

The most difficult task is the implementation of the final (second) agrarian reform. Two reform variants were discussed. The first variant was to create large, highly mechanized family farms. It will require a huge amount of agricultural machinery and most importantly it will threaten several hundred million people which will inevitably lead to social explosions.

The second variant provided for the voluntary cooperation of the peasants and the gradual technical rearmament of agriculture. The implementation of this option will also cause unemployment but on a much smaller scale. As for the release of workers it is expected that they will be employed at village and parish enterprises that produce fabrics, clothes, shoes, electrical appliances and other household items.

The effectiveness of China's policy is obvious: many branches of Chinese industry are experiencing rapid growth, foreign investments are being actively attracted, the creation of large joint ventures and preferential tax zones, and the construction of industrial and processing plants are encouraged. With rather poor energy resources in the PRC, the need for which is often not fully satisfied, the Chinese economy, nevertheless, does not slow down its pace of industrial development. This can be judged by statistical data. Thus, in the pre-crisis year of 2006, the volume of imports to China grew by 23.8% (mainly due to the raw material component), and Chinese exports - by 27.2%.

It is a positive fact that the scientists of Ukraine [1] agree with the fact that historical experience is on the side of the modern Chinese leadership, the descendants and followers of those who made the decisions as far back as 1978. After all, no matter what they say, textbook Western democracy cannot really "automatically" take root in a place where there was never even a concept of such a thing. It is the understanding of this fact that will make it possible to build international economic relations with China to the benefit of both countries.

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## **CLUSTER-BASED CITY ECONOMIC DEVELOPMENT IN ASIA**

City cluster economic development (CCED) is an urban-led development approach that enhances the ability of cities to promote economic growth in an extended urban region [5]. The primary methodology of CCED is to assess the competitiveness of the city's ability to increase the value of its enterprises, and to enhance its ability to nurture the progress of its local economic dynamism for the prosperity of its residents. An extended urban region is defined by spatial spheres of economic influence, not

administrative jurisdictions. CCED takes advantage of economies of scale in extended urban regions, thus increasing the intensity of economic activity.

There are four types of city clusters: *urban corridors* are the ones in which urban settlements adopt a linear configuration; *megacity-dominated clusters*. The rapid growth of a major megacity incorporates and absorbs its surrounding regions; *subnational regional clusters*, in which no single city dominates development in the city region; *transborder clusters*, in which urban settlements neighboring each other span across national borders, yet create a connected sphere of economic influence.

However, towns functioning as a market center for their rural peripheral areas are also included as city clusters based on their economic linkages between urban and rural areas. As Asia is urbanizing rapidly CCED are becoming of paramount importance. By 2030, more than 55% of Asia's population will reside in urban areas. Thus, a development approach, which can take into account both rural and urban economic activities in a regional economic context, is needed.

CCED can provide new insights into the changing economic structure and spatial pattern of business activities and investment in selected CCED economies by: identifying the comparative advantages of resources in agglomerated urban regions [3]; identifying factors contributing to the competitiveness of sectors, industries, or clusters; building up partnerships for development opportunities in key industries and players; prioritizing the infrastructure investment needed to improve the business environment; and strategizing development of targeted sectors, thus generating employment opportunities.

CCED calls for a unified multisector approach to reach common development goals among local government bodies and stakeholders in both urban and rural areas in an extended urban region. It can improve the financial viability and credit rating of local government bodies of the city region by forging areawide fiscal measures, tapping into the economic value of land, and encouraging private sector participation. CCED requires cooperative and coordinated actions among local government bodies within the city cluster [5].

There are certain factors that enhance the growth potential of CCED. The table provides a strategic framework for policy makers in enhancing the growth potential of CCED with respect to institutional, demographic, and structural factors [2].

In summary, cluster-based city economic development (CCED) is an approach to develop a new path to achieve sustainable economic development in cities by fostering the development of industry clusters. The approach includes an analytical methodology, seven guiding steps to assess a city's economic policy environment and its drivers to competitiveness.

Table 1

**Strategic Framework for Enhancing the Growth Potential of CCED**

Factors	Barriers	Mitigation Measures	Strategies
1. Institutional, legal, and governance mechanisms	<ul style="list-style-type: none"> <li>• Autonomous local units may resist CCED;</li> <li>• Antiurban mind-set;</li> <li>• Governmental fragmentation.</li> </ul>	<ul style="list-style-type: none"> <li>• More information to local government officials about the merits of CCED Local government reforms.</li> </ul>	<ul style="list-style-type: none"> <li>• Use region-wide planning to usher in region-wide governance;</li> <li>• Nurture strong leaders as a catalyst for CCED.</li> </ul>
2. Demographics, resources, and spatial aspects for integrating rural and urban economies [4]	<ul style="list-style-type: none"> <li>• Population size to form an agglomerated pattern of city regions;</li> <li>• Conventional perception on rural-urban dichotomy deters inclusive CCED.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen economic links between rural and urban areas;</li> <li>• Improve the flow of goods and services in both directions;</li> <li>• Strengthen unified city cluster wide efforts to reduce poverty through political will.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage compact settlement patterns within an 80-kilometer radius;</li> <li>• Do not dichotomize urban and rural sectors; include both in area-wide development;</li> <li>• Promote agro-processing businesses and enterprises.</li> </ul>
3. Development planning issues	<ul style="list-style-type: none"> <li>• Planners use mainly physical planning detached from economic planning that cannot be implemented;</li> <li>• Zoning codes and standards too focused on local issue.</li> </ul>	<ul style="list-style-type: none"> <li>• Support data-gathering and dissemination activities;</li> <li>• Train planners to strengthen comprehensive plans in city clusters in connection with economic and fiscal planning.</li> </ul>	<ul style="list-style-type: none"> <li>• Adopt an area-wide approach suitable for ushering in governance reforms;</li> <li>• Formulate and adopt comprehensive city cluster plans reflecting a longer-term perspective.</li> </ul>
4. Land resources and land tenure	<ul style="list-style-type: none"> <li>• Private ownership of land makes it difficult to leverage land for CCED financing;</li> <li>• People’s resistance to “land grabbing” for project use;</li> </ul>	<ul style="list-style-type: none"> <li>• Capture tax revenue from increased value of land resulting from provision of infrastructure;</li> <li>• Implement tax reforms to capture economic value of land and land tenure;</li> <li>• Use land readjustment.</li> </ul>	<ul style="list-style-type: none"> <li>• Use land readjustment mechanisms to unlock the economic value of land and increase property values;</li> <li>• Revise tax laws to facilitate use of land as a development financing resource.</li> </ul>

	<ul style="list-style-type: none"> <li>• Failure to repeal legislation on land issues will delay CCED programs.</li> </ul>		
5. Economic growth potential and trade functions [4]	<ul style="list-style-type: none"> <li>• Low level of economic productivity;</li> <li>• Lack of industrial-commercial activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Tap intellectual capital and resources from academic research institutions;</li> <li>• Formulate and implement city cluster local economic development strategies.</li> </ul>	<ul style="list-style-type: none"> <li>• Concentrate infrastructure investments in one area to attract more enterprises;</li> <li>• Attract foreign and domestic investors by offering tax incentives.</li> </ul>
6. Taxation, fiscal issues	<ul style="list-style-type: none"> <li>• Low revenue-generating capacity on the part of local government bodies and low credit ratings;</li> <li>• Dependence on fund transfers and grants-in-aid.</li> </ul>	<ul style="list-style-type: none"> <li>• Institute area-wide tax reforms;</li> <li>• Train local officials in revenue raising techniques, budgeting, and fiscal accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Improve tax collection;</li> <li>• Invite PSP investments;</li> <li>• Consolidate city clusters to achieve higher credit ratings.</li> </ul>
7. Infrastructure and informational connectivity	<ul style="list-style-type: none"> <li>• Poor urban infrastructure and services;</li> <li>• Lack of coordination in the provision of infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Tap central and provincial or state governments to provide more infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage PSP for infrastructure investments;</li> <li>• Set up SEZs and industrial parks [1].</li> </ul>
8. Private sector participation	<ul style="list-style-type: none"> <li>• Low level of PSP interest;</li> <li>• Lack of mechanisms for PSP;</li> <li>• Lack of transparency and accountability;</li> <li>• Widespread rent-seeking.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate PSP by streamlining Procedures</li> <li>• Tap into banks and other financial institutions for investments.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide mechanisms for more PSP in financing urban infrastructure and services.</li> </ul>

CCD (city cluster development), PSP (private sector participation), SEZ (special economic zone).

*Note:* compiled by using [1], [2], [3], [4], [5].

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## **CURRENT TRENDS IN THE DEVELOPMENT OF METALLURGICAL INDUSTRY OF THE CHINESE PEOPLE'S REPUBLIC**

The rapid advancement of technologies, changes in global market conditions and the strategic importance of the metallurgical industry in China require strategic transformations in management of these enterprises. Adapting to new challenges and innovative approaches in management becomes a key factor in ensuring the competitiveness and resilience of metallurgical sector in China.

Capacity management can be an effective tool in addressing the imbalance between supply and demand in metallurgical industry of China. By adjusting production capacities based on changes in demand for metallurgical products, enterprises can reduce a negative impact of overproduction or insufficient production capacity. This enables more efficient resource utilization and cost reduction while maintaining production stability and competitiveness in the market. To ensure their long-term viability, steel plants are transitioning to low-carbon production. The current challenge in China's steel industry lies in utilizing production capacities amidst limited demand for steel. This means that to achieve climate goals, capacities must be reduced and metallurgical plants may need to be merged and reorganized.