

**Strategies for sustainable
socio-economic development
and mechanisms their
implementation in the global
dimension**

**Collective monograph edited by
M. Bezpartochnyi**

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The authors of the book have come to the conclusion that it is necessary to effectively use modern approaches to developing and implementation strategies of sustainable socio-economic development in order to increase efficiency and competitiveness of economic entities. Basic research focuses on analysis of formation and development of entrepreneurial activity, logistics management, environmental and economic management of the enterprise, formation of competitive advantages, study the nature of digitalization. The research results have been implemented in the different models and strategies of economic development of the national and world economy, improving the strategic management system, development labor potential, the public finance system, managing the enterprise’s competitive behavior, social and digital marketing, improving the educational process. The results of the study can be used in decision-making at the level the economic entities in different areas of activity and organizational-legal forms of ownership, ministries and departments that promote of development the economic entities on the basis of models and strategies for sustainable socio-economic development. The results can also be used by students and young scientists in modern concepts and mechanisms for management of sustainable socio-economic development of economic entities in the condition of global economic transformations and challenges.

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PLAN AND SCHEME OF MEASURES TO IMPROVE TARIFF AND COMPENSATION POLICIES TO REDUCE THE RISK OF CONFRONTATION BY ROUTE TAXI OWNERS

Urban passenger transport, namely shuttles, occupies a special place in the development and functioning of the city, which is explained by its constant use of the city population [1-3]. With the increase in the level of motorization, the importance of public transport has decreased, but moving within the city through the overcrowding of city streets by cars has become one of the most acute socio-economic and environmental problems of modern society.

Passenger services affect the social, industrial and environmental spheres of the city, as well as create conditions for fair competition between carriers of different forms of ownership. Among the wide range of problems caused by the development and functioning of the modern city, the complex system of interaction of different types of passenger

transport is of particular importance. In this case, passenger transportation, which, unlike railway transport, is outside the state property, requires special attention of state and local self-government bodies and specialists.

The transport complex is an important component in the structure of the city's economy, which includes a complex of passenger and freight traffic [4-5]. Creating a competitive environment in the city of the market of public passenger transport services and promoting its development is carried out on a competitive basis.

An analysis of the state of urban passenger transport has shown that this sector of the economy needs management decisions to ensure its gradual and correct development and improvement.

Considering the interests of the participants of the market of passenger transportation, improvement of economic relations in the sphere of passenger transportation, namely shuttles, should be aimed at solving the following tasks:

- achievement of balance of interests of consumers of services (passenger) and interests of the carrier, which ensures accessibility of passenger services for users;
- the effective functioning of the carrier;
- full reimbursement of urban passenger transport costs related to passenger transportation;
- creating the conditions necessary to attract private investment in order to increase the economic efficiency of passenger transportation.

It must be acknowledged that economic relations in the area of taxi services today do not meet the needs of either party and require positive reforms to ensure the sustainable functioning and development of the market for passenger transportation [6-8].

Problem-solving is suggested by:

- optimization of passenger transportation depending on the time or day of the week;
- introduction of a non-cash payment system for public transportation and electronic passenger registration system;
- balanced pricing policy for passenger services
- transition to the system of receipt of income depending on the distance travelled;
- creation of a single transport service operator (Municipal Transport Company)
- sound, transparent compensation policy.

The existing system of payment for urban passenger transport is

morally outdated and has a number of disadvantages, first of all – the inability to accurately account for the transport services provided, first of all – to privileged categories of passengers.

As an instrument for managing the process of passenger transportation, which creates the preconditions for the effective solution of the problem of the functioning of the system of transport privileges, it is proposed to introduce in the city an electronic system of non-cash payment of fares and accounting of passengers in urban passenger transport.

The development and implementation of a complex of technical and technological means for non-cash payment for public transportation will enable:

- maximize the transparency and accuracy of accounting for actually provided services for the carriage of preferential and other categories of passengers;
- providing complete, reliable and detailed information on the performed transport work to solve the problems of analysis and planning of passenger transportation;
- obtaining detailed statistics on passenger flows for the formation of the optimal timetable, routes, etc.;
- convenience for passengers, in particular in connection with the use of a single type of travel ticket by different carriers;
- exclusion of the use of false travel documents;
- reduction of operating costs of carriers for the organization and control of revenue collection;
- improving the economic performance of transport companies by using the information collected in the system to introduce and maintain a flexible tariff system, the introduction of new products and payment methods;
- increasing the profitability of urban transport and, as a consequence, reducing budget financing [9].

In addition, the introduction of this system will improve the financial condition of the carrier companies (owners of taxis), as it will allow timely and full reimbursement to carriers of the cost of transportation of privileged categories of citizens.

There are three situations in the area of passenger transportation: tariff decision: city government (directive); carrier proposals (calculation of economically justified tariffs) and carrier decisions (open market). None of these solutions can ensure that the interests of the passenger market are balanced.

To date, the passenger pricing policy is based on tariff level decisions based on the carrier's proposal. The calculation of tariffs for urban passenger transport shall be established in accordance with the calculations, which shall be performed in accordance with the approved methodology. Since private property entities – passenger transport companies are guided by market economy principles, and their regulation is carried out by the state through laws, tariff setting and analysis is not only an economic problem but also a social one, as for a large part of the population transport costs Is a significant share of total consumer spending.

In fact, economic relations today are based on fares for urban public transport, which cannot satisfy all sides of the passenger market: if the authorities set a tariff that will satisfy the carrier, such a tariff would be socially unfair for the passenger, if the authorities set a socially fair tariff unprofitable for the carrier. Thus, the city authorities should make the most optimal decision for all parties – t set the amount of tariff at which the demand for transportation will not decrease, and at the same time, the transport companies will operate at a loss and profit, which will allow improving the technical possibilities of rendering services. According to the calculations provided by the carriers, the largest share in the tariff is the cost of fuel and lubricants, drivers' wages, as well as taxes, fees, deductions. Therefore, the rise in price of fuel and lubricants, the increase in the minimum wage, the change in taxation conditions all influence the constant increase in the tariff for transportation. In today's environment, these costs are difficult to reduce. There are other ways to look.

First and foremost, the pricing policy for passenger transportation should be based on sound, transparent, comprehensible principles and exclude distrust in the fair pricing policy for all participants in the passenger transportation market.

To do this, it is first necessary to optimize the routes of passenger transport by stopping duplication of routes. This factor can increase the competitiveness of electric transport before buses.

Second, data collection methods need to be improved to accurately determine the tariff level. A factor such as a passenger flow is key to calculating a fare, but in fact it can be calculated with great error – this is a problem. To solve it, it is necessary to introduce an electronic pass-through system for passengers at the time of payment for the fare, which will allow taking into account the actual passenger traffic on different routes.

It should be noted that the very method of setting fares for urban passenger transport does not meet market conditions. In the future, it is necessary to move to such market relations, in which the carrier will not affect the tariff policy of fare for public transport, and the decision to set the fare is unilateral. Such market relations can be a transition to a revenue system, depending on the distance travelled.

Experience shows that the only correct solution in today's environment is to switch to a system of income, depending on the distance travelled.

The essence of the financial and economic relations of such a system lies in the conclusion of contracts between the customer of the service and the service provider to fulfil the municipal order. Under this agreement, the service provider (carrier) undertakes to provide transport services to a certain extent, measured in passenger/kilometres, and the customer undertakes to pay the contractor's transport services monthly in the number of services actually provided. In this case, the revenue from the fare is "collected" by the customer of the transportation through a single non-cash system of payment for public transportation and at the expense of these funds is calculated with the contractor.

With such a system, there are actually two tariffs: one for the carrier – a tariff based on the distance at which it is calculated by the customer, and the other for the passenger – the fare for public transport.

The distance-based fare is the pricing for the actual vehicle mileage. When setting such a tariff, the route is divided into zones and for each one set its own tariff. Zone rates in different sections of the route vary depending on differences in operating costs and different demand. Such systems can be considered fairly fair since the fare for each trip is related to the distance.

The fare for passengers can be calculated taking into account the costs of the city authorities for transportation services to carriers and have a system of bonuses for passengers in the form of a socially fair fare for public transport.

The transition to the revenue system, depending on the distance travelled, will allow:

- optimize passenger transportation;
- to eliminate unfair competition in the market of passenger transportation in the city;
- to make the financial position of the carrier companies stable without losses;
- to withdraw from the shadow turnover the means of payment

for public transportation;

- carry out compensation policy transparently and economically justified;
- set a reasonable, socially fair fare for public transport.

Depending on the distance travelled, the introduction of a revenue-generating system should be made after switching to a non-cash payment system for public transportation.

There are three ways of addressing this issue locally:

1. Continue to compensate for transportation of privileged categories of citizens from the city budget based on payments made by carriers. This option is, firstly, opaque; secondly – not all carriers provide payment reimbursement payments for preferential transportation, and therefore, the status of preferential passenger transportation remains limited in some city routes.

2. Introducing targeted assistance to privileges for exercising the right of free travel. This option limits the privileged right of citizens since it determines the minimum amount of travel.

3. Payment of compensation for preferential transportation on the basis of the introduction of an electronic system of payment and accounting of passengers. This approach is most valid for all participants of the passenger market: the privilege is not restricted in its right; the carrier receives full compensation; the city authorities make payments under a transparent scheme – the actual number of trips.

The introduction of a new automated fare collection system will not only identify the number of privileged transporters but will also allow:

- to ensure a fair calculation of the amount of budgetary compensation for travel of privileged categories of citizens;
- to provide control of the fare payment in the automated mode;
- obtain transparent results and performance of carriers.

In the field of passenger transportation, enterprises of all forms of ownership can be involved. The exceptions are those related to the organization of traffic safety and control. These areas of activity should be provided by organizational state or utility companies. These structures should deal with the issues of forming a route network, coordination of traffic schedules, public transport stops, roads, other elements of transport infrastructure.

Also, in the formation of the market for urban passenger transportation services, it is necessary to adhere to the requirements of effective competition, to prevent monopolization of the market together with organizational, controlling and regulatory functions by the

authorities.

The efficient economic functioning of the carrier (route taxi owner) provides the following options:

- at the expense of own funds to ensure strict observance of the conditions of the technological process of transportation of passengers in the conditions of the formed bus route network;
- ensure, at their own expense, the timely and qualitative performance of regulatory works that will ensure the maintenance and operation of rolling stock, technological and other equipment, premises, structures, as well as their timely updating, reconstruction, modernization, use of modern technologies;
- maintenance and maintenance of production personnel, maintenance of the necessary level of qualification;
- the timely budget calculation, payment for utilities and other services.

Thus, tariff policy on road transport should ensure the fulfilment of the social function of road transport, satisfy business interests, ensure the development of road transport, stimulate the introduction of modern transportation technologies, the use of modern types of vehicles, and contribute to the following tasks:

- the satisfaction of entrepreneurial interest;
- increasing the capacity of economic entities to meet the needs of consumers of services, attracting investments in the development of road transport and achieving stable economic conditions of work;
- stimulating competition and the emergence of new business entities in the road transport market;
- ensuring a balance between the effective demand for services and the cost of providing them;
- ensuring stability, transparency and forecasting of tariffs.

In general, tariff policy is an integral part of the overall economic and social policy, which, on the one hand, provides for free pricing in competitive sectors of the market, and on the other hand, for regulating the cost of services.

Bringing tariffs in line with the costs of carriers allows us to provide the necessary level of competition as a whole, to put forward rather high requirements for carriers, and, accordingly, to successfully conduct competitions for the determination of hauliers in the Odessa region.

Tariffs for the carriage of passengers (excluding socially significant carriage) shall be provided by the carrier:

- reimbursement of reasonable running costs;

- updating of rolling stock in the amount of 8-12% per year;
- ensuring investment attractiveness in terms of transportation profitability at the level of 15%.

The specific costs for each carrier must be based on the relevant standards and take into account the following conditions:

- operation of vehicles is carried out at the level of their annual output on the line with a coefficient of use of the park not less than 0.85;
- vehicles should be used on routes, the capacity of which corresponds to the passenger traffic;
- the specific costs of general articles should not exceed the relevant standards.

Conclusion

Analyzing the state of tariff and compensation policy, it can be noted that in Ukraine there is a need to change the orientation, reorientation of the main goals, tasks and priorities of the development and modernization of transport in order to reduce the risk of confrontation by the owners of taxis. The application of the situational approach, taking into account the accumulated problems that have arisen in the transport complex of Ukraine, indicates the need to move from paternalism to a combined model of management and financing on the basis of public-private partnership, diversification of sources of financing and formation of a new institutionalization of relations in the following structure of participants: state, operators infrastructure, core operators, users.

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**STRATEGIC
ORIENTATION OF
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The process of forming a socially oriented market economy in Ukraine is characterized by a lack of the necessary material base and direct opposition, which is disguised by arguments about social

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