

INCREASING THE COMPETITIVENESS OF THE MODERN REGION

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Introduction. The driving force of regional development may be a regional competitive advantage or a regional feature that significantly affects the vitality of the region. However, it should be borne in mind that not all factors may be competitive advantages, there are those that may constrain development, but all of them are interrelated and interdependent, and dynamic characteristics, i.e. may change. Their impact on regional competitiveness should be seen as synergistic. However, the weakening or strengthening of which ones leads to changes in other factors and leads to other results.

An overview of the latest sources of researches and publications. The issues of managing the competitiveness of the region were studied in their works by Belensky P., Golts G., Ignatova T., Libanova E., Melnyk L., Pidvysotsky V., Stechenko D. Therefore, today there is a need to find effective methodological tools and management, which would contribute to the implementation of systemic requirements for innovative development of the region.

The purpose of the article. The purpose of the article is to study and find certain justifications for the process of managing the competitiveness of the region, to develop concepts to ensure its effective and efficient functioning.

Basic material and results. Certainly, each region has its own competitive advantages, which distinguish it from other regions, but their implementation requires purposeful activity not only of economic entities, but also of regional authorities, local self-government bodies, central authorities. That is why new requirements related to organizational and legal capabilities of regions come to the foreground. With this in mind, the following institutional factors that affect the development of competitive advantages of regional economic systems can be attributed:

–the developed innovation strategy (or socio-economic development of the region, city SWOT-analysis (allows to identify those strengths and weaknesses that require the greatest attention and efforts on the part of the enterprise), development scenarios, including innovation, program activities and implementation mechanism);

–priority regional projects at the national and international levels;

–developed market infrastructure (banks, business incubators, technology parks, etc.).

–innovation and entrepreneurship development;

–improvement of the legislative and regulatory framework conducive to the innovative development of the regions and the sustainable formation, development and implementation of its competitive advantages [3].

Thus, the modern management of competitiveness of a region should be directed on creation and use of regional competitive advantages, mutually advantageous relations with domestic and foreign economic subjects, public authorities and local governments, business subjects.

Conceptually, it is possible to define a question on increase of competitiveness of ability of region in the following position: the state should promote each region in formation and use of its competitive advantages, and also to solve problem questions which the region independently cannot solve. All other development functions of a region are the task of regional authorities and local self-governments, i.e. the principles of subsidiarity and additionality are implemented. At the same time, the practical application of this conceptual approach is linked to the existence of a number of problems. Let us try to determine what causes them, and the factors, the effect of which makes it difficult or hinders the solution of the problem of increasing the competitiveness of a region, but which, if there are appropriate conditions, can significantly

strengthen the competitive position of the region, taking into account the norms of the Constitution of Ukraine [4].

It can be seen from foreign experience that increasing the level of competitiveness of the territory's ability is possible if the regions are given the necessary powers and resources and if an efficient local self-government system is created. At the same time, Ukrainian regions today do not have the necessary conditions for effective policy implementation, which is due to the irresponsibility of the existing model of regional management to the real needs of regions. And although the issues of strengthening the regional level of governance and local self-government in Ukraine have been very actively discussed by scientists, politicians, civil servants and the public over the last ten years, there have been no real changes in this direction.

It is impossible not to note a weak activity in this direction by local self-government bodies themselves, which for objective reasons do not want the second component of the reform (territorial) and are more expecting changes, but changes can take place on condition of consent and support of relevant initiatives. Thus, it can be argued that there are still very few actually interested in administrative and territorial reform in Ukraine, not enough to implement it. At the same time, strengthening of the regional level of governance and local self-government means providing regions of Ukraine with a new impulse for social and economic development and strengthening their competitive positions in the national and global economic space. In turn, the release of higher levels from routine functions and even operational management untie the hands of the political leadership and allows them to concentrate on solving strategic tasks [7]. Activation of the activity of regional executive authorities and local self-government bodies allows, under the conditions of instability and uncertainty, which are observed today, to take more operatively certain stages of decisions necessary for a region.

Regional management plays an important role in increasing the competitiveness of a region, the efficiency of which, besides the fixed general competences, is determined by the system of labor organization, personnel policy, organization of training, retraining, advanced training of civil servants and local government officials, material and technical support, etc. According to this, regional authorities have been working for many years, today it is already undesirable, unfortunately there are also a number of objective reasons that hinder regional initiatives, namely:

- insufficient financing of activities related to the relations with foreign and domestic partners, as well as with the public (a certain process, without which it is impossible to implement, i.e. "business trips, organization of business meetings, round tables, seminars, preparation and publication of advertising materials, formation of the prestige of the region, etc."), which is caused not only by the lack of financial resources, but also by the dominance in the minds of the subjects making important decisions;

- problems of delineation of powers, stimulation of local economic initiatives and fixation of institutional responsibility of the level of development of territories to specific power subjects;

- lack of effective mechanisms for cooperation between government bodies and business structures and their public associations due to centralization of resources and regulatory powers;

- inability to provide economic conditions for investors, which is related both to the general political and economic situation in the country and to frequent changes in the leadership structure in the regions, including in connection with elections to local self-government bodies.

In the management of regional competitiveness, strategic and tactical components can be identified, but for the development and implementation of measures to improve the competitiveness of the region, at least the following requirements will be required:

- the desire and interest of the management staff in a constructive transfer of the management activities to a new philosophical basis focused on improving the competitiveness of the region, the effective use of existing competitive advantages;

- competence, professionalism and experience, along with creativity of individuals, directly involved in the development and implementation of measures to ensure the competitiveness of the region, the effective use of existing competitive advantages;

- competence, professionalism and experience, together with the creativity of individuals, directly involved in the design and implementation of measures to ensure the competitiveness of the region;

- cooperation, existence of common goals and interests in authorities and economic entities;

- legal, organizational and financial capacities of regional authorities for forming and implementing regional policy;

- it is also important to motivate the changes.

It should be noted that these conditions are currently quite unfavorable for the introduction of the idea of competitiveness in management practice, a significant part of local government employees and officials are quite passive and inert, which have survived from the old system, there is no motivation to improve their performance. Business still lacks sufficient grounds to consider authorities as partners. Consequently, there are no common objectives for cooperation that can be implemented at the level of a region, but it is cooperation that can provide significant positive effects for the territories of a region.

Trends in global economic development indicate a change in orientation – from material to non-material production, which changes the essence of producers' activities and the role of the state in economic development. This is due to the fact that natural resources are exhausted, and intangible resources become the driving force of economic development – there is innovative and new technical potential.

Innovation is becoming one of the main mechanisms with the help of which high rates of system wear and tear are ensured and thus support the increasing rate of evolution [6, p. 221]. In its turn, innovation activity is the main factor that will further determine the investment provision of regional competitiveness [1, p. 13].

Despite the current understanding of the importance of innovation activities, there are still no effective mechanisms of state support for innovation in Ukraine, and the practice of enterprises indicates a number of problems in this area and low innovation activity. There are some constraints to regional development, such as insufficient scientific and budgetary funding for innovation projects, weak venture capital and innovation infrastructure, a small number of innovative enterprises, etc. Under such conditions, there is a need to support innovation activities by introducing mechanisms to stimulate investment processes not only at the level of the state, but also at the level of the region closest to the innovation entities.

Regional innovation policy should be implemented through the development and implementation of a new innovation programme and strategy and its prediction, among other things:

- measures to promote cooperation and collaboration among different social institutions in the implementation of innovation (higher education institutions, banking and business structures, public, etc.).

- organization of fairs, exhibition events, accommodation of permanent exhibition salons in the regions;

- creation of regional innovation structures at the expense of budget funds;

- stimulation of innovation by placing business incubators in technoparks or at enterprises and higher education institutions at the expense of local budgets;

- regulation of innovative enterprises by means of tax incentives, targeted subsidies, exemption from local payments, credit guarantees, etc.;

- cooperation in staffing innovative enterprises through the organization of training courses, seminars and internships.

Today, such activities are hardly used in the regional management system, but they can have a significant multiplier effect on the development of a region and identify and realize its internal potential.

One of the goals in increasing the competitiveness of the region is also to increase the volume of investments, which affects the economic performance of the region and indicates the level of its competitiveness. The following conditions may be competitive advantages, which contribute to attracting investments into the region:

- labor potential of the region;

- developed technical and business infrastructure;

- availability of vacant land plots for implementation of investment projects;

- possibility to establish privileges on the part of the authorities for the implementation of an investment project in a certain territory;

- closeness of markets for products;

- simplified registration and permitting procedures for obtaining necessary documents to carry out economic activities in the region.

But it should be taken into account that the economy, where a domestic investor practically does not invest in the development of production, cannot be attractive to a foreign investor [8, p. 8].

We can insist that the indicators of investment in social and economic objects can assess the overall efficiency of administrative and economic activity of the region. At the same time, the level of investments no longer depends on measures to attract them, but rather on favorable conditions for the region's business entities and the demand for their products. To solve the issue of creating a favourable business climate, it is necessary, first of all, to understand its importance by the heads of regional authorities and local self-

government bodies, because at these levels a significant part of issues related to the organization of economic activity is solved.

Along with internal regional factors, the development of regional economy is also affected by external factors, including those related to the globalization of the world economy and Ukraine's integration into the European economic space. Obviously, it is inevitable that regions will adapt to global trends, which are now quite complex and contradictory. However, the positive thing here is that globalization and its challenges force to pursue more effective state and regional policies, encourage a better use of available resources and competitive advantages, as well as human capital, which becomes the main factor of socio-economic progress.

In addition to the above factors, there is another, more profound, and not yet reflected in scientific works on regional competitiveness. This culture (which means processing, education and training) is an organic unity of the material and spiritual [9]. Researching the relationship between culture and economy, A. Goltz notes that Western society has spent almost 400 years to create ideals on a spiritual level that force people from childhood to deep old age to work hard and, accordingly, treat private property and business [2]. Culture and related social orientations can be both drivers of development and constraints to economic progress. Taking into account the peculiarities of Ukrainian culture, its significant differences even in the regions of Ukraine, it is necessary to create your own, adapted, to the cultural peculiarities of the territories, the psychology of economic development and organization of work, based on the fact that material culture, the level of world-view and professional training of the labor force, the system of material values and motivations in work are all attributes of one link labor – economy – culture [2, p. 25].

The modern problems of culture as a driving force of the development of the economy of Ukraine and its regions can be attributed to the lack of an appropriate ideology that can unite society. In this case it is to unite the society. In this case, it is to unite society. In this case, it is reasonable to consider this unification in such a relationship – a person-family-community, where the community is considered as any collective, labor, public association, territorial community, etc. The formation of culture as an important factor in the competitiveness of a region should be purposeful, oriented towards change, innovation, science, self-confidence, humanism, etc. In other words, everything that is important for the formation of a personality capable of perceiving and producing the new. But it should be borne in mind that there can be no rapid change in this issue, but it lays the foundations for another, quality life in the regions, therefore, is extremely important. It's impossible not to agree with E. Libanova, who thinks that the basis for the rise of social progress is the consistency of political decisions on the value orientations of the population because of their influence on social attitudes (in a wide variety of areas, from birth rates to income distribution), on the one hand, and their inclusion in politics, on the other hand [5, p. 136].

Conclusion. Consequently, the formation of competitiveness of the Region is a dynamic phenomenon, which provides for the creation and support of certain competitive advantages of the region, aimed at ensuring its sustainable position in relations with other domestic and foreign administrative and economic entities. The dominance of the role of central authorities and insufficient possibilities of local state administrations and local self-governing bodies in the issues of creation of conditions for carrying out economic activities, formation of necessary technical and market infrastructure, implementation of development programs, which significantly hamper the processes of increasing the competitiveness of regions.

Given the strong influence of external factors on the economy of Ukraine, the existence of a number of problems and contradictions in the life of the regions, today there is a need to develop and implement a new public policy for regional development, based on the use of internal capabilities of regions, mechanisms of self-development and self-organization, taking into account cultural and other features of the regions.

Achievement of the positive impact of institutional factors of regional competitiveness challenges the policy of the state and the region to solve a set of strategic tasks, the main of which are the following:

- strengthening the legal and financial foundations of the regional level of governance and local self-government;
- consolidation of regional actors around the idea of competitiveness;
- taking into account the values of the region's population when designing regional development programmes;
- strengthening of labor motivation in the system of regional governance;
- stimulation of renovation and modernization of industrial facilities, development of knowledge-intensive and high-tech industries;
- stimulation of export and sale outside the region of products and services produced in the region;

– creating a favourable business climate.

Therefore, today it is relevant to study the possibilities of consolidation and cooperation of economic entities with regional authorities, which is a necessary condition for democratization of management processes and one of the important conditions for increasing regional competitiveness.

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Кульчій Інна Олексіївна, кандидат наук з державного управління, доцент. **Штепа Олександр Іванович**, кандидат юридичних наук, доцент. Національний університет «Полтавська політехніка імені Юрія Кондратюка». **Підвищення конкурентоспроможності сучасного регіону.** Мета статті полягає у дослідженні та пошуку певних обґрунтувань процесу управління конкурентоспроможністю регіону, розроблення концепцій забезпечення його результативного й ефективного функціонування. Визначено, що сучасне управління конкурентоспроможністю регіону має бути спрямоване на створення і використання регіональних конкурентних переваг, взаємовигідні взаємовідносини з вітчизняними й зарубіжними економічними суб'єктами, органами державної влади та органами місцевого самоврядування, суб'єктами підприємництва. Стверджується, що досягнення позитивного впливу інституціональних чинників регіональної конкурентоспроможності ставить перед політикою держави й регіону потребу розв'язання комплексу стратегічних завдань, головними серед яких є такі: зміцнення правових і фінансових основ регіонального рівня управління та місцевого самоврядування; консолідація регіональних суб'єктів навколо ідеї конкурентоспроможності; урахування ціннісних орієнтирів населення регіону при розробленні регіональних програм розвитку; посилення мотивації праці у системі регіонального управління; стимулювання оновлення й модернізації об'єктів промисловості, розвитку наукомістких і високотехнологічних виробництв; стимулювання експорту та реалізації за межі регіону продукції й послуг, що виробляються в регіоні; створення сприятливого підприємницького клімату.

Ключові слова: регіон, регіональне управління, конкурентоспроможність, територіальна громада, регіональні програми розвитку.

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Kulchii Inna, Candidate of Public Administration, Associate Professor. **Shtepa Oleksandr**, Candidate of Legal Sciences, Associate Professor. National University «Yuri Kondratyuk Poltava Polytechnic». **Increasing the competitiveness of the modern region.** In the article is defined that modern management of competitiveness of region should be directed on creation and use of regional competitive advantages, mutually advantageous relations with domestic and foreign economic subjects, public authorities and local governments, subjects of business. Achievement of positive influence of institutional factors of regional competitiveness sets before the policy of the state and the region the necessity to solve a set of strategic tasks, the main of which are the following: strengthening of legal and financial foundations of the regional level of management and local self-government; consolidation of regional subjects around the idea of competitiveness; taking into account the values of the region's population in the development of regional development programs; strengthening of labor motivation in the system of regional management and local self-government; strengthening of labor motivation in the system of regional development.

Key words: region, regional management, competitiveness, territorial community, regional development programs.