adapted to the needs of economic phenomena – as the system, which links to convert the movement of some elements to the desired movement. Based on the A. Kulman`s and other`s studies, the authors point to the interpretation of the essence of the mechanism:

- interconnection system of unrelated economic phenomena;
- steady sequence of realization of economic phenomena;
- process that occurs between economic phenomena;
- the presence for origin and consequence of functioning.

Hence, the mechanism represents a system of elements and facilities of management for effective resources-usage [2, p. 318].

It should be mentioned an additional feature that is embedded in the definition of "mechanism". In aspects of governmental and municipal resources-usage policy, the actual value of this feature becomes a mechanism of how to establish the number of degrees of freedom-independent parameters that determine the trajectory and speed of all elements of mechanism. Adjusting the degree of economic freedom is one of the target functions of economic policy, which is inevitable in the formation of the city`s economic system. The mechanism should provide an optimal combination of both administrative and economic levers of influence on the functioning of the economic environment, but also should create the conditions for the observance of the balance of economic interests of government, business and society. G.M. Maslova in her study of regional aspects of resources-saving management as the criterion of effectiveness provide a compliance with the balance (fig. 1).

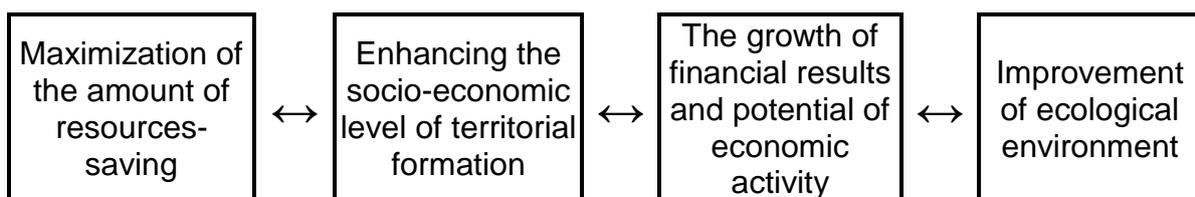


Figure 1. – The criterion of the effectiveness of the resources-saving mechanism (designed by [3, p. 149])

This approach allows defining the breadth of coverage and, consequently, the level of significance of resources-usage mechanisms for the formation of strategies for integrated urban development:

- growth of the ratio of effective resources-usage – through the reducing material and energy capacity according to the places and carriers of costs origin implementing to urban development;

- improved resourcing – through the reduction of turnover of employees in the spheres of economic activity, in particular;

- improvement of financial and financial status (sustainability) – through the reducing costs and increasing profits for urban economy sectors;

- growth of the potential – through the increase of investment attractiveness of the city;

- growth of the competitiveness – through the increase of the volume of production activity, services provisioning and trading in the city.

Effective resources-usage wears not only element, but also processing and proceeding specifics. Such specificity is due to increased technological intensification, manageability, flexibility, adaptivity, the speed of implementation, stability and reliability of the production economic operations [4], which promotes the harmonization of intersectorial integral relationships. Identifying the causal impact of effective resources-usage with areas of integrated urban development provides an opportunity to get the undoubted benefits<sup>^</sup>

- to carry out an objective, relevant and inclusive evaluation of the effectiveness of integrated urban development;

- to determine the most effective forms and means of implementing strategies for integrated development in comparison with the action of the specific dominant factors of the environment;

- to identify alternative perspectives and ways of transforming economic and technological ways that it is advisable to foresee in integrated development;

In V.I. Lyashenko's research, the main source of economic development defined by business activity of economic entities. Entrepreneurial activity is the

driving force of development, especially in terms of the dynamic imbalance and contradictions of the economic environment. In that, the policy feature (as regulator) is to coordinate focused interactions combine to subjects of the economic process, in the framework of the institutions activities, resources and strategies. Efficiency of functioning as a regulator is the formation of such type of methods and instruments of economic policy, which contributing to the elimination of bias and selectivity, eliminating discriminatory restrictions and to take into account heterogeneity components of the economic environment [5, p. 107-110].

It should be noted the similarity of methodological approaches in defining entities and aims of resources-usage mechanisms in the conceptual provisions of scientists. In developing solutions to conceptual and applied tasks of resources-saving, the emphasis focuses on the organizational-economic mechanism. The origin level of its formation are defined, as a rule, the individual economic entities, the total capacity of which form the territorial sources of integrated development. A.I. Shapoval and A.O. Shapoval provide a creating of special funds (for enterprise level) and the development of government programs (for the national economy level), due to formation of the organizational-economic mechanism of resources-saving. On their opinion, the functioning of mechanism like this should be directed for ensuring competitiveness by increasing the efficiency of resources-usage, why should also promote an industrial policy [6, p. 187].

The mechanism of resources-usage has features of a general system of laws:

- effects of the ratio of the system and outsistem relations;
- occurrence of secondary properties and incompatibilities of the elements;
- change the significance of the elements in the system due to his absence.

In providing an integrated urban development, a key impact of the mechanism of resource management is to establish vertical and horizontal links between elements of the economic system. While such links must satisfy following requirements:

- compliance with the economic interests of the subjects of urban development;
- compliance with the quantitative and qualitative characteristics of the objects

of urban development;

- compliance with the situation of the urban environment of the implementation task of the development.

The initial stage of the establishment of an effective mechanism for integrated urban development must become a profile of resources-usage of the city (by analogy with the profile of competitiveness): analysis of resource environment, identifying factors that specifies resources-usage, revealing the role of resources in the economic system of the city. This will create a model of resource management at territorial level, and to get a comprehensive quantitative and qualitative characteristics of the resource potential. This approach will provide an opportunity to establish the objective conceptual and organizational and management principles, as well as create preconditions for adequate consideration of dynamic externalities in integrated urban development.

Definition of the types and their optimum forming between the components of integrated development is the source factor for its effective implementation. I.S. Balandina, in exploring the mechanisms of resources-saving control, tap that by nature of relationships it can be determined or stochastic. This, in turn, shapes the degree of openness of the organizational-economic mechanism and focus the results of its functioning. The author highlights the two main types of mechanisms [7, p. 91]:

- mechanisms of balance or equilibrium, where the result of its functioning should be update and development due to resources-saving;

- mechanisms of multiplication or reproduction, where the result of its functioning should be stability and continuity of priority economic cycles due to resources-saving.

It is lawful to claim that the integrated urban development inherent in both signs, so the construction of vertical and horizontal connections should show such features. The logical assumption would be that for an individual entity higher priority has a property play, because a resources-usage is for him a means of achieving business objectives. The entity carries out a relatively limited economic impact on the external environment and does not have the possibility of regulatory impact, but the

attraction of resources and the transfer of results of the entity occurs in the external environment. With such disposition, a primitive surveyor to the conditions of the environment, and to ensure the status of normal functioning of the business entity it will adapt.

From the perspective of achieving the goals and objectives of the urban development, the question of the effectiveness of regional production and ensuring the effective management of this process rise up. In the framework of the city resources, together with the aggregate resource potential of businesses going to acquire new quantitative and qualitative properties. A city as an institutional unit has the capability to manage its resources potential on a significantly higher level than individual enterprises. However, the city has implemented regulatory impact on the appropriate economic environment. Taking into account the principles of consistency, sufficient prerequisites for more synergistic effect of using aggregate resource potential of the city performed. Therefore, to ensure the integrated urban development, the balance and equilibrium will have a higher priority.

It is necessary to note that with the growth of the scale of activity of a business entity or with an entity specific can occur as an integration or a disintegration of the types of mechanism. For example, rising to the level of transnational corporations inextricably connected with the transformation of the economic capacity of the entity to a higher level of quantitative-qualitative characteristics. Another example can be strategically or socially important enterprises for which the solution of some problems of functioning government takes over on itself, or translates them into society.

O.B. Pysmenna in exploring the situation of resources-saving in uranium-mining industry as the main factor boosting the effectiveness of resources-usage determines precisely management [8, p. 132]. In this case, the key role played by the management methods, which optimal combination ensures reduction of time for study, selection and implementation of management decisions that ultimately improves the efficiency of resources-usage. However, the analysis of the main factors of the poor situation of the resources-saving in the uranium-mining industry, which

indicates the author, allows to detect certain aspects of imperfections in the existing organizational-economic mechanism:

- a lack of methodology of comprehensive evaluation of quantitative and qualitative characteristics of the natural resource base;
- a lack of adequate tools for forecasting changes in resources-usage that causes the irrelevant strategic prospects for efficiency of resources potential;
- a lack of prospective interaction between the subjects of the State as a result raises the dissatisfaction of resource needs in the current period.

On the formation of an effective system of managing stress A.I. Shapoval and A.O. Shapoval. The authors` point of view based on the combination of competitive categories and resources-usage, so the quality of the elements of the organizational-economic mechanism of management defined the following [6, p. 188]:

- analysis and evaluation of resources-usage;
- development of qualitatively new system of indicators of economic activity in terms of sustainability, waste-free and resources capacity of production;
- formation of system of the economic interest in saving resources, expanding the use of secondary resources;
- development of of effective implementation of resources-saving.

Focusing on resources-usage, as a tool for gaining competitive advantage allows you to amplify the motivational component that will promote a higher level of use of the own resource potential and allow the entities to find internal reserves of growth effectiveness (table 1). However, it should mentioned that the implementation of such a concept in practice significantly depends of the kinds of the economic environment, in which conducts the activities of the particular business entity.

The impact of the market environment on the formation of mechanism of resources saving notes O.M. Maslichenko. In providing by the author of energy saving management system at the enterprise, market environment (along with the potential of the enterprise and government standards of power supply) defined as one of the original elements of the mechanism of energy saving [9, p. 342]. According to the author's concept, the impact of the market environment displayed on all of the

functions of management; therefore, consideration of such exposure will get the positive shift on the enterprise's level.

Table 1. – Causes of inefficient resources-saving and ways of its elimination (presented by [6, p. 189])

<b>Causes of inefficient resources-saving activity</b>	<b>Ways to eliminate the inefficient process of resources-saving</b>	<b>Expected results of the policy of resources-saving</b>
<ul style="list-style-type: none"> <li>- the lack of financial resources for the purchase of expensive technologies and equipment;</li> <li>- the lack of implementation of the operational reserve resources, which do not require significant expenses and can be brought into effect within a short period of time;</li> <li>- ineffective government regulation of the process resource by using economic measures;</li> <li>- revealing the reserves of the resources and their usage only at the level of direct consumers of resources</li> </ul>	<ul style="list-style-type: none"> <li>- a comprehensive examination of economic resources, not as part of the questions of improvement of technological processes;</li> <li>- orientation strategies and hands-on activities on the resource;</li> <li>- the planned methods of organizing, monitoring and resources savings;</li> <li>- the implementation of operational measures resource that covers different activities;</li> <li>- the process of optimizing the structure of resource management, which provides long-term, rather than short-term efficiency;</li> <li>- detection of predictive reserves specific types of resources and possible increase in volume</li> </ul>	<ul style="list-style-type: none"> <li>- the elimination of obvious sources of loss of resources in the production of;</li> <li>- maximum effect savings in the application of operational measures that take into account the different directions of activity;</li> <li>- release and savings of resources for use in further manufacturing cycles when applying strategic an optimization of the structure of resource management;</li> <li>- improvement of technological schemes of production and order their use due to forecast the value of the volume of specific types of resources</li> </ul>

I. Vovk and Y. Vovk in study of mechanisms pay attention to the impact of property relations in the formation of measures for economic and social development. Concept authors determines the composition elements of organizational-economic mechanism of governmental support of industries, with forms and methods of its implementation. In this concept, a significant role is given to the instrument of regulation of the process of social production, including: restructuring of businesses; strengthening of import substitution or protectionism; observance of the economic laws of competition; ensure the effective circulation of capital; direct governmental support of industries or individual entities [10, p. 45]. Hence, these provides the preconditions of occurrence of negative consequences from the out-system relationships between the elements of the mechanisms of resources-saving and related economic processes. The elimination of this problem determines the requirements of flexibility and multi-tasking to the mechanism of the formation of the

resources-saving policy. This feature reflects the Ashby's law of diversity, according to which should be introduced the ability to address a larger range of tasks in the mechanism, over the course of processes of resources-usage.

Such an approach to the concept of the mechanism fully confirmed by research of I.M. Sotnyk. The author notes that the mechanisms of governmental management of the resources-saving, which act in Ukraine today and are a part of the overall economic mechanism haven't provided sufficient resources efficiency of common production. In her opinion, the inefficiency of the fully linked with the domination of administrative tools and without taking into account the effectiveness of economic methods [11, p. 5]. Thus, the basis for the creation of links between elements of the mechanism of resources-usage should be laid down the objective laws of the effective flow of economic processes and the effect of the factors of the market environment.

Therefore, the abstract concept of interpretation of the mechanism should be introduced for the present sequence of stages and the processes that are grounded in defining effective functioning of such a mechanism in the integrated urban development. Development and implementation in practice of the concept of resources-usage mechanism will ensure with the effective functioning of the city's economic system, and with the creation of the prerequisites for a harmonious integrated urban development.

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