

## ASPECTS OF COMPETITIVENESS AT THE REGIONAL LEVEL

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The nature of competition at the regional level is significantly different from the level of an enterprise or organization in the field of services. The region must pursue a competitive policy in the field of economic, organizational, technological, entrepreneurial, image and other development tasks.

With considerable attention to the problems of competitiveness of regions in the circle of scientists, in the presence of methodological developments and practical experience, the system of knowledge on this issue needs to be developed. Unresolved issues remain: "in what characteristics to determine the competitiveness of the region, how many indicators are enough for assessment of potential, the role of quality indicators of the management system in the integrated assessment of regional competitiveness, relative values or aggregate indicators to prefer?" [1].

Regarding the country's competitiveness, the Institute for Management Development (IMD) understands the ability, the nation's ability to create and maintain an environment in which competitive enterprises are actively emerging [2]. The problem of the country's competitiveness is important in the modern world, and therefore scientists and practitioners are working on it meaningfully and fruitfully. In particular, the IMD took as a basis the methodology, which identified 4 sectors of the country's competitiveness indicators. And each sector includes 5 blocks, each block includes 10 indicators.

The evaluation system has 312 indicators, which integratedly characterize:

- state of the economy;

- government efficiency;
- business efficiency;
- state of infrastructure;
- activity of interactions.

The internal economic and organizational potential of the country should be considered as a complex structured system, the basic version of which consists of regions. Competition and competitiveness as a phenomenon and characteristic of relations in the socio-economic system is not limited to economic norms and laws, it is also a social phenomenon.

The economic side is studied by scientists more thoroughly, especially for a single product on the market, or an enterprise with pronounced economic functions. More complex systems with a larger set of functions (economic, socio-cultural, regulatory, etc.) competition policy and its competitiveness should be extended beyond the economy.

The competitiveness of regions among themselves and on international markets creates an integrated, synergistic effect of state economic policy and therefore the government in various ways supports the development of the competitive potential of each region. This task of increasing the level of region competitiveness is performed by the Regional State Administration, local authorities and territorial communities.

Economic theory and practice have formed a clear definition of the activities of local authorities in terms of increasing competitiveness, among which we note the attraction of investment, innovation policy and restructuring of development management mechanisms. Among these areas, increasing the competitiveness of regions by attracting investment resources is the simplest and most understandable mechanism. But on the other hand, this is the most difficult issue to address.

“Today, each regional state administration has an investment passport of the region, districts and cities on its website.... However, the general impression of the regulation of investment activities at the regional level is a fragmented and disordered system "[3].

Competition is seen as rivalry, struggle, providing advantages, achieving success, gaining a place (niche) on the market. And we should agree with this, because this is the target setting of the competitive strategy. We will only add to this that from the standpoint of an individual participant in the competition, this is a way for him to coexist among others.

If we consider competition as a certain mechanism, spring, force of action, then this is its other characteristic property - to be the driving force of development, and competitive potential reflects the dynamic characteristics of the ability to develop. Derivatives of the term "competition" will be considered competitive potential, competitive status, competitiveness and opportunity. We propose to emphasize the difference between "ability" and "opportunity" in the following version: ability - internal capabilities; opportunity - the sum of internal and external capabilities.

New in the context of terminology is the concept of "sustainability of competitiveness". This is also "ability", but not to provide competitive advantages, but to keep them at the achieved level, which requires mastery of the system of factors regulating the competitive state and its maintenance in the given parameters. Sustainability means the ability to return to equilibrium after the pressure of excitation factors.

Competition, as a market category, has now gone beyond focusing on a product or service. Therefore, we consider it in terms of "for what characteristics and assets in the socio-economic space compete with each other institutions of social organization."

At the heart of competitiveness is proposed to put such a characteristic as "quality", in the broadest sense of the term: quality - is the difference between similar properties for the better (more important) side.

Solving the problem of increasing competitiveness in this sense, we consider it appropriate to use the following indicators (quality of business environment, quality of economic potential of the region, quality of management system, quality of operational and strategic management, quality of sectoral structure, quality of

innovation policy, quality of legislative, institutional and regulatory framework, the quality of the involved model of development stimulation).

In development management strategy, quality, as one of the characteristics that is difficult to assess, the result is evaluated by various criteria, including:

- degree (level) of resource efficiency;
- the degree of achievement of goals;
- the effect of profitability;
- the effect of synergy (a positive result of the coordination of interests and actions between the elements of the system, the participants in the interaction);
- the degree of conflict-free and social responsibility;
- the degree of rapid response to change (adaptability to environmental conditions and challenges).

Ensuring the region development with the priority of increasing its competitiveness requires the development of norms and mechanisms of institutional and financial policy. Such work will lead to a more adequate model if public associations are involved. According to the National Institute of Strategic Development recommendations: "Strengthen the institutional, financial and economic capacity of cities to address local socio-economic, environmental issues on the basis of sustainable development" and "involve civil society institutions in cooperation with..." [4].

Describing the interaction of different management systems and differentiation of the tasks of the region competitiveness increasing, it is determined that the competitiveness of the region should be considered, taking into account three interrelated blocks: competitive climate, competitive potential, competitive advantages. And to solve the problem not "as a whole", but in detail, defining specific measures in different segments of competition policy (goods, services, production base, business conditions, etc.). Such a model should be supplemented by an important methodological principle: not a one-time result, but the constant achievement of these performance indicators.

## References :

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