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EUROPEAN EXPERIENCE IN REGULATING THE DEVELOPMENT OF PROBLEM TERRITORIES

All EU regions and cities are covered by regional policy, which supports job creation, business competitiveness, economic growth, and sustainable development in addition to enhancing the standard of living for inhabitants. The efficient use of regional funding and resources is currently one of the top goals of the execution of EU regional policy.

By minimizing differences in the levels of regional development of the state, the major goal is to increase the social cohesion of the member states. The quality of human potential, the level of infrastructural development, the level of inventive activity, and structural changes are the key sources of geographical differences. Equalizing development is the primary goal of the European economy.

Territorial equivalence principle. The EU has a set of tools with primarily centralized power that encourage the exploitation of the territorial internal potential. State funding for the construction of infrastructure in troubled areas; tax breaks and subsidies (or a complete exemption from local taxes for a five- to ten-year period) for business owners who open or expand operations and create new jobs there; and financial aid for crisis-affected areas.

The EU's equalization program currently has three key focuses.

In order to enable less developed regions (mostly in the newest EU member states) to catch up with more developed nations, economic convergence is the first step.

Second, actions are being taken to make regions and employment more competitive.

Third, encourage regional and international collaboration to lessen the economic significance of national borders.

The fundamental tenets of the present EU equalization strategy call for the allocation of competencies in order to maximize their usefulness, the support of regional efforts, and collaboration across subjects at various levels in order to accomplish a common objective, including:

- programming – EU bodies control and monitor the use of funds, as well as ensure compliance of policy implementation with specific EU directives; implementation of regional state policy based on long-term interrelated strategies, plans and programs;

- partnership – all relevant social partners should be involved both in planning and in the implementation of regional policy; involves consideration of longterm priority; there are short-term goals;

- complementarity – EU funds should supplement the financial resources of member countries, not replace them;

- concentrations - financial resources that the EU provides to individual member states or subjects of territorial and regional development must be integrated at the expense of local authorities.

- coordination – regulation of structural funds activities is carried out with the aim of concentrating funds on priority sectors of EU development and on a limited number of problem regions selected on the basis of relevant criteria.

Since regional economic policies are developed by the state based on the country's long-established national socio-economic model, they each have different objectives, tasks, and implementation strategies. In particular, the complementary actions of transnational, national, and regional structures are what the countries of the European Union use as their regional policy to effectively overcome regional inequalities through the use of investment grants, tax and benefit incentives, loans, and other financial instruments.

It is prohibited to conduct regional economic policy in Ukraine under contemporary circumstances using EU ideas and models. This is because countries' degrees of socioeconomic development vary greatly, as do their financial resources, regional development traditions, and scientific paradigms.

At the turn of the 20th and 21st centuries, nations that made it through the economic transition stage and joined the European Union were important case studies for Ukraine to learn from. For instance, Poland is one of these nations.

Her expertise in regional policy speaks to the high effectiveness of putting European concepts into practice. However, in this nation, there are notable distinctions between national and EU regional policies. This nation only adheres to some standards and the EU's regional policy guidelines in full.

All other key elements – strategic planning, voivodeship contracts, regional development agencies, support programs for disadvantaged areas were significantly modified in accordance with the needs, conditions and financial capabilities of the country.

It is possible to apply to Ukraine the lessons learned from revamping regional policies in recently admitted EU member states as well as the effects of applying EU regulations in this area. According to the experience of the European Union, encouraging internal regional development based on the use of regional circumstances and resources is one of regional policy's most successful avenues in Ukraine.

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