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ANALYSIS OF CONSTITUENTS OF ECONOMIC POTENTIAL OF REGIONS

ABSTRACT

Development of the region is based on the creation of favorable conditions for the life of the population. Under normal market conditions the successful implementation of the strategic directions of the regional development largely depends on the efficiency of its potential. Potential is formed under the direct influence of internal and external environmental factors, guiding region to achieve long-term development goals in line with current resources.

The economic potential of the region – The capacity of the region, its businesses and individual entities to determine, form and provide the most efficient way to meet social needs during the interaction with the environment and the rational use of resources to promote economic growth, social welfare, increasing environmental and economic security of the region and the country as a whole. It describes the ability of a society to produce goods and services, provide expanded reproduction to meet consumer needs and improve quality of life. Economic potential is a complex of interrelated capabilities.

Natural resource potential – a combination of natural resources and natural conditions that are in certain geographical boundaries and provide enjoyment of

economic, environmental, social, cultural, recreational and aesthetic needs of man and society "[8].

Management of natural resources of the region is based on the principles of consistency, complexity, optimality, synergism and self – renewal.

The employment potential is the amount, structure and quality of labor, characterized by skill level and education of workers. Managing labor potential is mainly through economic methods taking into account demographics of the region.

The industrial potential of the region has a specific valuation and operates various forms of productive capital.

The financial potential of the region can be divided into two groups. The first group considers the financial potential of the region without resource component - as tools that may be involved in the budget, as well as those that can be invested in economic development of the region. Second, describing the financial potential of the region, focusing attention on the resource component.

Investment potential – is the use of the economic potential of the country (region, businesses) to implement the intentions, the needs and expectations of the investor [10].

Social potential should be understood as the level of civic awareness and social maturity, attitude to work, values and needs in the workplace, based on the hierarchy of needs, and the degree of involvement and integration of workers in corporate culture.

Innovation capacity – is a set of different resources, including physical, financial, intellectual, information and other resources required for implementation of innovation [12].

Different historical heritages of Ukraine, regional institutional heterogeneity, which is the basis of mental-value differences and population respectively, socio-political interregional discrepancies may be factors of competitive advantages of the national economy in the promotion of the information society.

Feasibility assessment of economic potential and effectiveness of its use, identify strengths and weaknesses, identify possible alternatives to regional

development, taking into account the elements of the economic potential. All these will enable to form necessary decision-making in ensuring the effective use of economic potential.