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## **REDUCTIONISM APPROACH TO COMPETITIVENESS OF REGION AND ITS EXPORT-IMPORT POTENTIAL**

In the article from the position of reduction approach results of analysis of export-import operations of the Zakarpattya area as to the factor of influence on a regional competitiveness are offered. Basic obstructions which slow development of foreign economic activity of regions of Ukraine and reduce the level of their competitiveness are selected, which the special place is occupied among: : imperfection of methods of strategic management regions and their competitiveness, absence of adequate the modern requirements of legislative base, error, in price strategy, a technical platform, absence of the proper system of preparation and retraining of shots, became antiquated.

**Keywords:** reduction approach, potential, foreign economic activity, obstructions, region, competitiveness.

Raising of problem. A competitiveness of regional economy is ability of it economic system to provide leading positions not only on internal markets but also to form and realize the export portfolio of region. The processes of integration of Ukraine were lately accelerated in a world economy, by investigation what became all more close co-operation and interdependence both national economies in the world market and regional economic complexes. Thus separate regions provide realization of certain functionally procedural directions in relation to development of foreign economic activity of national economy and subjects of manage. For example, regions are created by attractive terms for arrival of multinational corporations to the internal market through the complex of actions in relation to support of oversea investor.

Review of the last publications. The questions of competitiveness of region are shown in labours of Yaremko L.A., Polyakovov Y.V. (2013), what suggest to enter the concept of global competitiveness of region as ability to resist to the calls of global environment and to provide external economic safety, but emphasized is not foreign economic activity, but on fiscal-financial aspects [9]. V. Smochko limits to problem of competitiveness of region the factor analysis. He considers administrative and managerial the main factors of competitiveness of region, that activate human and natural potential (2012) [5]. Quintessence of researches of the Zakarpattya scientists is determination of approach of the systems to the competitiveness of region. So, in a monograph, devoted to the strategic management of region a competitiveness, authors (2013) expose epistemological approaches and determine the practical ways of forming of regional competitive edges. But the subject of competitiveness of regional economy leaves foreign economic activity of enterprises out of eyeshot, that reduces project part of research substantially [8].

From other hand, foreign economical activity is lighted up in scientific publications limitedly, not taking into account regional aspects. Opinion of researchers in relation to foreign economic activity is concentrated mainly on such problems as determination theoretically-methodological bases (O.E. Novikov, T.S. Sadridinov, 2014r.) [4], description of foreign economic activity of enterprises (O.M. Vakulchik, D.P. Dubitskiy, 2012) [2], mechanisms of adjusting of foreign economic activity (O.P. Borisenko, 2011) [1]. Problems of foreign economic activity as does not find a factor and sign of competitiveness of region the proper illumination, at that exactly foreign economic activity comes forward the indicator of clearness of economy and its activation is the factor of construction of competitiveness of the economic system.

The purpose of research, the results of which are offered in this article, is a making of analysis of foreign economic activity of the Zakarpattya area and other regions of Ukraine which will allow to estimate the state of exportimport activity and define the obstructions of construction of competitiveness of the economic system.

**Research results.** Potential of competitiveness shows by itself the aggregate of capabilities of economic subject, which is the result of experience of the previous functioning, and also possibilities which will provide the uniqueness of certain positions of economic person in the future. Research of essence of competitiveness of region and its potential it can be conducted from position of reductionism, that is instrumental in more detailed determination of factors of influence on forming of potential.

Reductionism shows by itself methodological approach which provides for report difficult to simple or whole to its separate part. Reductionism must be instrumental in opening of general acts and imperatives of existence and action of certain object and on this basis to build the image of all reality. The method of Reductionism is foreseen by simplification of the phenomenon, report of higher level of organization, to more low on condition that conformities to law of functioning of object of lower level can explain, as a system of higher level functions. Historically and methodically Reductionism are connected with mechanism which foresees that all phenomena in outward things are inferior the same physical or mechanical laws. Mechanical actions can be seen in such forms:

1. Passing in the process of scientific analysis of way from difficult to simple, that from more difficult forms and objects of the existent world to simple and less developed.

2. A report of high-quality descriptions is to quantitative.

3. Application of principle, in accordance with which the whole phenomenon shows by itself the arithmetic sum of component parts.

Mechanical and reduction actions lean against a postulate, that existent reality shows by itself a difficult machine which manages all included in its device of objects. At all narrowmindedness mechanical and reduction actions allow to select objects, which make the probed phenomenon which gives possibility to set connection between them in future, and consequently, to pass to application of approach of the systems in an analysis.

A competitiveness of region in the context of theory of potentials is the aggregate of strategic potentials among which the special place is occupied by an external economic resource.

After the structural filling potential of foreign economic activity in composition potential of regional competitiveness can be presented as an additional model of such constituents:

1. Resource potential of foreign economic activity. Resource potential is assumed by a presence, both financial facilities and immaterial assets. To it can be taken resource potential. The special value is acquired by human potential, which shows by itself such qualities of labor force, which enable to arrive at certain goals. Thus human potential plays a double role. From one side, human potential will be realized in the process of production as an important element, factor of economic activity. From other – human potential shows by itself the aggregate of reasons, necessities, values, relations which show up in the process of economic activity. Exactly the aggregate of the noted descriptions and properties of human potential is determined efficiency of functioning of the second component competitiveness – to potential of subject of management.

2. Potential of subject of management of foreign economic activity includes an organizational constituent, informative component, skilled element and jurisdictions. An organizational constituent foresees such lever of mechanism of competitiveness, which provides co-operation of all structural subdivisions of subject of economic activity, connected with the improvement of organization of production and labor, payment of labor and responsibility, for quality of products, providing of culture of production and proper level of working force qualification. An organizational constituent provides a complexity which foresees the degree of division of labor in a company, region or separate organization, level of specialization, amount of levels of hierarchy; formalization, that set of rules and procedures, in other words - institutional architectonics of the economic system: correlation of centralization and decentralization which assumes the selection of levels with certain plenary powers and responsibility.

Statistical expositions show that for the last ten years Ukraine and its regions increased export-import operations substantially. As data i of national statistics show, the general volume of import of goods to Ukraine in 2003 years made 23020,1 million dol. of the USA, and in 2013 years – there is 76986,8 million dol. THE USA [6, s. 410, 437].

The most high level of import of goods in 2003 years was observed in Kyiv – 5017,6 million dol. of the USA, it was 21,80% from the general volume of import. The lowest level of this index in 2003 years was observed in Sevastopol – 39,9 million dol. of the USA, it only 0,17% from the general volume of import of Ukraine. Also a low volume was observed in the Kirovohrad area, in 2003 years made 50,3 million dol. of the USA, it 0,22% from the general volume of import of Ukraine. In the Zakarpattya area this index in 2003 years made 453,3 million dol. of the USA, that was 1,97% from the general volume of import of goods to Ukraine.

As evidently from a table 1, there is an improvement of foreign economic activity by the enterprises of the Zakarpattya area. By an important index which characterizes export potential of region there is an indicator of export on one person of population.

What factors slow development of ZED of the Zakarpattya area and other regions of Ukraine:

1. Absence of the real strategic vision and grounded conceptions of development of Ukraine and its regions is at state level, and accordingly and mechanisms of activation of them foreign economic activity. A general orientation on European Union does not yet provide approach of the systems to forming of levers

Table 1

of chief prises of the Zakar pattya area in 2005 and 2015 [7]			
An index	2003 p.	2013 p.	Absolute rejection
Volume of export of goods from the Zakarpattya area, million dol. USA	414,6	1300,0	885,4
Volume of export of goods from Ukraine, million dol. USA	23066,8	63320,7	40253,9
Part of export of goods from the Zakarpattya area in the general volume of export of goods from Ukraine %	1,80	2,05	0,25
A volume of export of commodities is from Ukraine in a calculation on one person of population, dol. USA	484,4	1390,1	905,7
Volume of export of goods from the Zakarpattya area in a calculation on one person of population dol.USA	331,4	1036,4	705,0

Indexes which characterize the competitiveness of products of enterprises of the Zakarpattya area in 2003 and 2013 [7]

which create competitive edges the players of foreign economic activity. The management of regions foreign economic activity carries in a greater degree conjuncture character and does not allow to form long-term competitive edges. Inattention to the mechanisms of support at state level of including of the Ukrainian subjects to the European markets brakes forming of potential of foreign economic activity.

2. Legislatively institutional principles of realization of export-import operations. ZED takes place in the conditions of imperfection of the Ukrainian external economic legislation. The deficit of mechanisms of realization of these laws takes place in the wide circle of situations. For lack of the proper institutional norms of ZED there are problems with realization of contracts, which results in the hidden and obvious losses of enterprises, worsening of them, financial positions, and it causes diminishing of tax deductions in budgets. Except for it, reputation of enterprise, region and country, goes down, that is negatively represented on their competitiveness and capacity for a strategic collaboration with oversea contractors.

3. Absence of adequate the modern terms of marketing strategies of competition is on oversea markets. Accents are put on a lead through only of price competition, that characteristically for regions which are specialized on the export of resources. It is known that marketing strategy is in close intercommunication with corporate strategy, and predominance of price levers of competition in foreign economic activity slow introduction of types of activity and productions of goods, which can be a competitive as for not price parameters.

4 Old condition of the fixed assets, the level of wear of which on the end of 2013 on Ukraine attained and exceeded 77% [6]. And introduction of new technologies is impossible on a backward technique and ramshackle technology, that together with a previous obstruction slows introduction of innovations and production of goods on principle new quality. The increase of investments in these terms is instrumental in circulating of ramshackle technologies and production of uncompetitive goods.

5 The imperfect structure of capital investments is marked in Ukraine and its regions. Yes, in 2013 years in the Zakarpattya area capital investments were carried out at the level of 2645,8 million Uah, here their part in immaterial assets was less than 1% [7, p. 154]. Thus in the structure of balances of enterprises of the USA part of immaterial assets in middle exceeds 50% irreversible assets of enterprises. Ignoring of immaterial assets, underestimation of investments in immaterial assets also result in the scientific and technical backwardness of country, its regions and enterprises, in comparing to the front-rank countries of the world.

6 Insufficient level of qualification of personnel. So, every year of in-plant training not more than 5 percents on the average on Ukraine pass. It means that on the average one person has in-plant training or raising skills one time in twenty years. In the conditions of speed-up scientific and technical progress a personnel with such level of preparation is not able to work on a modern technique and apply front-rank technologies.

Conclusions. The conducted research has shown that in the Zakarpattya area an index of import in 2003 years was a not mark 453,3 million dol. USA, that was 1,97 % from the general volume of import of goods to Ukraine. In 2013 years the import of goods in the Zakarpattya area made 2062,5 million dol. of the USA, that attained 2,68% from the general volume of import of goods to Ukraine. In the Zakarpattya area the size of export operations in 2003 years overcame 414,6 million dol. of the USA, that was 1,80 % from the general volume of export of goods in Ukraine. In 2013 years the export of goods from the Zakarpattya area made 1300,0 million dol. USA, that was 2,05% from the general volume of export of goods from Ukraine. The indicated dynamics testifies to activation of export-import activity of the Zakarpattya area which characterizes the increase of its competitiveness at the international market.

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