

# **Topic 9 - Competitiveness of a region and its evaluation**

9.1 The competitiveness of a region

9.2 the main competitive advantages of the separate regions

## *9.1 The competitiveness of a region*

- is an ability of every regional system to direct its competitive privileges, to arrange the productive forces rationally and efficiently in order to provide steady financial and economic environment, to obtain the maximum profit

- A region with the most reliable competitive positions has advantages in the market scope, which provides the favourable conditions for effective enterprising and mercantile activity.

An object of competitive struggle between the regional subjects can be

- the state programs and projects, which connected with a placing and regional development of productive forces,
- the state programs and projects, which connected with a solution of social problems.

The consolidation of competitive positions of regional level provides:

- strengthening of regional situation in the territorial division of labour;
- attraction of the native and foreign investments for program realization of arrangement and regional development of productive forces;
- strengthening of foreign economic potential of a region and expansion of segment of world market;

- development of industrial regional infrastructure;
- strengthening of financial credit and budgetary system of a region;
- building and development of regional market system and creation of conditions for their reliable operating.

# To the most important competitive positions can be referred:

1. The suitable geographic location and the high transport and settling the territory of a region:
  - closeness of the developed in economic sphere regions, capable for the forming of a market scope and commodity resources;
  - availability of the suitable transport economic relations with the foreign countries;
  - high development level of interrelated system of railway, car, water and aircraft transport.

2. Availability of highly economic nature resources, which form the interregional and international interests and can be the objects of active investment activity.



3. Availability in a region of the developed scientific technical potential and scientific information environment.
- the technical economical expediency of complex usage of natural resources is strengthening;
  - the importance of such factors, as environmental protection is increasing;
  - the reliability of economic links is increasing.

4. Balanced budgetary financial system as a guarantee of economic independence of a region.

5. Availability in a region of a stable tax system, exact rules of licensing and reliable guarantees for enterprising and investment activity.

6. Availability of the modern market infrastructure and employees, who possess the knowledge, sufficient for effective organization of marketing, financial credit and exchange activity.

7. The favourable ecologic situation, which make a region attractive both for the arrangement of new work places, and for population residence.

*Any economy on environmental protection measures causes to the losses and decreases the reliability of competitive positions of a region.*

8. Availability in a region the reliable foreign economic potential. For its realization the following 3 conditions are needed:

- the production quality;
- the competitiveness of goods and resources on world market;
- availability of economic terms for attraction of foreign capital and formation of common enterprises and firms.

9. The development of economic infrastructure and outlined ways of its reformation.

*Economic structure of a region determines the holding capacity of the inner market and the main ways of import and export of goods and services.*

10. The state regional policy concerning regions.

*By means of the system of guarantees and stimulated factors its possible to strengthen the positions of regions, to raise their meaning for the country in general.*



## 9.2 The main competitive advantages of the separate regions

- available reserves of separate mineral and fuel resources;
- considerable scales of accumulation of the main production funds in industry;
- the use of the leading technologies in the separate manufacture and industry;

- stipulations for the development of international trade economic relations;
- availability of highly qualified labour force and educational establishments for its training;
- agricultural economic opportunities;
- the great academic scientific potential with scientific research organizations

To limitations and negative factors  
can be referred:

- extreme stipulations of production and population vital activity;
- weak ecological study and scientific proved preparation of the regional territory;
- low level of production of goods and services and deficient scope of production of the agricultural products;

- remoteness from economic developed regions of a country, absence of developed transport system;
- low quality of production and services, which decrease their competitiveness;
- deficient development of industrial and social infrastructure as problem for investment and creation of new labour places.

# *Methodical principles of expert valuation of regional competitiveness*

- Expert evaluation can be established in 10-grades system. Its almost impossible to get 10-grade.

