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POWERS OF LOCAL SELF-GOVERNMENT BODIES IN THE FIELD OF ENSURING NATIONAL ECONOMIC SECURITY: INNOVATIVE COMPONENT

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SUMMARY

The paper highlights problematic issues of recognizing the role of local self-government bodies in the system of ensuring state security, especially in the economic sector, one of the components of which is innovative security, as well as the determining their role in the system of innovative relations, the formation of the national innovation system, influence and opportunities for participation in the innovative development process of the state, by means of a designation of their basic powers in the specified sphere.

The conducted research opens possibilities for the assertion of the necessity of complex reforming, starting with the review of the key regulatory legal acts, and ending with the establishment of close cooperation of all public authorities, clear coordination of joint actions, as well as constant monitoring and control in the sphere.

Key words: national security, economic security, innovative security, national innovation system, innovative activity, bodies and officials of local self-government.

ПОЛНОМОЧИЯ ОРГАНОВ МЕСТНОГО САМОУПРАВЛЕНИЯ В СФЕРЕ ОБЕСПЕЧЕНИЯ НАЦИОНАЛЬНОЙ ЭКОНОМИЧЕСКОЙ БЕЗОПАСНОСТИ: ИННОВАЦИОННЫЙ КОМПОНЕНТ

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АННОТАЦИЯ

Статья посвящена проблемным вопросам, связанным с выяснением места органов местного самоуправления в системе обеспечения государственной безопасности, в том числе экономической, одной из составляющих которой является инновационная безопасность, а также определением их роли в системе инновационных отношений, формировании национальной инновационной системы, установлением степени их влияния и возможностей участия в инновационном процессе развития государства, в том числе посредством обозначения их основных полномочий в указанной сфере.

На основании проведенного исследования сделан вывод о необходимости комплексного реформирования, начиная с ключевых нормативно-правовых актов и заканчивая установлением тесного сотрудничества всех органов публичной власти, четкой координации совместных действий, а также постоянного мониторинга и контроля в указанной сфере.

Ключевые слова: национальная безопасность, экономическая безопасность, инновационная безопасность, национальная инновационная система, инновационная деятельность, органы и должностные лица местного самоуправления.

REZUMAT

Articolul este dedicat problemelor de actualitate legate de clarificarea locului a administrației publice locale în sistemul de securitate națională, inclusiv economică, o componentă a ceea ce reprezintă o securitate inovatoare, precum și definirea rolului acestora în sistemul de inovare al relațiilor, formarea sistemului național de inovare, pentru a determina gradul lor influența și oportunitățile de participare la procesul de dezvoltare inovator al statului, inclusiv prin desemnarea competențelor de bază ale acestora în cadrul cf. re.

Pe baza acestui studiu se poate argumenta necesitatea unei reforme cuprinzătoare, începând cu actele de reglementare și juridice cheie, și terminând cu stabilirea unei cooperări strânse între toate autoritățile publice, coordonarea acțiunilor comune, precum și o monitorizare continuă și de control în domeniu.

Cuvinte cheie: securitatea națională, securitatea economică, securitatea inovatoare, sistemul național de inovare, activitatea inovatoare, organele și funcționarii autonomiei locale.



Formulation of the problem. The issues of ensuring the national security of Ukraine are of paramount importance in today's development conditions. One of the key components of national security is economic security [1]. In its turn, increasing competitiveness, ensuring sustainable national development, obtaining public welfare of the European level is possible today only through the provision of innovative or innovative-technological security, through the gradual transition to an innovative model of economic development of the state.

State of research. While acknowledging the results of modern scientific research, it is worth noting that the theoretical substantiation and legal regulation of issues related to the introduction of an innovative model of economic development in Ukraine are characterized by the lack of a unified approach to determining the basic categories (national security of the state, economic security of the state), categories of innovative activities (innovation, innovative activity, innovative relations, innovation infrastructure, national innovation system, innovative potential, etc.), and filling them with specific content (elements of national security system, economic security system, innovative relations systems, national innovation system).

Therefore, the deepening of the economic, political and social crisis is accompanied by the development of normative legal acts that show an insufficient level of scientific substantiation, do not correspond to actual circumstances and as a result, hinder the introduction of a new model of development. In this aspect, it is appropriate to assume that in the conditions of the formation of an innovative model of economic development, these problems require both theoretical substantiation and the development of practical recommendations for the effective legal regulation of innovative activity [2, p. 161].

The purpose of this article is to identify the role of local self-government in the system of ensuring state security, including economic, one of the components of which is innovative (innovative-technological) security, as well as to determine their role in the system of innovative relations, the formation of the national innovation system, assess the degree of their influence (legal regulation, financial and other ways of stimulating innovative activity, etc.) and

opportunities for participation in the innovative process in general.

Presentation of the main material. Most studies devoted to the research of issues of the formation of national innovative policy, the subjects of its implementation, the formation of the national innovation system and infrastructure are commonly focused on the state (represented by its bodies, officials) as the main conductor of the concept of innovative economic development [3; 4; 5; 6; 7]. At the same time, local self-government bodies are not part of the system of state authorities, and thus the recognition of public and private components as leading of the national innovation system leaves local self-government out of the system [8]. Theoretical developments in the field of innovative activity at the local level, generally, relate to certain issues of stimulation of the said activity, the study of particular factors that influence the formation of innovative potential of the regions, particular territories etc. [9; 10]. However, it is practically impossible to formulate a complete understanding of the place of local self-government in the system of innovative relations, their role in the innovative process at the local level.

The experience of developed foreign countries shows that local self-government bodies maintain a significant place in the system of innovative relations, displaying active participation in the formation of local (municipal) innovative policy (as a component of the state-wide policy) and stimulation of innovation in the field [11; 12]. Thus, in a context of decentralization and rationalization, one of the key places in the formation of innovative policy is given to territorial communities (commonalities, municipalities) and local authorities (representative and executive bodies of local self-government, as well as local bodies of state executive), since they are most clearly and fully aware of the needs of the locality and the existing innovative potential of the development of a specific region, territory, settlement [13, p. 71].

In turn, the consolidation of local self-government in the cities, towns, and villages of our state is gradually changing the approaches to solving the problems of local life, including in the innovation sphere. Self-government bodies of the communities can and should solve all issues of local signif-

icance independently and under their responsibility as defined by the Constitution of Ukraine, the Law of Ukraine "On Local Self-Government" and based on the interests of the local population as stipulated by the European Charter of Local Self-Government [14; 15; 16].

In order to determine the place of local self-government in the system of ensuring of national and resp. economic security, part of which is innovative security, as well as finding out their role in innovative relations and the formation of national innovative policy one should refer to the norms of the current legislation, which regulate the legal the status and opportunity to address local issues and also the ability to transition to a new model of economic development.

First of all, it should be noted that the development of innovation at the local level involves the establishment of innovations not only at the commercial level, as in the activities of business entities, but also at the level of local self-government bodies, which ensure the implementation of national and local policies in the economic sphere and carry a significant amount of work related to the regulatory support of private entrepreneurship and management of commercial objects of communal property. Additionally, the introduction of innovations in the activities of local self-government bodies is inextricably linked with their powers to develop and implement local business support programs that can establish preferences and benefits for those enterprises that focus on innovative products, etc.

The norms of the current Ukrainian legislation provide the bodies with a certain extent of powers required to resolve the above issues. In particular, these issues are regulated by the Law of Ukraine "On Local Self-Government in Ukraine" of 21.05.1997, № 280/97-VR. This act primarily provides for the legal, organizational, material and financial independence of local self-government bodies in solving local issues. These principles are further detailed in the relevant provisions of the Law concerning the organization and operation of individual bodies and officials. According to this act, both local councils and their executive bodies have a sufficiently wide range of powers that directly or indirectly influence local economic development. In turn, the executive bodies of local councils are responsible



for the preparation, development, and implementation of various local programs, budgets, the performance of specific tasks for their implementation and for control over the activities carried out.

High degree of the territorial community trust the main official of local self-government – a mayor, also determines the great degree of his responsibility as chairman of the meetings of the relevant council, the head of its executive committee. Consequently, granting a mayor with the powers to sign decisions of the council and its executive committee, to organize and ensure consideration and resolution by the council of the above-mentioned issues, as well as the powers to dispose of budget funds, to participate in the process of implementation of the state regulatory policy, to represent of the interests of the territorial community and its executive committee in relations with other subjects (state bodies, other bodies of local self-government, enterprises, institutions, organizations) and to conclude on their behalf various treaties within the exclusive competence of the council, etc., fully correlates with the provision according to which the chairman bears personal responsibility for exercising the powers granted.

Based on the analysis, we can summarize that rural, town and city councils, their executive committees, as well as the main local self-government official, have sufficient powers in the sphere of solving local issues, including the promotion of a sustainable economic development of a territorial unit. Indeed, the issues considered appear more clearly regulated by the legislation compared with the powers of rayon (district) and oblast (regional) councils.

Art. 43 of the Law of Ukraine “On Local Self-Government in Ukraine” provides for a sufficiently wide range of powers of the district and regional councils. Yet at the same time Art. 44 of the Law provides for delegation of powers from district and regional councils to local state administrations, including the powers related to the preparation of relevant local development, local budgets, urban programs, their implementation and on ensuring balanced economic and social development of the respective territory, efficient use of natural, labor and financial resources, promotion of investment activity in the respective territory, etc.

The delegated powers of local state administrations are detailed by the Law of Ukraine “On Local State Administrations” of April 9, 1999, № 586–XIV [17], based on provisions of which one can conclude that the latter are able to partially take direct actions (organizational, regulatory, managerial), which according to the Constitution of Ukraine should be independently executed by councils (regional, district). Thus, local executive bodies of state power essentially act as executive bodies of the district and regional councils respectively. However, referring to the norms of the Basic Law, which recognizes and guarantees local self-government in Ukraine (despite the fact that the law does not directly identify the system of local self-government as a separate subsystem of public authority), it can be argued, that the situation when the bodies of state executive power substitute the executive bodies of local self-government is unlawful and this undermines the basic principles of the implementation of local self-government (the principles of their legal, organizational, material and financial independence). It is obvious that the abovementioned problems of legal regulation of powers of local self-government bodies cannot but affect their possibility not only to solve current issues, but also to actively participate in ensuring local innovative development, and thus the national innovative process.

The rights, responsibilities and specific opportunities of local self-government bodies to influence the introduction of a unified model of state innovative development are provided for not only by the abovementioned Law, but also by other acts. Thus, the Law of Ukraine “On Innovative Activity” dated July 4, 2002, № 40–IV, establishes a list of powers of representative and executive bodies of local self-government. According to Part 3 of Art. 7 of the Law, rural, settlement and city councils are authorized to 1) approve local innovative programs; 2) allocate budget funds within the framework of the local budgets for the financial support of these programs; 3) create communal innovative financial and credit institutions for financial support of such local innovative programs at the expense of local budgets, approve the corresponding regulatory acts, subordinate these institutions to their executive bodies; 4) assign their own executive bodies to finance local in-

novative programs at the expense of the local budget through state-owned innovative financial and credit institutions (their regional branches) or through similar utilities; 5) approve the scheme of formation and use of funds of these (communal) institutions; 6) monitor the financing of local innovative programs at the expense of the local budget through state innovative financial and credit institutions (their regional branches); 7) control the activity of communal innovative financial and credit institutions [18].

In turn, according to Part 2 of Art. 10 of the said act, executive bodies of local self-government are authorized to, in particular: 1) develop projects of local innovative programs and submit them for approval to the relevant local councils; 2) take measures for their implementation; 3) involve enterprises, institutions and organizations located on the relevant territory, with their consent, to solve problems of innovative development of settlements; 4) issue instructions to the state innovative financial and credit institutions (their regional branches) or similar municipal institutions to conduct competitive selection of innovative projects of local innovative programs and to provide financial support to these projects within the limits of the funds provided in the relevant local budget; 5) prepare and submit proposals to local councils on the creation of communal specialized innovative financial and credit institutions for the financial support of local innovative programs; 6) submit proposals to a specially authorized central executive authority in the field of innovation related to the inclusion of innovative projects from local programs into state programs and their financing through lending from the state budget through state innovative financial and credit institutions.

According to the provisions of Part 2 of Art. 7 oblast (region) and rayon (district) councils within the limits of their competence approve medium-term priority directions of innovative activity of the regional level and regional innovative programs, which are financed from the corresponding budgets, determine the funds for financial support of these programs, delegate respective powers (concerning financing of regional programs through state innovative financial and credit institutions) to oblast (region) and rayon (district) state administrations, as



well as supervise their implementation. This Law also establishes types of financial support (including the local funds), sources of financing for innovative activities (not only local budget funds, but also own funds of municipal specialized innovative financial and credit institutions), as well as particular features of the establishment and functioning of communal specialized non-bank innovative financial and credit institutions.

Today, cooperation between territorial communities is one of the ways to ensure the socio-economic development of the territories, improving the quality of providing services to the population based on common interests and goals, as well as the effective realization by the bodies of local self-government of their powers. In our opinion, the Law of Ukraine "On Cooperation of Territorial Communities" dated 17.06.2014, № 1508-VII [19], deserves special attention, as it defines the legal and organizational principles of cooperation, carried out in the forms, such as: 1) delegation of one or multiple tasks along with the transfer of relevant resources; 2) implementation of joint projects; 3) joint financing of enterprises, institutions and organizations of communal ownership (to ensure the effective use of the resources of territorial communities); 4) formation of appropriate joint ventures, institutions, organizations (for the implementation of joint infrastructure projects and the execution of functions of common interest); 5) as well as formation of a joint governing body for the realization of the respective powers (for optimization or reduction of expenditures on their maintenance).

The initiators of such cooperation may be village head, settlement, city mayor, deputies of the village, settlement, city council, as well as members of the territorial community (in the form of a local initiative). The procedure for such cooperation involves a proposition the initiator decided on by the local council, conducting negotiations between potential actors, setting up a commission composed of representatives of the respective territorial community. After the preparation of the draft agreement by the commission on cooperation between potential actors, the village head, town, city mayor holds public hearings of the prepared project. In case the relevant local council decides to approve the draft treaty, it is concluded (in writing) by the village head, town,

city mayor on behalf of the council. The law establishes the possibility of state incentives for such cooperation in the presence of certain conditions (for example, if a wide public participation is evident or additional resources are attracted, etc.). Financing of such cooperation can be carried out not only at the expense of local budgets, but also other sources not prohibited by law (state budget, international assistance, etc.).

It is obvious that the mere adoption of a normative legal act that defines the organizational and legal framework for cooperation of territorial communities is not enough. First, it is necessary to conduct an appropriate information campaign by hosting relevant information on their own Internet resources, clarifying the scheme of application of the relevant Law and other measures aimed at attracting potential entities to such cooperation.

The Law "On Transboundary Cooperation" dated June 24, 2004, № 1861-IV [20] is aimed at developing socio-economic, scientific and technical and other links between the subjects (such as territorial communities, their representative bodies, local executive authorities) and participants (such as legal and physical persons, public organizations) of such cooperation.

The latter can be carried out in the following forms: 1) conclusion of the relevant agreements; ensuring compliance with state obligations under international treaties on cross-border cooperation; 2) participation in the development and implementation of joint projects (programs); 3) deciding on joining the relevant international and other associations; 4) making propositions for the introduction of a special procedure for crossing the state border; 5) submission of propositions for amendments to legislative acts on cross-border cooperation issues. The law provides for the provision of state aid, including financial support for such cooperation, financing of the relevant projects at the expense of local budgets and other sources, the creation of special bodies, including the possibility of assigning the functions of the latter to the executive bodies of local self-government and structural units of local executive organs.

In addition to the aforementioned, prominent place among the acts related to the forms, methods, tools and features of ensuring the implementation of innovative

activities (in particular, with the participation of local self-government bodies and officials) is held by the Law of Ukraine "On Priority Areas of Innovative Activity in Ukraine", the Law of Ukraine "On the Regime of Foreign Investment", the Law of Ukraine "On Scientific and Scientific-Technical Activity", the Budget Code of Ukraine, the Tax Code of Ukraine, the Commercial Code of Ukraine, Presidential decrees, resolutions of the Cabinet of Ministers of Ukraine, etc.

Conclusions. Despite the large mass of legislation that directly or indirectly affects the maintenance of national and economic security, which in turn includes innovative security, as well as the development and implementation of an innovative model of state development in general, providing innovative process operated by various actors and participants, the possibility of local self-government bodies to ensure the redistribution of resources from the traditional to the innovative sphere (not only from the application of financial but also organizational and legal mechanisms) acquires special significance in modern conditions. Analyzing the problems and prospects in the sphere, it should be noted that most of them are inextricably linked with the problems of legislative regulation when some of them have a purely procedural nature. Thus, one can substantiate the continuity of these issues and the need for comprehensive reform of the whole system, starting with the key profile and general normative legal acts, and ending with the establishment of close cooperation between all public authorities, clear coordination of joint actions, as well as continuous monitoring and control in this area.

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