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THE NEED OF NEW ACCOUNTING APPROACH FOR ASSETS OWNED BY MULTI-STRUCTURED MINING CLUSTERS

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Ukrainian economy heavily relies on mining industry that provides internal energy consumption and export amount. However, Ukrainian mines are mostly coming to the end of their life cycle and, thus, evoking the challenge of post mining recovery. There are different approaches to the post mining recovery, beginning from abandoning coal mines and finishing with their revitalizing. We are committed to the last approach acceptable due to the innovations allowing the use of natural resources available through the mine facilities. This is approach is called multi-structured cluster organized on the basis of the mine having stopped to extract mineral resources but still providing water, underground gas, cavities, wind and solar energy and etc.

However, multi-structured mining cluster is a business model involving many participants which act under various regulatory frameworks. Therefore, the project of establishing multi-structured clusters on mines’ basis requires reviewing and making accounting standards used by each participant consistent with each other.

Effective growth and development of a mine is a complex process that leads to solving the problems of the population at the regional level, improvement in the living conditions of the inhabitants of the region by balancing social, economic and environmental development that is based on the rational use of all resource potential of the region, including geographical features of the region, and also features of the economy, infrastructure and industry of small cities belonging to the region.

We must emphasize that conditions are changing, and problems of how to create conditions for effective development of mines, enhance innovations, improve the structure of the regional economy and improve competitiveness of products and services are becoming increasingly important.

Modern society shows that the integration of the Ukrainian economy into the global economic system is not possible while ignoring the trend towards consolidation resulting in the appearance of cluster associations.

Foreign experience also proves that the cluster approach is the necessary condition not having alternatives for a significant increase in competitiveness of countries and their regions [2]. The deepening global integration processes and worsening territorial competition necessitate updating mechanisms to ensure the development of Ukraine's regions, particularly through the cluster approach.

The cluster approach is a new view of the regional economy, the essence of which is a combination of benefits of cooperation achieved by closely related economic agents located within a single area, which allows the region to get economic benefits in one or more field of business and industrial branches.

The problem of conceptual foundations for the formation of the spatial production clusters to encourage the development of mining territories under social and economic depression has special relevance to Ukraine because, unlike the EU, there are no specific legal documents governing the formation, operation and liquidation of clusters in our country.

The analysis of conceptual approaches to defining the essence and models of cluster and factors analysis of regional economic development revealed that presently existing cluster models cannot be adopted to mining regions in Ukraine.

This is connected with the following reasons. Firstly, in general, clusters are specialized and refer to a specific branch. It means that they bring together businesses producing goods and services relating to a particular industry. However, the mining industry, which is undergoing the slum stage of its life cycle, cannot be the basis for creating specialized competitive clusters.

Secondly, under modern conditions, the effectively functioning specialized cluster is supported by the established and well-adjusted system for supplying a wide range of resources at the lowest cost - that is the cluster is working due to the highly developed infrastructure servicing industrial processes. However, a mine in Ukraine is a separate industrial facility located on a large territory without developed infrastructure and with limited set of available sufficient resources. Therefore, the project of creating the cluster spatially located in the mining region, as well as its further performing almost from a zero starting point, require a huge amount of investments and make it virtually impossible to implement.

Thirdly, mining companies (independent mines) are complex geological objects. Some of them principally cannot cease to function - that is to be closed, given the need, for example, of mine water continuously to be pumped. In fact, such mines have to be constantly working in the mode of water pumping facility to prevent flooding of the surrounding areas. Also, underground cavities of some mines contain methane gas. It hides the threat of explosion and leads to the need of permanent measures to ensure the ecological conditions of these regions at the minimum level.

Hence, these mines are constantly in need of significant financial resources for maintenance, which, respectively, is a financial burden for the state and local budgets. At the same time, the potential cluster organized on the territory, will have to compensate the cost of maintaining such mines through the allocation of a certain percentage of its funds for

these purposes. If the amount of expenses necessary for the maintenance of mines that cannot be abandoned exceeds the profitability of cluster operations, it could lead to no reduced costs saved by companies working in regional clusters.

Fourthly, specialized industrial cluster usually requires highly qualified experts to be employed through the creation of favorable labor climate, motivation system and appropriate and well-developed social infrastructure. For example, if you compare the Silicon Valley cluster having high internal standards of corporate culture, team work behavior, social responsibility of government and business and social infrastructure, with possible clusters in the territory of mining regions being areas of environmental, economic and social depression, it becomes clear that it will be extremely difficult and almost impossible to effectively implement the project of establishing the specialized regional cluster expected to ensure high environmental, economic and social standards in these regions.

Fifthly, we need to emphasize that as a rule, industrial clusters are integrative units of high energy and water consumption. These basic resources are to be supplied from the outside of the cluster, which, respectively, affect the level of total costs and have the dynamic of growth under conditions of global energy and water deficit. At the same time, today there are no energy and water generating clusters – that is structures with a closed energy and water cycles, which would operate independently in terms of vital resources and have a certain level of resource and, consequently, production autonomy. Thus, these clusters would have their own resource center and provide autonomy in energy and water consumption.

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