

*The innovative-investment potential as the regional competitiveness base  
(a case study of Kharkiv region)*



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**ІННОВАЦІЙНО-ІНВЕСТИЦІЙНИЙ  
ПОТЕНЦІАЛ ЯК ОСНОВА  
КОНКУРЕНТОСПРОМОЖНОСТІ РЕГІОНУ  
(НА ПРИКЛАДІ ХАРКІВСЬКОЇ ОБЛАСТІ)**



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## **ABSTRACT**

The current world globalization has caused many both positive and negative phenomena, which take place and impact humans in any countries. Drastic competitiveness is being developed today for new areas, product markets, innovative technologies, etc. This competitiveness is going on together with both terrorism, and numerous military conflict escalations as well as with transboundary spreading of novel, earlier unknown diseases. The given country and its separate regions competitiveness becomes the determining factor of the sustainable socio-economic development of this country, its stable state, taking leading positions in world policy and economy, provision of the worthy mode of life for its population.

Ukraine has been strengthening its social economic and geopolitical independence for a quarter of the century. Its competitiveness enhancement becomes a key condition not only for a routine survival of our country, but also for securing its condign entering to both European, and World communities.

The fundamentals of the optimal social economic development must be grounded just on the level of a given region. These fundamentals have to take into account all regional peculiarities, including historical, environmental, and demographic ones. What is more, the existing complex potential of an area can actually be estimated at the regional level only, if the aim of this estimation is to outline main priorities of the social economic development for this area. Such approach allows to enhance the regional competitiveness and to define new efficient trends of this territory social and economic growth.

The market relation establishment requires the most effective application of the territorial potential for the region population mode of life improvement. Therefore, the acquisition of the competitiveness tools for the high living standard provision and guaranteeing the sustainable regional development may act as the key issue for the whole developing strategy.

The regional competitiveness has been mainly determined for the time being, in the post-industrial period, not by the natural, but by the social economic factors among which the human, innovative, and scientific-technical potential are the core values. Thus, the enhancement of the regional competitiveness can be considered as the key premise for the sustainable social-economic development provision.

There are distinctive imbalances in development over various regions. These imbalances have been caused as a rule by structural economic non-similarities, both differences in human and natural resource potential, as well as by different level of the innovative-investment activity. All this has been followed by the different level of

the regional competitiveness. The effective and grounded assessment of this entity would expedite the national economic activity in general and allows to raise the competitive status of Ukraine and its regions throughout international markets.

Thus, the competitiveness development for the regional economies issue requires taking into account a territorial potential and estimating a feasible accelerated growth for this potential. According to this we have to define some areal key points within a given region, which may become «a territorial engine» of the social economic growth in the nearest future. Promising innovative-investment structures of both regional, and national levels may become such «the poles of growth» and perform correspondingly. Therefore, we reasonably suggest to consider the territorial innovative-investment potential as the base of the competitive level of a given area.

It is worth to emphasize that for the regional development problem comprehension and the regional competitiveness enhancement the complex interdisciplinary approach must be applied. It is the territorial analysis of all those regional sociogeosystem constituents, which contribute to its competitiveness. Each from these constituents corresponds to a certain potential meaning: natural resources, demographic, economic, infrastructure, innovative, educational, scientific, managing one.

Why the subject area of this monography has been developed just by the social geographers? The social geographic approach differs from others by the complexity and the interdisciplinary coverage. The elaboration of the unified research approach due to the regional competitiveness level estimation can be logically proceed from the mentioned complexity and interdisciplinarity. This approach may be applied as a tool for that strategy elaboration, which can be directed to the regional competitive status enhancement. The implementation of the regional competitiveness estimation model allows to define all competitive advantages and drawbacks for each region. The competitive classification and corresponding system of measures can be created for a given set of regions on the national level, enhancing in this way the level of competitiveness for the whole country.

The competitiveness of regions is the criterion of their information resource development. The latter includes both general and subject knowledge, scientific-technical achievements, both innovative technologies and technical tools. It also determines the innovative activity rate. From another side the regional competitiveness acts as a key constituent of the national competitiveness, since the whole country benefits consist of the benefits of its regions.

It is possible to formulate main clauses and prerequisites of regional competitiveness forming, if we proceed from the idea that this competitiveness forming is some kind of social geographic process with all of its content: mental, cultural, economic, information, and geoecological one.

The first clause is the accessibility of the information resource at the general, the national, and the regional levels. In general, Ukraine still is a country with high educational level and the scientific-technical potential despite current social-economic crisis. In particular, Kharkiv region gets some wind of many other regions of Ukraine due to its regional capital – Kharkiv-City, which is one of the largest scientific-technical and intellectual centers of our country.

The second clause is the presence within a region of different transmitters and generators of the information resource – research and constructing institutions. These institutions accumulate innovative ideas, mental capital, and advanced developments. All mentioned contribute progressive social movement.

The third clause announces the availability of the qualified staff and educational centers of its training. There are numerous universities with post-graduate schools in Kharkiv, which develop quite a few research trends of the world level.

The fourth clause of the regional competitiveness conditioning is availability of those enterprises and institutions, which efficiently implement innovative technologies. Despite all negative trends and phenomena of the time being, first of all – the financial crisis, Kharkiv-City still has the great industrial potential and necessary work force contrary to many other regions of Ukraine.

The fifth clause is the intensive investment activity with attraction of foreign capital, what does greatly contribute to the information resource growth and promote the social advances.

Our research considers the regional social economic development within the frameworks of the regional innovative-investment potential usage as the base of the region competitiveness, first of all. This research has been provided on the data related to Kharkiv region as to one of the most competitive regions of Ukraine.

Kharkiv region has been defined recently as a «smart-region», while Kharkiv as a «smart-city». The latter is a modern social city, a space of the art, an area of concentrated research, a city of intensified touristic activity. The Smart Kharkiv Region is:

- Increase of production and raising export of the high-tech industrial commodities with high surplus value;
- Implementation of conservation technologies due to all kind of natural resources together with effective environmental management;

- Improvement of the population health by the health care optimization and innovative applications in it, intensification of going in for sports and athletic activity;
- Higher security level at the manufacture, public transportation, and upon leisure-time;
- Equal access to the educational facilities through distant learning, entering life-long learning if necessary;
- Jobsite generation, which would require extended hi-tech knowledge, what guarantees maximum profits upon the intellectual economy;
- Creation of integrated computer aided managing systems, provision of «an electronic government»;
- Unstoppable innovative implementation throughout all aspects of life, and giving the opportunity for everybody to realize his / her potential.

Thus, it is obvious that arrangement of both «smart economy» and «smart region» requires stimulation of innovative activity and enhancement of the innovative potential of a region. What is more, the «smart economy» implementation together with provision of new workplaces is one of six strategic aim of «the City Development till 2020». This Program is intended to provide three operational aims:

- An active innovative city (Kharkiv is both a leading innovative center of Ukraine, and an active entrepreneurial town;
- An informative-creative city (Kharkiv is a leading center of the information technologies in Ukraine, a touristic center for Eastern Europe, and a creative center of European level);
- A scientific-educational city of the knowledge economy.

Thus the mandatory premise of the progressive social-economic development of the region is the innovative economy provision implementation, what can be completed only by the investment attraction. The innovative elaborations go first as the result of the human scientific activity. The innovative activity has become the key premise of economic development both for service-industrial regional complexes, for a whole country.

The empirical content of our monography has been based on both the official statistical data, and on own authors' research and investigations. We applied to the period of 2009–2015 for changes in the innovative-investment activity definitions in the temporal perspective.

Summarizing many various results obtained by the authors of this book within different domains allows to highlight the essence of many regional development problems and peculiarities of the region competitiveness conditioning. The complex



social geographic research in the particular subject area is necessary to provide towards certain sociogeosystems obtaining in this way defined results and grounded recommendations.

The book consists of five chapters. The first chapter overviews the theoretical basics of the social geographic research directed towards the innovative-investment activity of a region as the base of its competitiveness. This chapter reviews main research categories and definitions, it discusses the essence of the innovative-investment potential of the territory, social-geographic prospects of the regional competitiveness and the factors of its conditioning.

The second chapter represents the methodological research details grounded and elaborated through many theoretical and applied issues completed by the Department of Human Geography and Regional Studies of Kharkiv Karazin National University. In particular, this research issues concern to the essence of social-geographic and urbogeosystem approaches to the innovative-investment potential assessment, research of the region competitiveness conditioning, modeling of the social geographic process within a regional sociogeosystem, the regional competitiveness research, the spatial analysis of the innovative-investment potential conditioning in a region.

The third chapter introduces the details of both the potential and the whole social economic development process of Kharkiv region as of a sociogeosystem. In particular, the environmental, the human, and the economic potential of the region have been described. The analysis of the region social domain (the health care, the science, the social security, etc.) has been provided. The analysis of Kharkiv as a regional center development has got the additional attention.

The fourth chapter contains the research results due to Kharkiv region innovative-investment potential examination considering its role in the competitiveness conditioning. This chapter provides both examining of Kharkiv region innovative-investment potential within the perspective of the national level, and describing in details the corresponding potential of Kharkiv-city.

The fifth chapter highlights main direction of the regional competitiveness enhancement. In particular, there are the component analysis results of the competitiveness development output vector of the region (both cities, and counties) in this chapter. This part of the monography also contains the social geographic process model related to the sociogeosystems of cities and counties. Also, the chapter describes many problems and aspects due to the innovative-investment development of the region and several practice recommendations according to the region competitiveness enhancement.

Presented in the monography ideas, data, and applied results do outline the authors' principal background and their research position due to the innovative-investment potential competitiveness conditioning in the region.

The authors would sincerely like to thank all those who made this monograph possible. Firstly they are this book reviewers: prof. V. Rudenko, prof. G. Pidgruashnuj, and prof. A. Golikov, whose remarks and advice substantially improved the final text of the monograph. The authors are sure that without the great support of the entire team of the Department of Human Geography and Regional Studies, V. N. Karazin Kharkiv National University, this book would hardly be successfully completed.

The main goal of the social-economic development of the region is both mode of life raising, and the living standard improvement. Upon the transformation of Ukrainian economy with the intentions of its European integration and entering into the information society state it is appropriate to speak about the regional innovative-investment development. The latter can be defined the social-economic development directed to the activation of regional innovative-investment processes.

The defining-conceptual framework of the innovative-investment potential and competitiveness consideration has been quite widely discussed in the research papers published. The regional innovative-investment potential has been discussed as a certain ability level for a social-economic system of the regional economy. This level implies the ability to provide some innovative activity, and it is conditioned by human, environmental, financial, mental and other resources. The regional innovative-investment potential consists of two constituents – innovative, and investment ones, which tightly intercourse one with another.

The innovative and investment infrastructures of the territory substantially affect the particular level of the territorial innovative-investment potential. The innovative infrastructure includes the innovative business-incubators, technological parks, technological towns, innovative clusters, venture foundations, etc. The investment infrastructure together with commercial banks and investment foundations also includes nongovernmental pensions funds, commercial insurance companies, consortium of nongovernmental investors, mortgage banks and companies, etc.

The regional competitiveness as a design category exposes prompt dynamics and normally is being changed upon the impact of many factors. This category is firstly defined by the efficiency of the regional social-economic development, the social-geography allocation, and by the efficiency of the regional policy. The row

of other factors gave the influence on the regional competitiveness too. These factors are natural, environmental, economic, social, and innovative-investment ones. Territorial structure of the regional economy, the level of integration for population settlements and enterprises into networks, working efficiency, managing strategy, innovative attractiveness, infrastructural provision, environmental standards and rules – all this mention other significant factors of regional competitiveness details.

From the point of view of Social (Human) Geography the competitiveness – it is the ability of the regional social-economic system to provide both high living standards for the region population, and high income for local entrepreneurs on the base of rational usage of the regional competitive advantages and the effective interregional competitiveness. This definition implies both activation of internal territorial potential, while its competitive level is specified not only by quantitative, but also qualitative changes of all aspects of social life in this area.

The main competitiveness feature is the availability of some competitive advantages for a given research object. Just these advantages allow to get access to the particular market segments. The cities are more sensitive human settlements according to the processes of globalization. They are key cells of the regional competitiveness, therefore just cities are in the center of social-geographic research. It is necessary to emphasize that the meaning of city competitiveness is extremely complicated one, and it differs drastically from the general definition of competitiveness. The case is that cities compete among themselves not within market frameworks, but within spatial boundaries of the region, the country, the whole world. They compete for strategical resources of their own development, for effective units of economic activity, for high living standards and safe environment. If a city is the economic system, its competitive advantages actually are the development factors for the urban farming specialization, while the development goal is entering into those market segments, which correspond to this farming specializing. The most competitive and leading cities are the «smart / creative» cities, which provide the social secure and effective environment for its population livelihood. The definite competitive advantages of a city as the urbanized landscape is the level of the local business and local authorities ecological concern and presence of structured non-governmental organizations. The key importance is the development of renewable energy sources and other green technologies.

The competitive city is that city, which possesses those benefits following from all approaches mentioned above. Such statement points out that the definition

«competitive benefits (advantages) of a city» includes three series of the indicators: the economic competitive indicators, the social competitive indicators, and the environmental competitive indicators. The city competitiveness may be efficiently indicated on the base of its competitive advantage estimation according to strategic resources of its development, in particular – population, urban farming, both financial and technological resources, the information space access, all in comparison with other cities.

The complexity of the contemporary competitiveness / innovative-investment potential research follows from the fact that up till now this subject area has belonged to the economics exclusively. Although it is understandable this fields of expertise requires the interdisciplinary approach to be applied. The competitiveness is the complicated process of the regional social development. Multidimension and many trends of this process require taking into account its numerous aspects, objective and subjective factors, the quality of the regional social management, the effectiveness of resource usage, the self-control potential, the social stratum creativeness, and other causes. This book authors have developed the common social geographic concept of the regional development. This concept proceeds from the theoretical fundamental of the modern Human Geography. It integrates all aspects and components of the regional development into a united system. In this way, this concept is the implementation of the composite approach into the competitiveness research.

The social geographic concept of the regional social development identifies it on the wide variety of aspects and approaches, at that very time considering as the integrity of the social geographic process constituents. It includes: the motivation and implementation of the society activity; the sociogeosystem self-assembly and self-development; the information process (the information interchange between the sociogeosystems and their environment upon the process of both external and internal adaptation.

The methodological structure of the Human Geography concept of the social development includes fundamental approaches, theories, and methods. The authors have already stated before that the multi-dimension of the Human Geography research objects had been determined from one side by the Human Geography object-subject interacted complexity, and from the other side – existing key importance of as more as possible covering all features and parameters of the mentioned objects. It caused the transfer to the higher methodological research level, because of «the exit» from the real geographical space and entering the multidimensional analytical one. Such transfer is the premise of the optimal

research algorithm. Just the necessity of taking into account of great number of sociogeosystem parameters that proceed from different levels of hierarchy does require the multidimensional analysis application. The key methods of the Human Geography concept implementation is the analysis of the geosystem development complex characteristic; modeling and analysis of the developing trajectories for geosystems within the multidimensional parametric space; the component analysis of the sociogeosystem development output vector.

The social security issues all reflect the main summarized social geographic criterion of the development and the sociogeosystem competitiveness conditioning in the region – unstoppable rising of living standards for its population. In the best case, all social security parameters have to be accounted into the sociogeosystem development output vector and be controlled by the social geographic monitoring system.

The essence of the key modeling methods applied is a mathematical model of the sociogeosystem trajectories development with the normalized Euclidean multidimensional phase space. Justification for this choice of mathematical tools for the analysis are the process monitoring results. The normalized space forms a hypercube with unit edge length. This cube main diagonal connects the point of origin and point-maxi-formal development where all the coordinates of one. It is the shortest distance traffic of the process to the projected final (current) stage from its initial state, and therefore it is considered as the optimal development trajectory of the process. The optimal trajectory development is useful as a standard optimal development against which compared the actual trajectory of a given process. In common case, it would be enough to define two parameters: the projection of the vector on the optimal trajectory development and deviation point of this process development from the optimal trajectory development. If the deviating is considered as a critical one the urgent managing correction is necessary, so that to bring together the actual process trajectory and its optimal one.

The component analysis of the output vector of the geosystem development means the dynamics definition for each monitoring parameters in comparison with the former managing phase by calculation of its temporal deviations. Then these temporal deviations are coded by following values: zero one (a parameter has not been changed), code 0; positive (a parameter has become larger), code 1; negative (a parameter has become smaller), code – 1. The sociogeosystem dynamics classification are provided on the base of the temporal definition code sum for some definite period of time.

Among all methods and approaches mentioned above due to the regional innovative-investment potential estimation the urban geosystem concept possesses some significant place. Our book introduces both some details of its theory, and few examples of its practical applications. One paragraph of the book recognizes this conceptual research approach concerning the GIS-tools of urban data geoprocessing, modeling and visualizing on the base of either monitored urban data, or data extracted by remote sensing. A strong spatial aspect of the urban research implies the GIS tools involvement, what has been considered in details. Two levels of the urban geosystem entity have been introduced - an external level (a set of cities), and an internal one (a set of parts for an individual city). The necessity of presentation of urban data reliability needs to be coupled with a powerful GIS-technology in the strategic urban study goal: various data integration and visualization for the aims of a given city potential and its competitiveness research. It is accepted that the spatial hierarchy of urban geosystem can be abstracted as three main constituents: a set of point objects, which contain attributes of a single city; a set of line objects, which indicates the interaction patterns that exist among the cities; a set of areas, which indicates the city impact on the territories nearby. Such urban geosystem understanding completely coincides with the GIS basic object outline of a point, a line and a polygon. The algorithmic modeling consequence, which unites the geographic «gravity» model and a GIS model of an urban geosystem, has been built within the introduced framework. The regional examples of both external, and internal urban geosystem modeling have been introduced. As far as an internal urban geosystem is concerned, this introduced in the paragraph approach has been employed for the architecture dynamic analysis of this system, what can be considered as the reliable indicator of the investment attraction of a whole city or its separate parts. The GIS-interface and specialized original software functionality have shortly considered in the mentioned respect of the urban geosystem analysis for the regional competitiveness research.

As it has been repeatedly mentioned above, the innovative-investment activity is both a base and a spur of the territorial competitiveness conditioning. The innovative-investment potential of a territory (a region or a regional sociogeosystem) cover all its resources, which can be applied for the innovative-investment activity and for enhancement of this territory competitiveness. It is appropriate to apply for the relevant estimation, firstly, the local rating ratios and, secondarily, the summarized weighty ratio, by which the sociogeosystem classification can be conclusively completed.

One variant of the trend-analysis variety – the method of IFI-modeling has been applied for defining spatial connections among social geographic entities (sociogeosystems). The general surface of interactions is modeled and is further interpreted as the surface of the competitiveness conditioning. This surface has to be divided for the spatial and the attributive components, which reflect two different details that expose two different sides of the territorial competitiveness conditioning process. Upon the consequent increase of the impact radius it is possible to obtain different summarized surfaces, which would mirror main details of the territorial competitiveness conditioning process.

Kharkiv region in comparison with other areas of Ukraine possesses the powerful territorial potential, which is a substantial factor of the regional competitiveness enhancement. Our region has a huge natural resource potential with the leading place of productive land resources. There are the strategic natural gas reserves, according to it Kharkiv region possesses the first place all over Ukraine. The region has the high human potential of high educational and qualified level. Nonetheless, the subject of concern is the negative demographic trends, first of all, in rural areas.

Kharkiv region possesses the leading place in the engineering and productive industry among other region of Ukraine. It is, first of all, the diversified engineering, food industry, gas industry, building materials industry. The consequences of the contemporary political and economic crisis are the negative trends and transformations in the industry, the simplification of the industrial structure, loss of the specialized branches of industry, first of all, within the peripheral counties of the region.

The regional agriculture plays the crucial performance in food supply to this highly urbanized region. The agricultural farming generates new working places, it is the strategic sector for rural areas, which highly contributes to the regional periphery. There are well-known trends in the agricultural composition – the crop sector increase up to three-quarters of the whole volume of the agricultural production and diminishing of cattle breeding and pig breeding. The current conditioning of the monocultural agricultural specialization generates risks, since it put agricultural manufacturers in dependence of the existing external and internal market conditions.

The developed transportation system and high transport accessibility of Kharkiv region is one more key factor of its high competitiveness. The branched transporting network had been earlier formed due to the advantageous position of the region and its preferable transition significance (the intersection of the

international paths «the North – the South» and «the West – the East». High industrial level and high urbanization degree have contributed the regional transportation efficiency too.

The economic structure of Kharkiv region exposes the accelerated increase of the tertiary sector – the services recently. It may testify about the regional development innovative vector enhancement. Nonetheless, the development of the services sector is not accompanied by the same process of the productive sectors (industry and agriculture), but often the services development takes place due to decrease of productive sectors. Thus the services sector play the compensative performance upon the structural reconstruction of the regional economy.

Our region is remarkable by the high level of its social sector. This sector may play the determining role in the regional competitiveness conditioning. According to the general level of the social sector, and in particular its educational-scientific segment Kharkiv region loses to the country capital – Kyiv-City only. Nonetheless the problem of the educational-scientific potential implementation is highly drastic one mostly due to contemporary unstable social-economic development of Ukraine.

Kharkiv region possesses one of the leading places in Ukraine according to generation and application of the innovative-investment potential. It took the third place in the investment effective usage competition in 2015 of according to thirty eight parameters of innovative and investment activity (all form the final integrated parameter), while lost only to Kyiv and Deniproperetrovskiy region. Our region possesses the second place in the innovative effective usage competition, having lost to Kyiv only. It also took the second place in the summarized competition of the effective usage of both innovative and investment potential (having lost to Kyiv). The investment effectiveness of our region – one of the highest ones in Ukraine: the first place in the first quarter of 2016, the second place in the second place of 2016. This fact proves the effective investment policy in the region. At that very time the investment attractiveness of Karkiv region is quite average – the eighth place over whole Ukraine in 2014. It became even worth due to the war in the East of our country. Much more strengthened role the region plays according to the innovative potential. The region took the first place in Ukraine according to the region competitiveness index in 2013 on the base of summarized innovative activity, while Ukraine possessed 47-th place among 50 the most innovative countries all over the world in the same year.

A number of factors directly affect the innovative-investment potential both conditioning and applying. These factors are the legal ones, economic, politic,



environmental, etc. Provided factor analysis according to 87 demographic, social, economic, and environmental parameters bounded to Kharkiv region in 2015 has demonstrated that the most powerful impact on the innovative-investment potential proceeds from social-economic factor, factor of settlements, trade-housing factor, and social-demographic factor.

There are some peculiarities in the current state of the foreign investment activity depicted with the analysis provided. First of all, the negative trend was examined in 2013-2015. There is also the extremely high partial weight of French capital in allocations, insurance, and financial activity throughout the region. The last (but not the least) negative issue can be characterized by the skewed concentration of the direct foreign investments in Kharkiv only, and almost all French investments are normally directed to the issued/equity capital of the UkrSibBank .

The national investment trends of the capital investment are quite common for Kharkiv region too. The drastic decrease of investments was observed twice in recent years – upon the world financial crisis in 2008-2010, and during the war in the East of Ukraine in 2012-2014. Predominance of own funding for the firms, institutions, and the enterprises in the structure of capital investments can be outlined as the key feature. Most of these funds are normally transferred into the manufacturing industry and in the social sector. Just in this way the volumes of investments significantly increased in the education, the health care, the social security.

The innovative activity in Kharkiv region demonstrates several distinguishing features. The negative dynamics for the absolute figures, and the positive dynamics for the relative figures both can be observed during 2013-2015 within increasing efficiency of the investment activity in the region.

Kharkiv region has a quite developed innovative infrastructure presented by the row of independent institutions and by several tens of specialized subdivisions that belong to industrial and research enterprises and institutions. Technological and scientific parks make the innovative infrastructure in the region up in 2016. Probably the second place is possessed by the innovative business-incubators and by the innovative centers. The innovative clusters and venture capital trusts are also among the leading institutions. Besides all mentioned above there are quite a few planning initiatives intended for creation of new innovative institutions in the region.

The innovative infrastructure of Kharkiv region contains in 2016: the regional subsidiary of Ukrainian Association of Investment Business – LLC «FK Investa»;

69 institutions of joint investing; 18 companies of asset management; 2 non-governmental pension funds; 47 bank institutions with the networks of departments. There are also other tens of investment, insurance, financial, leasing, consulting, capital issues, auditing service, engineering and valuating services.

The regional management of the innovative-investment activity in Kharkiv region is completed by Kharkiv center of investment and development.

The substantial intraregional differences in the investment attraction and in the innovative activity in Kharkiv region has been determined with cluster analysis, ranging, and IFI-modeling as the social geographic features of the innovative-investment conditioning in our region. Understandably Kharkiv-City and its neighborhood has the largest innovative-investment potential covering 80-90% parameters of investment and innovative activity in the region. The innovative-investment activity out of Kharkiv and its neighborhood is also quite differentiated and it is a subject of the region center impact. This impact causes forming the innovative-investment activity axis over the nearest industrial-rural counties (Dergachivskiy, Chuguevskiy, Pechenezskiy, Zmiivskiy, Vovchanskiy). However the peripheral counties of drastic depressiveness mainly provides a servicing farming function, therefore they are not potentially innovative and active due to investments. The trends mentioned are crucially important and require optimizing measures for overcoming depression of many peripheral territories in the region. One way of reaching this is the allocation in depressive counties innovatively active enterprises potentially attracting for investors. Accelerated growth of powerful agro-firms and small rural farm also contributes to this problem decision.

Main features of the Kharkiv region competitiveness have been determined with the multidimensional analysis. It has been outlined that the general developing trend of the competitiveness is negative for the whole examined period, while single phases of the progressive development can be depicted too. The majority of Kharkiv region counties do not expose any stability in the competitiveness conditioning. All cities and counties represent some interchange of both progressive and regressive development, what does prove the instability of the political and social-economic situation in whole Ukraine. The competitiveness conditioning models and the competitiveness development vector analysis prove that Kharkiv region is the striking example of a region with the monocentric model of spatial development. This monocentric model represents a region with the exaggerated role of a region center and with derivative sharpness of the problem row, which accompany the structure of the «center – periphery» model. A region

that corresponds to such a model shows with great probability deep territorial disproportion of the social-economic development and sharp decrease in conditioning of competitive territories. From another side, Kharkiv region can be represented as a «smart-region» on the base of complex modernization and innovative development of all economic sector. That provide the high value-added, high energy-efficiency, «green economy» conditioning, population social security provision, etc. Therefore, just the innovative-investment development of Kharkiv region is one of the key issue of its competitiveness conditioning.

The regional competitiveness is not only the base of the social-economic development for a region, but also a key constituent the competitiveness enhancement of the national economy. The book authors accept the priority of the innovative vector in the economic development, while the key assumption in this concept is that one according to which the innovative-investment potential acts as the base for the feature of competitiveness. In our opinion this research of the regional competitiveness contributes to the effective solutions of social-economic problems in Ukraine and through its regions. Surely, the results represented in this book do not highlight all aspects of the regional innovative-investment potential as the base of the regional competitiveness. Additional interdisciplinary research is quite necessary, that would apply all research theoretical and applied tools from many relevant subject areas. This would contribute to research covering of a whole variety of this phenomenon features, what may assist in validation of the ways of both regional, and national competitiveness enhancement in Ukraine.

This book authors do believe that both practical implementation of the theoretical research approach introduced, and additional consideration of most applied results presented would contribute to more efficient integration of Ukraine into European and World social-economic space and secure respectable competitive advantages in this space for Ukraine.