

## **INNOVATIVE AREAS OF URBAN ECONOMY MANAGEMENT**

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Intensive development of modern cities, megapolises formation in the latest decades have focused attention on the problem of optimizing of the municipal economy management, creating favorable conditions for the life of the citizens living on the territory.

Urban economy is a complex of city enterprises, organizations and institutions located on the territory that serve the material and cultural needs of the inhabitants.

Management of urban economy is an incorporation of various functions to solve the problems of the urban complex development. The range of problems to be solved as the result of managerial activities includes solving specific development goals, identifying their priority, order and sequence of their implementation. On this basis management objectives are developed and certain tasks necessary to achieve these goals are substantiated.

The process of urban management consists of the following functions:

- setting goals and ways to implement them;
- planning and organization;
- taking managerial decisions;
- coordination and regulation;
- management and activities control.

To develop effective management decisions it is necessary to create an adequate organizational structure and management mechanism considering the level of the market relations development. Promising organizational structures possess the following characteristics: firstly, they easily and actively respond to the changing conditions of social development created by local government bodies and controlling units; secondly, they provide a real breakthrough in technological, social, economic and political development of the society; thirdly, they have fundamentally new forms of relationship between business partners that ensure competition.

Effective management of urban economy should provide a balance of functioning and development of the city infrastructure. It should be noted that the problem of balance will always exist. Its peculiarity is that it has a specific historical characteristic. Understanding functioning as a form of life depends on the specific conditions, the level of scientific and technological progress, stability of the society, etc. Both development and operation are dynamic processes as both the factors and resources of development and functioning vary. The factor of human resources is becoming more important, in particularly, indices related to formation and development of intellectual potential.

Notable place among innovative ways of increasing the efficiency of the urban economy management takes rational use of assets of urban economy enterprises, use of innovative technologies, formation of investment attractiveness, quality of housing services.

Moreover, innovative urban management as management of the activities for development and implementation of managerial decisions in real time in the field of city life support should be able to solve the following tasks:

- to overcome the crisis of the urban infrastructure caused by a mismatch of its capabilities and the requirements of the environment;
- to ensure life activities of the municipal sector in this field;
- to create conditions for long-term development of urban economy considering internal and external opportunities.

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