

STRATEGY FOR MANAGING REGIONAL COMPETITIVENESS DEVELOPMENT

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Abstract. The studies of economists are mostly devoted to the issues of ensuring the proper level of competitiveness of the country and finding ways to increase Ukraine's competitiveness rating in the world ranking. At the same time, there are many unsolved problems related to the competitiveness of the country's regions and the need to develop a strategy for managing regional competitiveness development, which indicates the relevance of the topic of research. The purpose of the article is theoretical substantiation of the essence of regional competitiveness and the development of a strategy of regional competitiveness development. The article examines the essence of the concept of "competitiveness" in relation to various objects: country, region, enterprise, products. The competitive advantages of the region have been studied and determined. The indicators used to assess the level of competitiveness of the region are grouped into blocks. An algorithm for increasing the competitiveness of the region, presented in the form of successive steps: determination of strategic level of the competitiveness of the region; identification of main consumers and buyers of regional production; determination and increase of strategic factors of competitiveness of the region; formation of a strategy of regional competitiveness development; activation of the quality of regional business environment; formation of competitive regional market, has been developed. The necessity of strategic planning of regional competitiveness development is proved, the tasks and main characteristics of strategic planning are clarified. A mechanism of strategic management of regional competitiveness development, which involves the following stages: determination of target indicators of regional development; strategic assessment of regional competitiveness; execution of necessary measurements in the region; implementation and adjustment of strategic plan is proposed. A mechanism of tactical planning of regional competitiveness development, which involves the creation of an information base about the region; performance of SWOT analysis of the region; positioning of the region; development of marketing and logistics strategy; implementation of the developed plan and monitoring and control over its implementation, is developed.

Keywords: region, competitive advantages, competitiveness, strategy, strategic planning, tactical planning.

Introduction

Competition should be understood as the process of managing the factors of competitive advantages in order to achieve certain goals in market conditions, taking into account the legislation. In turn, the competitiveness of the state depends on the competitiveness of its local territories - regions, and the competitiveness of the latter can be realized only by managing the competitive advantages of the subjects of market activity in the region (enterprises, associations of enterprises). If an individual competitive enterprise can simply exit the market, i.e. cease to exist, this cannot happen to a region or a country. In a situation where the region and/or country turn out to be uncompetitive, the welfare of the population deteriorates.

Thus, the well-being of the country and its population is directly dependent on the level of competitiveness of the country, which is formed under the influence of competitiveness of its regions. In modern world economy, competitiveness is an important indicator that allows to compare the level of development of countries. For this purpose, a significant number of international organizations, forums, and agencies calculate the competitiveness ratings of the

countries of the world. The level of competitiveness is determined taking into account the level of development of technologies, innovations, production, education, intellectual potential, informatization and digitization.

Literature review

Competitiveness of the country is the subject of many years of research by foreign scientists, including: B. Olin, M. Porter, D. Ricardo, A. Smith, E. Heckscher, as well as domestic economists, including: V. Hoblyk, N. Grynchuk, N. Danylenko, I. Dmitriev, O. Zaviyska, M. Ivanova, S. Ilchyshyn, A. Kvasko, I. Kirchata, V. Kozyk, O. Koyuda, V. Kurdupa, N. Liba, G. Maslivets, S. Mocherny, L. Pankova, Ya. Omelchenko, S. Perminova, O. Savytska, O. Cherep, V. Shvets, O. Shershenyuk and others.

These studies are mostly devoted to the issues of ensuring the proper level of competitiveness of the country and finding ways to increase Ukraine's competitiveness rating in the world ranking. At the same time, there are many unsolved problems related to the competitiveness of the country's regions and the need to develop a strategy for managing regional competitiveness development, which indicates the relevance of the topic of research.

The purpose of the article is theoretical substantiation of the essence of regional competitiveness and the development of a strategy of regional competitiveness development.

Results and discussion

Investigating the essence of the concept of "competitiveness", the vast majority of economists associate this definition with the level of realization of competitive advantages. We note that competitive advantages of the region are a set of specific natural, socio-economic, scientific and technical, educational, informational, cultural conditions that have developed in the region, the presence of which provides the region with long-term prospects for the production of goods and services (Koyuda, 2013, p. 57).

Competitive advantages are of two types: naturally existing and acquired. Naturally existing competitive advantages include the availability of natural resources and a convenient geopolitical location. Acquired competitive advantages are the availability of human and financial resources, the level of innovative potential, the infrastructure of the region. A decisive role in the effort to increase the level of competitiveness of the region is played by acquired competitive advantages, since it is possible to manage such competitive advantages, in particular, to increase their number, quality, and change them depending on the trends of economic development and factors of external and internal influence.

Historically, the idea of competitiveness appeared for the first time in 1768. The founder of this theory was A. Smith, who classified four factors as absolute advantages: land, capital, natural resources and labor. A. Smith also initiated the theory of openness of national economies (Kozik, 2002; Smith, 2018). Continuing the theory of A. Smith, D. Ricardo introduced the term "comparative advantages", which made it possible to start the theory of international trade (Koyuda, 2013, p. 55).

In the 20s and 30s of the 20th century, the Heckscher-Ohlin theory appeared, according to which comparative advantages of a country are determined by the level of supply of production factors, such as land, labor and capital. At the same time, the production of certain goods is determined by a different ratio in the use of each of the three factors. Thus, the country exports those goods, for the production of which a surplus factor is used to a greater extent, and vice versa, imports those goods, the production of which requires factors that are available in limited quantities (Heckscher, 1919; Ohlin, 1933).

M. Porter developed the concept of national competitive advantages, according to which factor conditions defined by scientists earlier were supplemented with knowledge (scientific and informational potential) and infrastructure (Porter, 2020).

Studying scientific works of modern scientists, it is expedient to note that there is no unambiguous understanding of the essence of competitiveness, because competitiveness is a multidimensional concept. Translated from Latin, competitiveness means rivalry, struggle to achieve the best results (Cherep, 2022).

Nowadays, the term "competitiveness" is used for various objects. Thus, competitiveness of the country, region, enterprise, and products is distinguished.

In Economic Encyclopedia edited by S. Mocherny, competitiveness of the country is defined as the ability of the economy of one country to compete with the economies of other states in terms of the level of effective use of national resources, increasing the productivity of national economy and ensuring, on this basis, a high and constantly growing standard of living of the population (Economic encyclopedia, 2001).

Competitiveness of the enterprise should be understood as the advantage of the enterprise in relation to other enterprises belonging to the same industry in domestic and foreign markets. Competitiveness of the enterprise is the level of its competence in relation to other competing enterprises in the accumulation and use of productive potential of a certain orientation, as well as its individual components: technology, resources, management, skills and knowledge of personnel, etc., which is expressed in such resulting indicators as product quality, profitability, productivity, etc. (Kvasko, 2017).

The group of authors I. Dmitriev, I. Kirchata, and O. Sherenyuk give the following definition of product competitiveness - it is a property of a product that is due to the presence of a set of technical, operational and economic characteristics in it, which determines the possibility of real or potential satisfaction of a specific need of a certain market with this product (Dmitriev, 2020, p. 335).

As noted by N. Liba, competitiveness of the region is determined by the ability of its economy to optimally use available resources to ensure high indicators of socio-economic development. The region whose economy is able to respond and adapt to changes occurring at interregional, national, and international levels is considered competitive (Liba, 2022, p. 174).

V. Hoblyk believes that competitiveness of the region is a complex indicator that reflects the ability of the economy at regional level to create a competitive product, to compete at regional, national and international levels (Hoblyk, 2023, p. 2).

Note that competitiveness of the region also implies the ability of the economy of the region to determine and use competitive advantages and to form new competitive advantages, which should be understood as a set of factors affecting the ability of the region to compete (Shvets, 2012).

Among general factors that affect the formation of competitiveness of the region, it is advisable to include:

- geospatial factors;
- resource factors;
- economic factors;
- financial factors;
- infrastructure development factors;
- human factors;
- management factors;
- innovation and investment factors (Hoblyk, 2023, p. 2; Shvets, 2012).

Specific factors that affect the formation of competitiveness of the region include the following:

- possibility of producing domestic goods for regional sales markets, capable of competing with imported products;
- implementation of international standards for the production of goods and services for domestic market;
- reduction of costs with an increase in the volume of production of goods;
- creation of a flexible management system that allows to make optimal decisions for full-fledged management, based on the use of experience of other companies (Maslivets, 2022).

Competitiveness of the region can be assessed using socio-economic indicators, which should be grouped into nine blocks:

- 1) general level of regional development;
- 2) state of the most important branches of production;
- 3) financial position of the region;
- 4) investment activity;
- 5) incomes of the population;
- 6) employment and labor market;
- 7) state of social sphere;
- 8) ecological situation;
- 9) international economic activity.

Increase in competitiveness of the region, according to M. Porter, is carried out according to the following components:

- 1) increasing competitiveness due to productive factors (natural resources, favorable conditions for production of goods, qualifications of the workforce);
- 2) increasing competitiveness based on investments (in education, health care, technology, production);
- 3) increasing competitiveness due to innovations (creation of new types of products, new production, new organizational structures and other innovations);
- 4) maintaining competitiveness on the basis of previously created wealth, which leads to gradual stagnation and decline (Porter, 2020).

It is advisable to present the algorithm for increasing the competitiveness of the region in the form of successive steps, the implementation of which will ensure active development of the region, improve the position of the region compared to competing regions, and improve the level of income of individuals and legal entities of the region (Fig. 1).

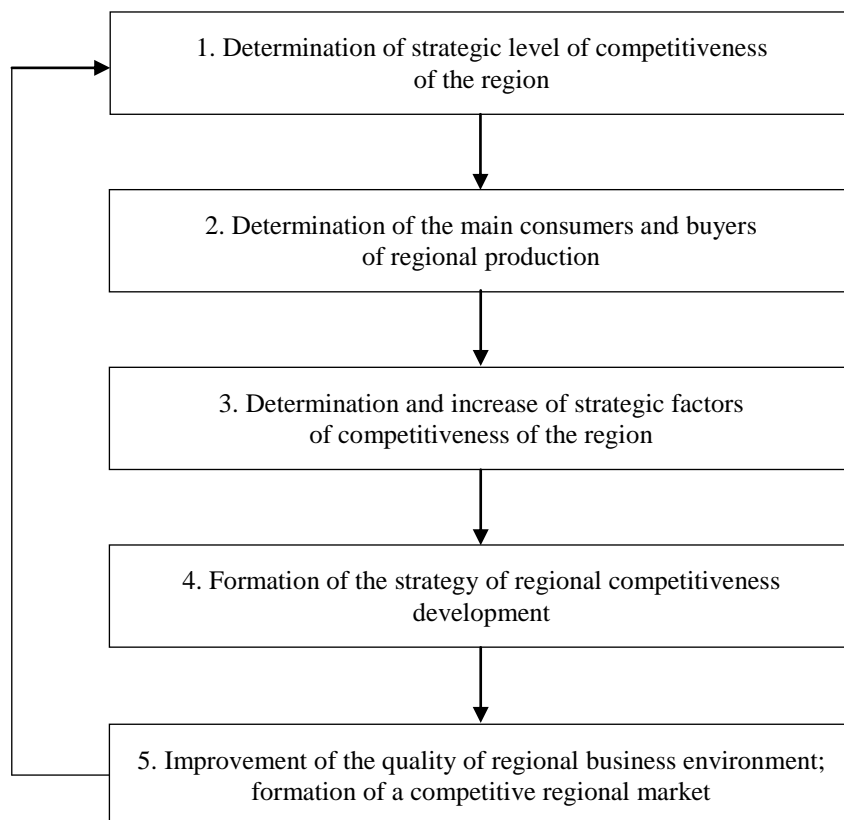


Figure 1. Algorithm for increasing the competitiveness of the region

Source: compiled by the author based on (Ilchyshyn, 2011)

In order to increase the competitiveness of the region, it is necessary to form a strategy of regional competitiveness development. The strategy is a set of long-term rules and ways to achieve the set goals. The strategy is implemented through the development of strategic plans, which provide for the setting of such goals and rules of conduct, the implementation of which will ensure the effective functioning of the region in the long term, as well as the ability to quickly adapt to changing conditions of internal and external environment.

Strategic plans are implemented by developing programs and budgets for short and medium term periods.

The main tasks of strategic planning of regional competitiveness development include:

- 1) coordination of state and regional strategic management and budget policy;
- 2) determination of socio-economic policy priorities, goals, tasks of socio-economic regional development;
- 3) choice of directions and methods for achieving the goals and solving the tasks of social and economic policy, which will allow to use the available resources with the greatest efficiency;
- 4) formation and implementation of a set of activities that will contribute to the achievement of goals and solving the tasks of socio-economic policy of the region;
- 5) identification of resources for achieving the goals and solving the tasks of socio-economic policy of the region;
- 6) coordination of actions of strategic planning participants and measures provided for by strategic planning documents, in accordance with the defined terms of their implementation, expected results and parameters of resource provision;
- 7) organization of monitoring and control of implementation of strategic planning documents;
- 8) scientific and technical, informational, resource and personnel support of strategic planning;
- 9) creation of conditions for the involvement of the population and business entities in the process of strategic planning.

Strategic planning of regional competitiveness development is characterized by:

- predictive nature of the assessment of changes in internal and external environment;
- analysis of influencing factors on the development prospects of the region;
- focusing on medium and long-term periods;
- focusing on solving the most important goals for regional development, the achievement of which depends on increasing its competitiveness;
- coordination of the set goals with the resources necessary for their achievement.

In the process of implementing the strategy, each level of regional management must perform tasks that correspond to the functions assigned to it. The main role is assigned to the leadership of the region. Its activities at the stage of strategy implementation can be presented in the form of four successive stages:

- 1) definition of target indicators of regional development;
- 2) strategic assessment of regional competitiveness;
- 3) implementation of necessary changes in the region;
- 4) implementation, adjustment of strategic plan.

The specified process of strategic management of regional competitiveness development is cyclical and allows constant adaptation to the changing external and internal environment. Schematically, strategic management of regional competitiveness development is shown in Fig. 2.

The first stage of strategic management of regional competitiveness development involves an in-depth study of the state of the region, set tasks and developed options for the development strategy. At this stage, the identified goals are checked for compliance with each other, the state of internal environment, and the developed strategy options. Also, at this stage, it is necessary to convey the strategic plan to the population in order to involve it in the strategy implementation process.

At the second stage, a set of solutions for effective use of resources available in the region is developed. At the same time, the assessment of resources, their distribution and bringing them into

line with the strategy of regional competitiveness development is carried out. For this, special programs are being developed, the implementation of which should contribute to the development of resources. For example, it can be programs for improving the skills of employees.

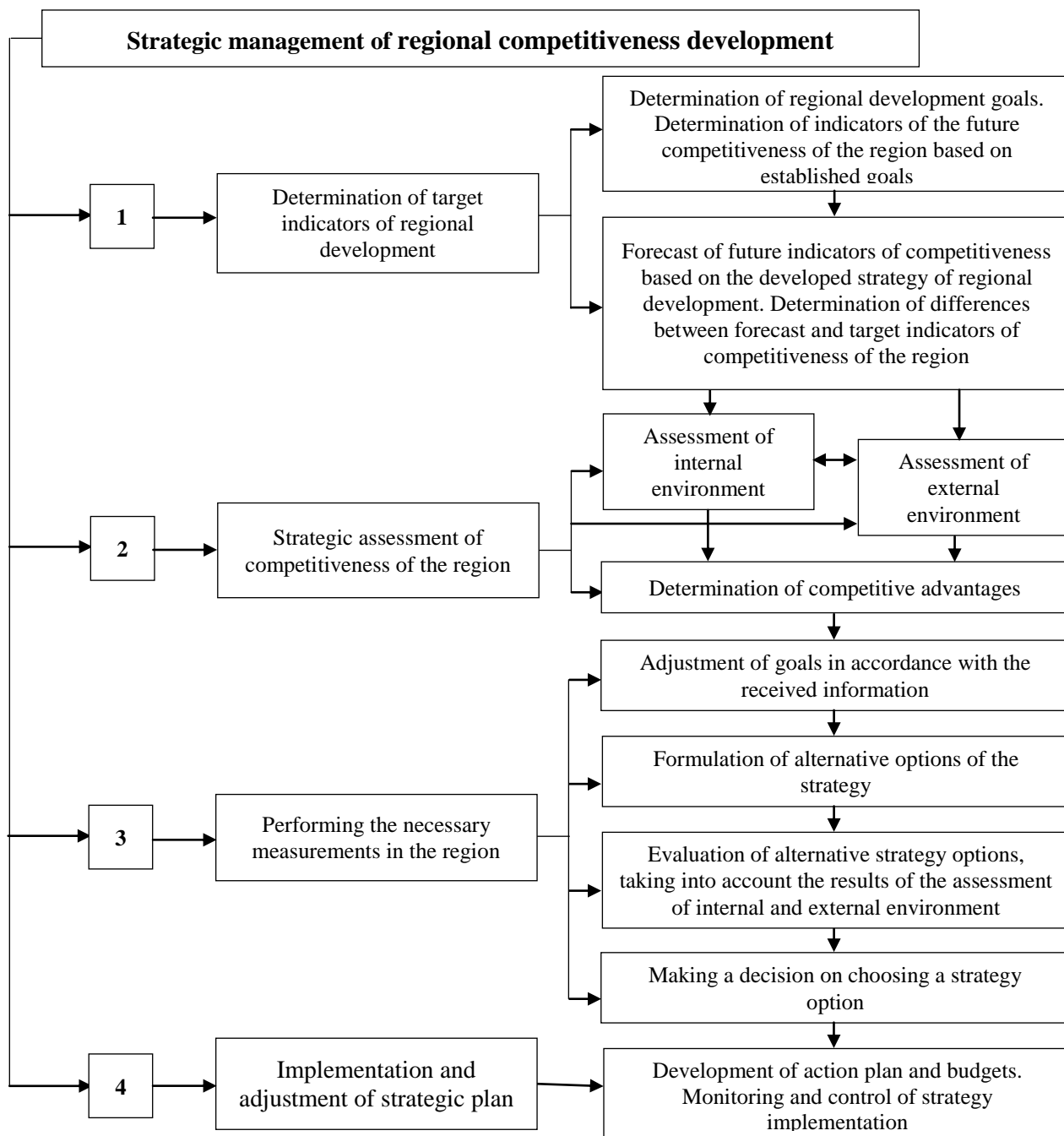


Figure 2. Strategic management of regional competitiveness development

Source: compiled by the author based on (Maslivets, 2022; Perminova, 2018)

At the third stage, a decision is made to make changes to the existing strategy of regional competitiveness development, taking into account the information obtained as a result of the performed analysis. At the same stage, necessary changes are made in the region, without which it is impossible to start implementing the strategy.

At the fourth stage, strategic plan is adjusted if the need for the expediency of such changes has been proved at previous stages. After adjusting the strategic plan, the strategy implementation

process takes place. In the process of implementing the strategy, constant control over the state of the region is carried out, factors that can affect the implementation of the strategy of regional competitiveness development are controlled. The purpose of such control is to identify possible deviations and timely adjust the strategic plan.

The implementation of strategic plan involves the development of tactical plan for the short term. The mechanism of development and implementation of tactical plan of regional competitiveness development is presented in Fig. 3.

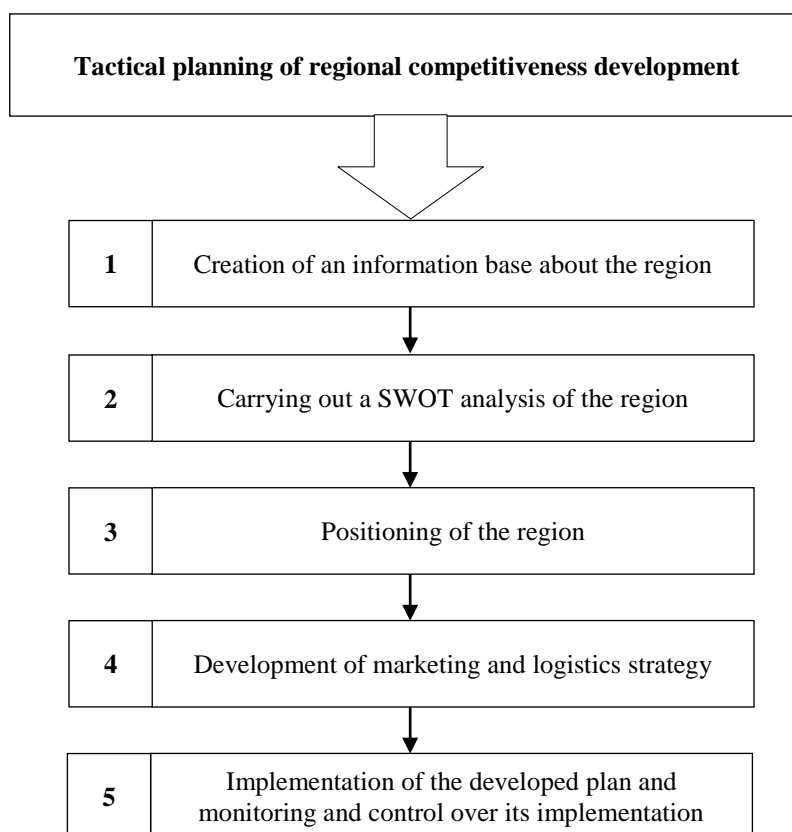


Figure 3. The mechanism of tactical planning of regional competitiveness development

Source: compiled by the author

At the first stage of the mechanism of tactical planning of regional competitiveness development, an information base about the region is created, which contains the following indicators:

- general characteristics of the region, its area and borders;
- assessment of available resources, natural and climatic conditions;
- characteristics of the population: gender, age, family, national composition, migration processes, labor and employment market, level and quality of life;
- features of human settlement, level of urbanization;
- sectoral structure of production, specifics of placement of productive forces, foreign economic relations, territorial division of labor, specialization, investment attractiveness;
- level of infrastructure development, logistics channels, state of logistics services market.

At the second stage of the mechanism of tactical planning of regional competitiveness development, a SWOT analysis of the region is performed from the position of enterprises located in the region, the population living in the region, visitors to the region, in particular, tourists. The SWOT analysis of the region allows to answer the following questions:

- 1) how, using the strengths, it is possible to increase regional competitiveness;
- 2) what are the weaknesses of the region that can hinder the increase of regional competitiveness;

3) with the help of which possibilities of external environment it is possible to improve the state of the region;

4) what threats can prevent the implementation of plans.

At the third stage of the mechanism of tactical planning of competitiveness development, the region is positioned against the background of competing regions. The essence of positioning is to strengthen the region's strengths, not only those that were strong in the past, but also those that are strategically important for future development. The result of successful positioning is a significant separation of the region compared to competing regions in the long term.

An important element of positioning is overcoming the region's weak positions, which prevent it from achieving the desired level of its competitiveness in the future. The need to neutralize or at least reduce negative impact of weaknesses is connected with the possibility of increasing the economic efficiency of the region in this way.

The fourth stage of the mechanism of tactical planning of regional competitiveness development involves the development of marketing strategy and specific marketing measures for the promotion of the region. These measures should go beyond mere advertising and should be designed according to the specifics of socio-economic position of the region. In parallel with regional marketing strategy, it is extremely important to develop logistics strategy aimed at connecting the region to interregional communications.

The fifth stage of the mechanism of tactical planning of regional competitiveness development involves the implementation of the developed tactical plan, taking into account marketing and logistics strategies and the variability of internal and external environment. At this stage, the factors and indicators of the region's competitiveness are monitored and controlled, if necessary, adjustments are made to tactical plan, and the results of the implementation of tactical plan are published in the mass media.

We believe that clear and consistent implementation of all stages of the proposed mechanism of strategic management of regional competitiveness development and the mechanism of tactical planning of regional competitiveness development will contribute to increase of economic indicators of regional development, which, accordingly, will have a positive effect on economic growth of the region in particular and the state as a whole.

Conclusions

Summarizing the results of the study, it is advisable to note that the concept of regional competitiveness is relatively new and is actively discussed among scientists. It is found that currently there is no clear understanding of the essence of this definition. Competitiveness is considered from different positions, the main of which are the following: the ability of the region's economy to optimally use available resources; the region's ability to respond and adapt to changes; the ability of the region's economy to create a competitive product; the region's ability to compete at regional, national and international levels.

The article proves the necessity of strategic planning of regional competitiveness development, clarifies the tasks and main characteristics of strategic planning. It also proposes a mechanism of strategic management of regional competitiveness development, which involves the following stages: determination of target indicators of regional development; strategic assessment of regional competitiveness; performing the necessary measurements in the region; implementation and adjustment of strategic plan.

The mechanism of tactical planning of regional competitiveness development, which involves the creation of an information base about the region; carrying out a SWOT analysis of the region; positioning of the region; development of marketing and logistics strategies; implementation of the developed plan and monitoring and control over its implementation, has also been developed.

Thus, the presence of strategic and tactical planning of regional competitiveness development is an

important component of management policy aimed at increasing interest in the region, which will allow to attract potential investors, thereby increasing the level of competitiveness of the region.

Acknowledgements

None.

Conflict of Interest

None.

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СТРАТЕГІЯ УПРАВЛІННЯ РОЗВИТКОМ КОНКУРЕНТОСПРОМОЖНОСТІ РЕГІОНУ

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Анотація. Дослідження вчених-економістів здебільшого присвячені питанням забезпечення належного рівня конкурентоспроможності країни та пошуку шляхів підвищення рейтингу конкурентоспроможності України у світовому рейтингу. Водночас залишається багато невирішених проблем, пов'язаних із конкурентоспроможністю регіонів країни та необхідністю розробки стратегії управління розвитком регіональної конкурентоспроможності, що свідчить про актуальність теми дослідження. Метою статті є теоретичне обґрунтування сутності регіональної конкурентоспроможності та розробка стратегії розвитку регіональної конкурентоспроможності. У статті досліджено сутність поняття «конкурентоспроможність» щодо різних об'єктів: країни, регіону, підприємства, продукції. Досліджено та визначено конкурентні переваги регіону. Індикатори, за допомогою яких виконується оцінка рівня конкурентоспроможності регіону, згруповано у блоки. Розроблено алгоритм підвищення конкурентоспроможності регіону, який представлено у вигляді послідовних кроків: визначення стратегічного рівня конкурентоспроможності регіону; визначення основних споживачів і покупців регіонального виробництва; визначення і нарощування стратегічних факторів конкурентоспроможності регіону; формування стратегії розвитку конкурентоспроможності регіону; активізація якості регіонального бізнес-середовища; формування конкурентного регіонального ринку. Доведено необхідність стратегічного планування розвитку конкурентоспроможності регіону, з'ясовано завдання та основні характеристики стратегічного планування. Запропоновано механізм стратегічного управління розвитком конкурентоспроможності регіону, який передбачає послідовне виконання таких етапів: визначення цільових показників розвитку регіону; стратегічна оцінка конкурентоспроможності регіону; виконання необхідних вимірювань у регіоні; реалізація і корегування стратегічного плану. Розроблено механізм тактичного планування розвитку конкурентоспроможності регіону, який передбачає створення інформаційної бази про регіон; виконання SWOT-аналізу регіону; позиціонування регіону; розробку маркетингової та логістичної стратегії; реалізацію розробленого плану та моніторинг і контроль за його виконанням.

Ключові слова: регіон, конкурентні переваги, конкурентоспроможність, стратегія, стратегічне планування, тактичне планування.