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INFLUENCE OF REGIONAL POLICY ON THE COMPETITIVENESS OF THE REGIONS OF UKRAINE

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The article is devoted to current issues of the impact of regional policy on competitiveness and economic activity of the regions of Ukraine. The theoretical aspects of regional policy and its main directions of influence on the economic activity of individual industries are considered in the article. Also, the article considers the main problems and crises. At the same time, the article considers the influence of different factors on the region at different levels, beginning from establishing the interrelation of the influence of the region on the enterprise and vice versa and finishing with the influence of external, national, and international, environment on the region. Also, the article considers some approaches to the definition of the concept «competitiveness of the region» and on this basis, the views of various scientists to the definition of the concept «competitiveness of the region» are considered. The article examines the concept of «regional competitiveness» from several sides, depending on the scale, and provides several formulas that can be used to establish the level of competitiveness of the region. The article considers the system of indicators for characterizing the competitiveness of the region proposed by some scientists. At the same time the tasks, which have to be solved by the local and national authorities, are also considered, and the main problems, which have to be solved in order to achieve the optimal competitiveness of the region, are established. At the same time the main tasks for the budgetary policy, which must be fulfilled for the stable development and functioning of the regions of Ukraine in modern conditions, are established. Innovative development as a tool for the influence on the competitiveness of the region and enterprises, which are and work in this region has been offered. The ways of activation of innovative development in the region are considered. Ways of improving the competitiveness of the region are considered.

Keywords: regional policy, industrial enterprises, regional competitiveness, innovative development.

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Formulation of the problem

The formation of the Ukrainian state as a full-fledged and independent country is impossible without the dynamic and uniform development of the basis of the national economy, namely its regions. Despite the fact that Ukraine already has a certain legal framework for state regional policy, it still needs to be improved and developed. In connection with Ukraine's choice of the European path of development, the development and further improvement of regional policy is an extremely important factor in the development of the region.

Market relations have also changed the relationship between the regions. Each of the twenty-four regions strives for sustainable development and a worthy place on the national arena. Therefore, the competitiveness of regions is their ability, on the basis of common criteria and indicators, to be at the forefront of the national economy of Ukraine.

To solve a larger number of pressing issues related to regional competitiveness and development, and at the same time to create an effective system of regional management and development, there is a need to form a theoretical and methodological



framework for the management of state and regional development and stable functioning of regions in the new conditions based on integration, unity and convergence.

Analysis of recent research and publications

Identification of problems and ways of development of regional economy and their influence on development and functioning of regions is considered in a number of scientific researches. The results of these studies we can see in the works of a number of domestic and foreign scientists and scientists, including works: M. Chumachenko, V. Alexandrova, O. Amosha, B. Twiss, M. Denisenko, Volkova O., Salomatina LM, Santo B., Krupki M., V. Kuybida, Z. Varnaliy, A. Tkachuk, N. Mikula, M. Perkmann, M. Kennom, G. Hegemann, M. Dolishniy, and others.

A significant contribution to the formation of the concept of regional competitiveness, as well as their impact on businesses, and at the same time the main approaches to the formation of regional governance and identifying the features of state regional policy, regional development, as well as the basis for the development and implementation of regional policy and their interaction, and policies of development of individual regions, the definition of their subjects and objects were made by such leading scientists as E. Alaev, G. Balabanov, P. Bubenko, S. Branch, S. Gerasimchuk, A. Golikov, G. Gubernaya, L. Zaitseva, B. Kliyanenko, A.M. Tkachenko, O.M. Chernishova Sevastyanova R.V., Krainik O.M, V. Kravtsov, A. Krainik, N. Kuznetsov, A. Mazur, T. Maksimova, S. Melnik, A. Biryukov, A. Moki, A. Novoselov, Levchekno N. Nudelman, V. Popovkin, A. Ermakova S. Romaniuk, V. Sadovaya, L. Semiv, V. Simonenko, I. Mikhasyuk, D. Stechenko, I. Storonyanskaya, L. Tarangul, M. Chumachenko, L. Shevchuk, B. Stulberg, S. Shultz, M. Yankev, M. Porter, S. Guryev, Z. Varnalia, N. S. Mikolaychuk, A. Akhlamov, and others.

At the same time, it is difficult to imagine regional management without developed management of competitiveness of the region. Achievement of a greater level of competitiveness for the region as the subject of competitive struggle assumes an increase of efficiency of its development, and together with its improvement of climate for innovative development that in turn too will positively influence the situation in the region. The contribution to the definition of the essence of the term of competitiveness of the region, its factors, and directions of maintenance were reflected in works of such scientists as R. Fatkhudinov, P. Belenkogo, V. Vidyapin, V. Vorotin, T. Ignatova, V. Kuybida, O. Shvidanenko, I. Brikova, L. Shehovtseva, and others. Methods of an estimation of level of competitiveness of region were investigated by such

scientists as V. Podvysotsky, V. Andreev, N. Bulakh, Antonov, T. Goncharuk, Artemenko, V. Bezugla, E. Lazareva, L. Kovalsky, N. Yablonska, V. Kuzmin Artemenko, V. Bezugla, E. Lazareva, L. Kovalsky, N. Yablonska, O. Kuzmin and others. Ensuring and improving the competitiveness of regions of different levels are considered in the works of such domestic scientists and scholars: T. Umanets, Vasilenko, V. Reutov, V. Geitsa, M. Dolishny, B. Kliyanenko, B. Adamov, A. Stasiuk, S. Mocherny, M. Chumachenko, and others.

At the same time, the certainty of the foreign policy course of Ukraine and the signing of a long-term agreement between Ukraine and the EU gives the idea that the problems of the development of effective regional policy, as well as studies of its impact on regional economic units - enterprises, should be considered in the context of European integration course and consider the experience of European countries to implement the best practices of regional policy of European states.

Purpose and Objectives of the Article

The aim of the article is to study regional policy and its impact on the competitiveness of economic entities, as well as to summarize the theoretical aspects and form an effective strategy to increase the competitiveness of the region, taking into account its economic results and innovation and investment activities.

Introduction

Nowadays, Ukrainian society finds itself in a difficult situation. Economic, social, and ecological crises pose new challenges both for Ukrainian society and for the world. Almost all countries of the world, despite the development, as well as the economic and social situation in the country are forced to make certain decisions, in one way or another aimed at overcoming the socio-economic and environmental problems.

The difficult situation in our time due to the epidemiological situation in the world has caused the deterioration of the economic situation in many countries of the world. This, in turn, manifests itself in the system of social, economic, and environmental relations, and also threatens to acquire a long-term character.

The economic and social crises caused by the epidemic have adversely affected employment, well-being, and economic independence, and, accordingly, consumption of goods and services. At the same time, most countries of the world face very serious environmental threats and challenges. Although the introduction of quarantine in connection with the spread of COVID-19 has reduced the carbon emissions into the atmosphere, as well as the regions' consumption of fuel and emissions of its combustion products, it has not solved

the environmental problems of individual regions. The global environmental problems that were by this crisis are still a great threat to the regions and to humanity as a whole.

In addition to the well-known global problems such as global warming, the greenhouse effect, pollution of the ocean, land degradation, etc., which in one way or another affect the regions and their environment, no less important challenges have been added, namely the extremely acute problem of recycling or disposal of infectious protection items: medical masks, rubber gloves and other items used during quarantine and which require specific recycling technologies in each region.

Regional leaders should pay attention to such problems, because the poor environmental condition is one of the prerequisites of the departure of highly qualified specialists from the region, reduces its overall attractiveness, reduces its competitiveness indicators. In particular, if we take climate change into account, it poses a serious environmental and economic threat, negatively affecting the state of security and the life of society.

All this has deepened the problems that already existed in the economy, ecology, and society, and has led to a growth of conflicts in the system «society - economy - ecology». These contradictions and problems affect all societies at different levels: global, national, regional, and local. Each level has its own characteristics, parameters, and approaches to solve contradictions, problems, and negative phenomena related to the development of a certain society.

Returning from the world problems in the Ukrainian we can say the following. The effectiveness of the functioning of the state regional policy is determined by two conditions, namely the conceptually and validity of the decisions made, which in turn are divided into two stages - the formation of the state policy of regional development and its step-by-step implementation. In addition, regional policy should be flexible and provide for its further development in accordance with the dynamic conditions prevailing in the world, which in turn requires, if necessary, further adjustment of goals, objectives, and principles of development of the regions of the country, or even a further change of direction and adaptation to the new reality of all state mechanisms of regional development of the country and the introduction of measures to improve the effectiveness of their application.

In the addition, a regional policy should be flexible and provides for its further development in accordance with the dynamic conditions is prevailing in the world, which is a turn requiring, if necessary, a further adjustment of goals, objectives, and principles of the development of the regions of the country, or even a further change of a direction and

an adaptation to the new reality of all state mechanisms of the regional development of the country and the introduction of measures to improve the effectiveness of their application.

The fact there is a certain need to ensure the competitiveness of regions not only within the state but also in the global space can be seen based on studies of the world's leading economic organizations such as The World Economic Forum, the European Commission, etc., including the formation of the competitiveness ratings of different countries of the world and their regions. Such transformation of the status and a role of the region, and at the same time, the expansion of opportunities and ways of a realization of their own potential provides for the change of the scientific and methodological justification and organizational mechanisms of regional competitiveness and new systemic (the poly-structural) an approach to ensures it. Therefore, in the 21st century for the Ukrainian regions, it is necessary to work out individual strategies of the development, which will be based on the possibilities, strengths, characteristic features, and existing specifics of these regions to provide qualitative regional competitiveness and programs of its realization, as well as the reckoning on the regional reserve potential.

Therefore, it is possible to get out of the difficult situation only with the help of full awareness of own responsibility for all processes taking a place in the region, as well as a conscious influence on the region as a system in an order to activate the internal potential. In particular, this should manifest itself in a set of measures of competitiveness management, and in the activation of the influence on the regional systems in the social, environmental, and economic directions.

Presenting the main material

In his report, First Deputy Minister of Regional Development, Construction, and the housing of Ukraine Vyacheslav Negoda noted the following: »Regional policy is becoming an important tool for the spatial regulation of socio-economic development, which provides balanced and balanced development of regions and economic growth. By creating favorable conditions for the development of all regions, as well as territorial communities, taking into account their natural, historical, ecological, economic, geographical, demographic, and other features, their ethnic, and cultural identity" [1].

However, we must add to all this that the development of the region today should not destroy the opportunities for further development of the region in the future. Outdated and aggressive technologies, which are still used in agriculture, provide opportunities for the development of the

region today, but at the same time, they represent a threat to the competitiveness of regions in the future [11].

The new paradigm of regional policy involves a transition from the over-centralized model that has dominated until recently, from a top-down sectoral (industry) approach to a balanced partnership between central executive bodies and local authorities to introduce multilevel management of regional development. These changes are reflected and enshrined in regulations and strategic documents, in particular the basic law of Ukraine «On the Fundamentals of State Regional Policy» (2015) and the State Strategy for Regional Development until 2020 (2014), which defined the strategic vision and goals of the regional development of Ukraine [1].

It follows that the effective management of the region provides mechanisms for obtaining the planned positive results in various spheres of the region by the regional management bodies. In terms of the practice of regionalism, it is not always possible to achieve because of the large number of uncertain and uncontrollable factors of influence, including subjective [2,25]. However, the constant achievement of effectiveness in the implementation of functions by all hierarchies of territorial management is ensured by the experience in the construction of effective management policy. This is accompanied by the consistent destruction of «inhibiting» obstacles to its implementation. Effective management of the competitiveness of the region implies the achievement by local authorities with the minimum possible amount of resources and time of the maximum possible results in the implementation of the policy of increasing the competitiveness of the region, strategically and tactical levels, as well as the planned goals and objectives.

In order to better understand how the state and local authorities can influence the development of the region and, in particular, its competitiveness and creative development, let us first understand what regional competitiveness is. Although competitiveness does not have a clear definition, in the most general sense competitiveness is the ability of a certain object or subject to exceed the level of its competitors under given conditions. This concept can be applied to economic subjects of different levels, in particular: an individual employee (competitiveness of an employee in the labor market), the product (the ability of the product to meet the needs of consumers better than competitors), cluster, region, country, associations of countries.

There are two main approaches to determining the competitiveness of the region, which are often mixed:

– the region as an environment that determines the competitiveness of enterprises operating within

the region;

– the region as an independent subject of competition.

The first approach considers the region solely as a geographical area with its inherent characteristics, which have a certain impact on the competitiveness of the enterprise in this region. As M. Porter said in his work – «Competition considers the business environment of the region as an important factor in the competitiveness of the enterprise». In order to analyze the competitive environment of the region, M. Porter proposed the Diamond model [12,205–254]. This model has four key factors:

– factor conditions (e.g., labor force, knowledge, infrastructure, etc.);

– demand conditions (demanding local consumers, consumer, and production rules);

– the competitive strategy (the competition law, the tax structure, competitors' strategies);

– the presence of interconnected and complementary industries.

This totality is integrated into the concept of «industrial cluster», which provides a synergistic effect of interaction and forms the competitiveness of the region.

As it was already noted, the study of the competitiveness of the region has been studied by many scientists, most of whom agree that at the level of the national economy the region acts as a separate relatively independent unit, competing with other such units for investments. Victory in this struggle means improvement of the region's condition and raising its position in comparison to other regions. Some of the many definitions of regional competitiveness are provided in the table below.

In addition, the competitiveness of the region can be considered from several sides, differing from each other in scale:

– competitiveness of an individual region. It is considered as a characteristic of an individual region of its capabilities, prospects of development, the ability to respond and solve problems and challenges, as well as the ability to form and achieve strategic and tactical goals. The purpose of the study is to form a picture of the region of its opportunities, as well as weaknesses and strengths;

– region's competitiveness in comparison to other regions of the country. It is considered as the ability of the region to hold its position at the national level, as well as to compete with other regions and to hold and improve its position at the level of the state. The purpose of the study is to form strategies for the development of the region and to counteract the competitive influence of other regions of the national economy;

– competitiveness of the region in comparison with the regions of other countries.

Scientists' views on the concept of »regional competitiveness«

| Author | The definition |
|---------------|--|
| R. Martin | Regional competitiveness is determined by a complex interrelation and mutual influence of various factors and components, which cover and characterize the sphere of production, human capital, infrastructure, as well as the structure of economy and formation of added value. An indicator of regional competitiveness can be considered precisely as its ability to supply goods/services to world markets where there is an open demand, i.e. foreign economic competitiveness |
| V.O. Bezugla | The competitiveness of the region is the ability of each regional system to manage its competitive advantages, rational and effective distribution of productive forces to ensure a sustainable financial and economic position, obtaining maximum benefit, the satisfaction of objective and subjective needs in terms of independence and self-financing within the current legislation. |
| A. Seleznev | "The competitiveness of the region is conditioned by economic, social, political and other factors, the position of the region and its individual producers of the domestic and foreign markets is reflected through indicators, adequately characterizing this state and its dynamics" |
| I.G. Heresy | The competitiveness of the region is the available ability of the region to master the factors of regional development and the formation of sources of competitive advantage, provides economic growth of the region and improve the standard of living and quality of life of its population |
| S.A. Romanyuk | Competitiveness of the region - the region's ability to implement its own and borrowed opportunities for development on a modern technological basis for a sufficiently long time, providing domestic and global markets with goods, and services of appropriate quality |
| B.A. Chub | Competitiveness of the region - the ability to provide a high standard of living and the ability to realize the region's economic potential (financial, production, labor, innovation, resources, and raw materials) |
| O.M. Stasiuk | Competitiveness of a region is the ability of a region's economy to anticipate and successfully adapt to external and internal challenges by creating new economic opportunities through the use of sustainable competitive advantages of the region; to determine the role of the region and its place in the economic space of the country and in the world market of goods and services |

Compiled by the author on the basis of sources [3,4]

The purpose of the study is to form goals, strategies, and tactics of behavior and retention of their positions at the level of the world market, as well as the formation of economic security of the national economy and in particular the protection of the stability of the functioning and development of the region.

This only emphasizes the importance of the question, whether the region of the country with low indicators of economic development can be competitive. By the way to this question is the question about the criteria of competitiveness of an individual region within the country and the ability to observe acceptable indicators of economic security of both the region and the whole country, in order to preserve its economic unity [5].

The regional policy must be implemented in compliance with the principles of balance, flexibility, stability, harmonic, innovativeness, and repayment.

The objects of the state regional policy may be groups of regions (or their parts), cities, towns, villages, settlements, united by the criteria, and in the manner established by the Ministers' Cabinet of Ukraine.

Associations and other associations of local governments, public associations, legal and natural persons participate in the development and

implementation of state regional policy [6]. State regional policy is determined by:

- the state strategy of regional development of Ukraine;
- an action plan to carry out the State Strategy for Regional Development of Ukraine;
- the regional development strategies;
- the action plans for the implementation of regional development strategies;
- the investment programs (projects) for regional development [6].

In order to design an effective policy for the development of the region and the implementation of state, regional policy, it is first necessary to determine the strengths and weaknesses, and together with them the directions and prospects for further development. For this purpose, it is possible to use SWOT and ABC analysis. At the same time, it is necessary to work out methods of determining the indicators of the level of competitiveness of the region.

B. Bezuglaya believes that one of the main prerequisites for the formation of effective competitiveness of a region and its productive capital is the gross value-added created in the region in the process of its functioning per person [7,65]. On this basis, the calculated index of a region's

competitiveness can be obtained by the ratio of its own gross value added (GVA) per person to the gross value added per person in Ukraine, that is [7,65]:

$$I = GVA_r / GVA_U, \quad (1)$$

where I – index of competitiveness of the region; GVA_r – gross value added per person in the region; GVA_U – gross value added per person in Ukraine.

Undoubtedly, GVA has been and remains the main indicator of the level of economic development, and measurement of changes in the volume, and structure of GVA over a certain period of time gives an idea of the pace, and nature of economic growth of regions, and the level of competitiveness of their economies. A well-grounded, hierarchically organized and elaborated system of indicators is capable of determining the level of competitiveness of a particular region of the country more accurately and in detail [8].

A.E. Kuzmin believes that the competitiveness of a region is determined on the basis of the competitiveness of goods produced in it and the organizations functioning in it [9,86]. As the region is one of the components of a higher-level system – a country, its competitiveness and efficiency will depend on the quality and magnitude of the intensity of the impact on it from the higher level of the system (country). In order to evaluate the competitiveness of a region (C_r), the scientist suggests the following formulas:

$$C_r = \sum_{i=1}^n b_{ii}, \quad (2)$$

$$C_i = V_r / V_{st}, \quad (3)$$

where b_i – weighting index of the i -th competitiveness factor; C_i – competitiveness by the i -th factor; V_r – absolute value of the i -th factor; V_{st} – standard value (better in the world or planned) of the i -th factor.

From this, we can conclude that this methodology for assessing the competitiveness of the region is based on O.E. Kuzmin. Kuzmin sets the value of this or that factor [9]. The factors that can exert a positive (negative) effect on the region's competitiveness make it possible to determine the level of correlation between the region's competitiveness and competitiveness. However, assessing such influence does not allow for the determination of regional competitiveness or the ability to quantitatively estimate it, reducing the efficiency of this methodological approach significantly.

Using his approach, V.E. Reutov evaluates the region's well-being based on four key metrics per head:

- the size of the gross regional product (GRP);
- by the number of available resources for production (fixed assets, working capital, etc.);
- in the availability and quantity of minerals and natural resources;
- by the quantity and quality of human resources (level of education, skills, etc.); [10,52–54].

In addition, modern scientists add to all the above, such characteristics as the level of direct investment flow into the region's economy, taking into account the necessary amount of resources for reproduction, including knowledge-intensive production. In addition, the region's competitiveness is also determined by the level of human development on the basis of world standards. On this basis, V.E. Reutov proposed a system of indicators based on three problem and content blocks:

- the ability of a certain region to produce goods and services in conditions of international competition with other regions;
- the ability of a particular region to meet the needs of the population at a sufficient level and ensure stable growth of living standards;
- the ability of a particular region to attract the right amount of investments for sustainable development and to use them effectively [10].

This approach makes it possible to determine an integral index of regional competitiveness. However, the indicators proposed for assessing regional competitiveness are repeated and duplicated. For example, V.E. Reutov uses indicators that characterize performance and indicators that characterize a phenomenon or process in parallel [10].

V.E. Reutov also studies the problem of assessing a region's competitiveness in the «international arena,» which, in several ways, makes it far more difficult to achieve an objective and reliable evaluation due to substantial differences in regional economic structure and growth. As well as the specifics of pricing in different countries. To all this is added the difficulty of recalculating the prices of different countries and bringing them to a relatively comparable form, with some differences in accounting methodology and the like [10].

In order to ensure the socio-economic development of regions, as well as to bring their economic potential to the same level, the budget policy in the coming years to focus on the implementation of such tasks [8,100;9,50]:

- strengthening the resource base of local budgets for the effective functioning of local self-government and the creation of financially sound administrative-territorial units;
- increasing the innovative component of local budgets in order to strengthen the economic potential

of administrative-territorial units, encouraging local authorities and local self-government to increase their own sources of funding;

- continued improvement of inter-budgetary relations, based on the dynamics of financial-budget and socio-economic indicators of development of administrative-territorial units on the basis of quality standards for the provision of public services;

- reforming the system planning and execution of local budgets based on the introduction of the program-targeted method, increasing the effective allocation, and use of budgetary resources; improving the efficiency and effectiveness of internal financial control at the local and regional levels.

The system of regional governance should be built starting from the lowest, basic level - the level of society. It is up to citizens to determine the possibility or impossibility of making a particular decision, which will then affect their lives, and then to implement these decisions through the power of the community.

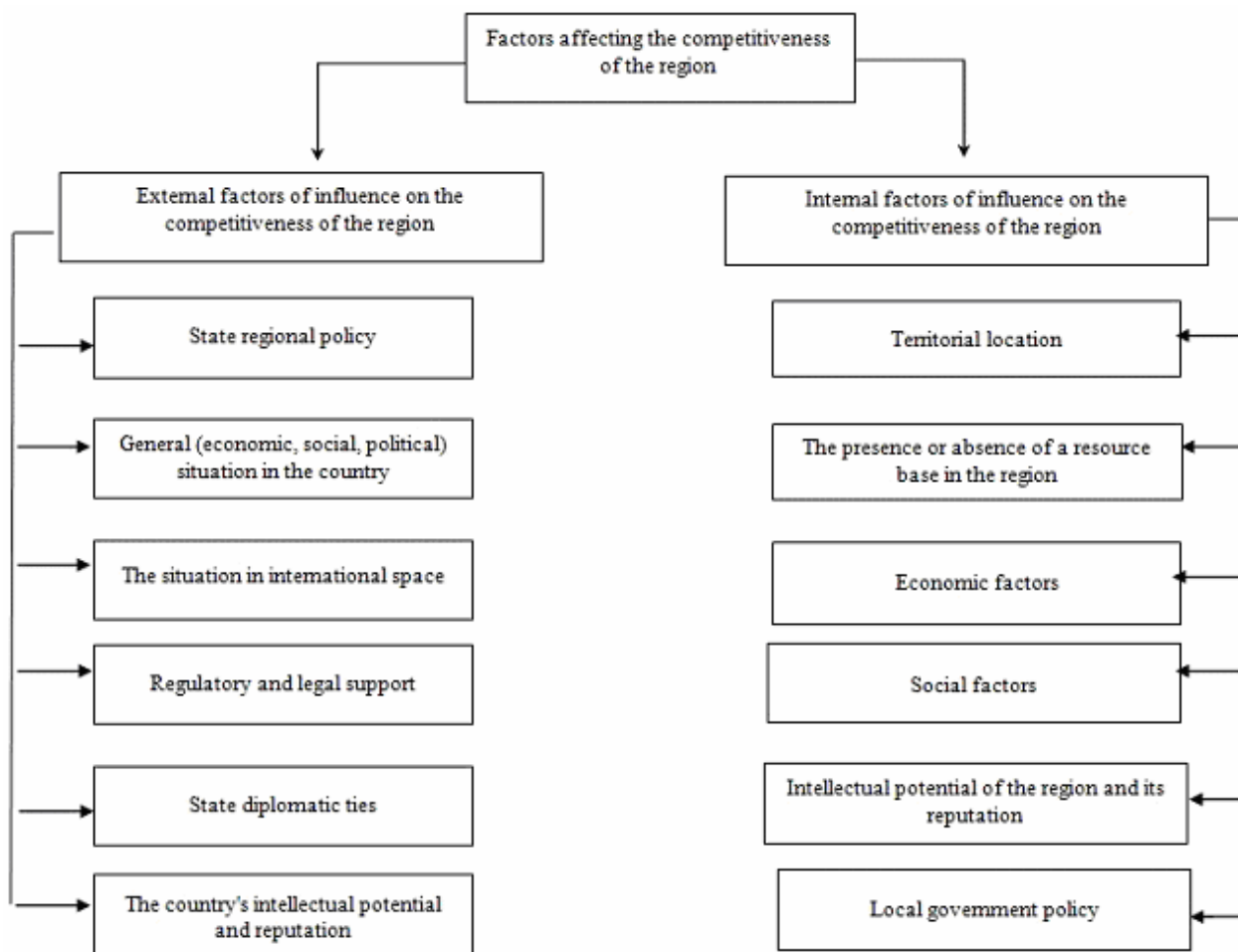
The role of the state as a coordinator of interests at all levels remains relevant. The influence of the state on the harmonization of its regions permeates

the entire hierarchical system of power and especially intensifies and focuses on the points of conflict of interests: between the individual and society; between communities and regional authorities; between regional and state authorities, and the like.

Although with the development of science and technology geographical location began to lose its importance, companies are still somehow located and operate in the local space, which, losing the advantages of geographical location, acquires the needs of the environment. In particular – the business environment can be described by geographic location and characteristics, and purely economic: business climate, protection of property rights, investment attractiveness, security level, availability of qualified personnel, proximity to scientific and educational centers, positive demographic trends, and the like.

So, global competition is concentrated around each region, where a favorable business climate is formed. From this, we can conclude that globalization increases the importance of localization.

Under these conditions, national regions find themselves not only competing to promote and ignite foreign markets but also fighting to keep up their



Affecting factors on the competitiveness of the region

*Formed by the author

own markets and their own territory, which attract companies from other regions of the world.

The second approach considers the region as an independent participant of competitive relations, where the region acts as an integral social, economic and ecological system. In addition, there is every reason to consider the concept of ecology and ecosystem in their broader, universal sense, which covers the local society of a particular region or community as a social ecosystem. Proceeding from this, a region, locality, the city is not only an area where various companies and enterprises are located, it is the habitat of people and as such is a non-renewable resource. There is a problem of «region-investor» interests' contradiction and their balancing that can be reached only within the limits of the well-developed regional policy [10,24]. Under these conditions, the object of regional policy is not only the region as a production complex but above all, the population of the region with interests and views on its development.

All the above can be grouped in a certain scheme for greater clarity, it can be formed in a certain scheme for greater clarity (Figure).

According to the information provided in the figure, the external factors of influence on the competitiveness of the region can include the following:

- the state regional policy is understood to mean the actions of the state aimed at stimulating the development of the region in a certain direction;

- the general (economic, social, political) situation in the country is understood to mean the phase of the economic cycle in the country (economic situation in the country), the political course of the state and the political situation in the country, as well as the social and demographic situation in the country;

- by the situation in the international space we mean the situation in the international market, international stock exchanges, the presence of international crises, and the like;

- under the normative-legal support of the region's development we mean the legal mechanisms that exist at the national and international levels;

Regulatory and legal support of regional development can be voluntary and compulsory.

Voluntary regulatory enforcement includes: pacts of virtue, codes of conduct, various agreements and understandings.

The compulsory and compulsory regulatory enforcement include: national laws and regulations, treaty obligations:

- under state diplomatic ties we mean: arrangements, relations, and pacts between states that facilitate or cause disadvantages for the sale of the region's products in international markets or in the

market of a particular state;

- under the intellectual potential of the country and its reputation meant: the ability of the country to train highly qualified specialists and the availability of leading higher educational institutions, whose level of training, as well as their competitiveness in training specialists and scientists, is recognized at the international level. By the reputation of the country is meant the «look» of the country in the international space.

The internal factors of influence on the competitiveness of the region can include the following:

- territorial location refers to the geographical characteristics of the region - its natural and climatic conditions;

- availability or absence of resource base - availability or absence of mineral, land, fuel, and other natural resources;

- economic factors - economic development, availability and development of industrial, social, information infrastructure, etc;

- social factors – the demographic situation in the region, development of the labor market, level of income and well-being of the population;

- intellectual potential and reputation of a region, i.e. availability of educational institutions which produce highly qualified specialists and scientists, availability of innovative enterprises and scientific organizations;

- reputation of the region, i.e. the status of the region in the eyes of investors, domestic and foreign partners;

- local authorities' policy means the local authorities' vision of the situation and their efforts aimed at the development of the region in a certain direction;

In addition, during the integration processes that Ukraine is experiencing, it is necessary to recall the international competitiveness of the national region, the author [13] indicated the following definition.

The international competitiveness of a national region is its ability in the conditions of global competition on the basis of effective use of available traditional and creation of unique resources of local development. The aspiration to stimulate the increase of productivity of production and a standard of living of the local population and, accordingly, to provide the high competitive status in geopolitical space in long-term prospect [13].

In addition, during the integration processes that Ukraine is experiencing, it is necessary to recall the international competitiveness of the national region, the author [13] indicated the following definition. At the same time, the issue of activation of innovation activity at the level of the industrial

complex of the regions acquires special importance. As the majority of equipment at the domestic enterprises has a rather significant level of wear, therefore both the competitiveness of the industrial enterprises themselves and of the products they produce is very low. As a result, the existing technical, economic, and organizational relations require significant and radical reorganization and subsequent modernization.

The problems of implementing regional policy can be divided into levels:

State-level:

- lack of incentives and benefits for the implementation of innovative activities;
- imperfect legislation to support innovation activity in the regions.

Regional-level:

- lagging of the innovation sphere from the average Ukrainian indicators;
- lack of an effective regional infrastructure for better implementation of innovation activities;
- low diversification of innovative product structure;
- lack of systematic links between scientific activity and production process.

Enterprise-level:

- insufficient level of development of types of innovative products;
- insignificant amount of foreign investors' funds allocated for innovative activity;
- insignificant introduction of technological processes and low-waste, resource-saving technologies;
- unviable proportions of domestic R&D and its acquisition;
- unviable structure of the expenses allocated to innovative activity;
- insufficient level of allocation of own funds to finance innovation activities.

Among the main strategic directions of enhancing the innovative development of industrial enterprises in the region the following can be highlighted:

- formation of organizational, economic, legal, and innovation infrastructure of the region, namely: organization and further coordination of the innovation center for the development of a strategic plan and further implementation of innovative development of the region. Revival, on the basis of research organizations and universities, to create a network of business incubators, technology parks, technology transfer, innovation centers, cluster-techno parks, which can improve the generation and transfer of innovation from the places of their origin to production and promotion of them to the consumer;
- optimization of the system for

monitoring innovative development, including industrial enterprises;

- design and creation at the level of the region of a system of effective support of promising industrial production of high-tech products. This system should include expert-advisory, organizational, and resource support of such productions, which will promote the attraction of investments and activation of innovation processes.

Above all, we can add some more important ways to improve the competitiveness of the region, namely the development of technologies associated with energy-saving, which in turn will reduce the amount of energy that the region needs for normal operation, and at the same time increase its competitiveness, as well as technologies associated with waste management.

Among the main advantages that the introduction of new technologies associated with energy saving, scientists highlight the following [12]:

- conservation of electric energy;
- reducing the production cost of the region's enterprises;
- resource saving in the region;
- reducing the costs of enterprises aimed at the reproduction of the environment [12].

Conclusions

From all the above, we can draw the following conclusions that the process of providing the regions with a «comfortable» environment for the development of their competitive advantages has partially begun, but today it is still not enough. At the same time, there are still a number of problems that need to be solved. Among the main problems to which it is necessary to pay special attention and at the same time to do everything possible to solve them as soon as possible are the following:

First, in order to ensure a sufficient level of competitiveness of the region, it is necessary to deal with the crises, today in the management of the regions. In particular, this lies in the insufficient level of authority, which the local authorities have, does not allow the normal development of the region, because for some decisions it is constantly necessary to «ask for permission». All this is further aggravated by frequent change of heads of state regional authorities and their teams, and new teams of regional authorities, coming to replace the old ones, usually see the situation from a different angle, so everything that was achieved under the old team is usually leveled, which leads to the slowdown of the region's development;

Second, the next of the tasks should be solved as soon as possible - the redirection of forces of the team of regional authorities. To reduce or, if possible, completely eliminate the trends and factors that negatively affect the development of a particular

region, and at the same time increase the differentiation in the levels of their social and economic development.

Third, it is necessary to reduce mainly artificial inter-regional tensions, which arise from the clash of interests of certain people with power or capital in the region, and for which the development of the region in a certain direction is not beneficial. Such artificial tensions should be resolved as soon as possible, because they threaten the unity and well-being of the entire nation, and at the same time, the integrity of the state.

In conclusion, we can add that in practice one of the priorities is the settlement of current local and conjuncture issues of regional development. To manage regions more effectively, it is important to first increase their level of innovation and management performance, as well as their competitiveness. In order to provide this, it is necessary first to create comfortable conditions for development and functioning, and for this purpose, it is necessary to have a balanced, well-adjusted system of regional management.

Also, by no means should we forget about such an important factor in regional management as the relationship between the following spheres of its functioning, namely, the economy, society, and the environment, since all these form its own, special, competitive advantages of the region and the availability of areas for its further development, which in turn directly affect the further state and development of the competitiveness of the system as a whole.

This study revealed the influence and interrelation of innovative development and the effectiveness of regional governance on the competitiveness of enterprises located in the region. In particular, the main causes of innovation backwardness of both regions and enterprises were identified, as well as the interrelation and consequences of this phenomenon. Violation of this relationship leads to severe consequences, and at the same time the emergence of significant problems, are protracted and unpredictable, and at the same time, in the future, can completely eliminate the possibility of regional development and stable functioning. Consequently, from the study, we can conclude that the only way out of this situation at the moment is to improve the competitiveness of the region, provided that this process will cover all areas of the regional system.

This paper revealed the influence and interrelation of innovative development and the effectiveness of regional governance on the competitiveness of enterprises located in the region.

In particular, the main causes of innovation backwardness of both regions and enterprises were identified, as well as the relationship and consequences of this phenomenon. However, we cannot stop here, because there are still many problems and tasks that need to be solved, and the research carried out in this work, should have further development.

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ВПЛИВ РЕГІОНАЛЬНОЇ ПОЛІТИКИ НА КОНКУРЕНТОСПРОМОЖНІСТЬ РЕГІОНІВ УКРАЇНИ

Ткаченко А.М., Кругликова В.В., Маслов Д.Г.

Стаття присвячена актуальним питанням впливу регіональної політики на конкурентоспроможність та господарську діяльність регіонів України. В статті розглянуто теоретичні аспекти регіональної політики та її основні напрямки впливу на господарську діяльність окремих галузей, а також основні проблеми та кризи. Разом з тим, в статті розглядається вплив на регіон факторів на різних рівнях, починаючи від встановлення взаємозв'язків впливу регіону на підприємство та навпаки, і закінчуючи впливом зовнішнього, національного та міжнародного середовища на регіон. Розкрито підходи до визначення поняття «конкурентоспроможність регіону» і, виходячи з цього, розглянуто погляди різних вчених до визначення поняття «конкурентоспроможність регіону». Проаналізовано поняття «конкурентоспроможність регіону» з декількох боків в залеж-

ності від масштабу та наведено формули, які можна використати для встановлення рівня конкурентоспроможності регіону. Розглядається система показників для характеристики та визначення конкурентоспроможності регіону, запропонована вченими. Окреслено завдання, які треба вирішити місцевій владі та владі країни, а також визначено основні проблеми, які треба вирішити для досягнення оптимальної конкурентоспроможності регіону. Водночас встановлені і основні завдання для бюджетної політики, які треба виконати для забезпечення стабільного розвитку та функціонування регіонів України у сучасних умовах. Запропоновано інноваційний розвиток як інструмент впливу на конкурентоспроможність регіону та підприємства, які знаходяться та функціонують у даному регіоні, а також шляхи активізації інноваційного розвитку у регіоні. Запропоновано шляхи покращення конкурентоспроможності регіону.

Ключові слова: регіональна політика, промислові підприємства, конкурентоспроможність регіонів, інноваційний розвиток.

ВЛИЯНИЕ РЕГИОНАЛЬНОЙ ПОЛИТИКИ НА КОНКУРЕНТОСПОСОБНОСТЬ РЕГИОНОВ УКРАИНЫ

Ткаченко А.М., Кругликова В.В., Маслов Д.Г.

Статья посвящена актуальным вопросам влияния региональной политики на конкурентоспособность и хозяйственную деятельность регионов Украины. В статье рассмотрены теоретические аспекты региональной политики и основные направления ее влияния на хозяйственную деятельность отдельных отраслей, основные проблемы и кризисы. Вместе с тем в статье рассматривается влияние на регион факторов на различных уровнях, начиная от установления взаимосвязей влияния региона на предприятие и наоборот, и заканчивая влиянием внешней, национальной и международной среды на регион. Раскрыты подходы к определению понятия «конкурентоспособность региона» и, исходя из этого, рассмотрены взгляды различных ученых к определению понятия «конкурентоспособность региона». Проанализировано понятие «конкурентоспособность региона» с нескольких сторон в зависимости от масштаба и приведены несколько формул, которые можно использовать для установления уровня конкурентоспособности региона. Рассматривается система показателей для характеристики и определения конкурентоспособности региона, предложенная учеными. Очерчены задачи, которые надо решить местной власти и власти страны, а также установлены основные проблемы, которые надо решить для достижения оптимальной конкурентоспособности региона. Также установлены и основные задачи для бюджетной политики, которые нужно выполнить для обеспечения стабильного развития и функционирования регионов Украины в современных условиях. Предложено инновационное развитие как инструмент влияния на конкурентоспособность региона и предприятия, которые находятся и работают в данном регионе, а также пути активизации инновационного развития в регионе. Предложены пути с помощью которых можно улучшить конкурентоспособность региона.

Ключевые слова: региональная политика, промышленные предприятия, конкурентоспособность регионов, инновационное развитие.

INFLUENCE OF REGIONAL POLICY ON THE COMPETITIVENESS OF THE REGIONS OF UKRAINE

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The article is devoted to current issues of the impact of regional policy on competitiveness and economic activity of the regions of Ukraine. The theoretical aspects of regional policy and its main directions of influence on the economic activity of individual industries are considered in the article. Also, the article considers the main problems and crises. At the same time, the article considers the influence of different factors on the region at different levels, beginning from establishing the interrelation of the influence of the region on the enterprise and vice versa and finishing with the influence of external, national, and international, environment on the region. Also, the article considers some approaches to the definition of the concept «competitiveness of the region» and on this basis, the views of various scientists to the definition of the concept «competitiveness of the region» are considered. The article examines the concept of «regional competitiveness» from several sides, depending on the scale, and provides several formulas that can be used to establish the level of competitiveness of the region. The article considers the system of indicators for characterizing the competitiveness of the region proposed by some scientists. At the same time the tasks, which have to be solved by the local and national authorities, are also considered, and the main problems, which have to be solved in order to achieve the optimal competitiveness of the region, are established. At the same time the main tasks for the budgetary policy, which must be fulfilled for the stable development and functioning of the regions of Ukraine in modern conditions, are established. Innovative development as a tool for the influence on the competitiveness of the region and enterprises, which are and work in this region has been offered. The ways of activation of innovative development in the region are considered. Ways of improving the competitiveness of the region are considered.

Keywords: regional policy, industrial enterprises, regional competitiveness, innovative development.

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