The stimulii, which cause the modernization of the regional economy in modern conditions

The article singled out the causes that contribute to the modernization of regions in modern conditions. It has been determined that the modernization of the regional economy is a priority area of regional economic policy. The factors that influence the disproportion between the regions, which are the prerequisites for deepening the existing structural problems, are at the same time distinguished, creating potential opportunities and prospective directions for their solution both for the regions and for the countries as a whole. Among the reasons for structural modernization of the regional economy include: cyclical processes of the economic system; change of values in the system of consumer needs under the influence of mass social phenomena or achievements of scientific and technological progress; qualitative changes in the material and technical base of production under the influence of intensification of innovative processes; the impact of existing structural changes or structural changes that have occurred in the soap; the impact of market self-regulation processes on the situation of regional markets; informatization of global economic space, including space of regions; global tendencies towards liberalization of foreign economic relations between states and others.

**Keywords:** modernization, productive forces of regions, endogenous factors, development, theory, concept, economy of regions.

**Problem statement.** At the present stage of economic development, the necessity of solving the problems of modernization of the regions comes to the fore. However, due to the fact that the latest theories of development of productive forces and the regional economy based on empirical data confirm the emphasis on the productive forces of the regions and the basis of sustainable development on the
regional aspect. The use of internal potential and endogenous resources enables regions to more effectively use their benefits.

**Analysis of recent research and publications.** The concept of the deployment of productive forces and of the regional economy got its impetus many centuries ago, but recently the issues of modernization of the productive forces of the regions have become widespread. Among the authors of developers of theories of productive forces and regional economy should note the scientific achievements of J. Budville, A. Weber, M. Kolosovsky, V. Kristaller, V. Launhardt, V. Leontiev, A. Losch, V. Petty, F. Perru, W. Reilly, D. Ricardo, A. Smith, J. Thunen and others.

Issues related to the modernization of the productive forces of the regions are also widely covered in the national scientific works among the authors of which should be noted: O. Amosha, B. Burkinsky, M. Butko, S. Vovkanych, A. Vlasyuk, V. Heitz, B. Danylyshyn, M. Dolishny, I. Dunaev, V. Kulishov, P. Lyubchenko, Y. Makogon, M. Mikhalchenko, M. Pashkevich, S. Pirozhkov, S. Romanyuk, V. Sidenko, V. Symonenko, I. Storonyanska, S. Tulchynska, V. Chuzhikov, S. Stefan, S. Schultz and many others.

Despite the scientific search for scientists, it should be noted that the issues of structural modernization of the economy of the regions due to endogenous resources remain underdeveloped and require further research, including, in part, to substantiate the theoretical and methodological basis of modernization of the regional economy.

**Formulating the goals of the article.** The purpose of the article is to substantiate the theoretical and methodological base of the study of the development of economies of the regions. To achieve which the article was: the role of regions in the world economy has been determined; the endogenous factors of the modernization of the productive forces of the regions were singled out; identified the reasons for the urgency of actions aimed at modernizing the regional economy.

**Outline of the main research material.** Modernization of the regional economy is a priority area of regional economic policy because it is capable [2, p. 65; 7; 5]: provide a more optimal vector for the development of the regional economy; to smooth out cyclical economic fluctuations and reduce recession; to promote the growth of the well-being of the population and meet its needs, etc.
The purpose of modernizing the regional economy is to achieve the goals of regions’ sustainable development and the state as a whole by improving the efficiency and competitiveness of the regional economy.

The modernization of the regional economy is based on the development of human potential and the innovative development of means of production.

However, today the modernization of the regional economy can not only happen due to this, but also requires the development of consistent strategic measures aimed at activation of endogenous factors of the regions, organizational measures for the introduction of more advanced methods of production organization, innovation and technological re-equipment of production in accordance with current trends and opportunities personnel, improving her skills. These factors, in their combination, are capable of providing a synergistic effect and driving the modernization changes of the productive forces of the regions.

The well-known theory of A. Amin and N. Trift [1] concerning the directions of socio-economic studies of regional development influenced the set of modernization aspects of the development of the productive forces of the regions. Institutional differences under the justification given in theory scientists determine existing in the country’s economic inequality. This creates an institutional environment, which determines the process of differentiation in relation to the creation of new technologies of regional and local opportunities.

Also, scientists have emphasized the value of “institutional density”, which is due to the density of interconnections between institutions, public organizations and society at large. Institutional density creates a public awareness of the collective local concentration of economic development [1]. At the same time, in those regions where the degree of institutional density is higher, the degree of social trust is also much higher.

In addition, the innovative orientation of the economic development of productive forces increases as a result of improving cooperative relationships, faster information sharing, reducing transaction costs, and reducing risks.
As a consequence, there is an innovation density – a derivative of institutional density, which causes the level of innovation orientation of the modernization of the productive forces of the regions and regional and local socio-economic development.

Also, it should be noted the work “Theoretical studies on the growth of regional consolidation” [3, p. 113-124] by B. Hettne and F. Soderbaum, who are supporters of the theory of social constructivism through which they have explored the development of the regions. Scientists analyze and explore the region as a consolidated and constructed structure as a result of the interaction of the community and the historically regular, long-lasting relationships throughout the prism of social constructivism.

In order to understand the essence of constructivism, one must understand the fact that political communities have been formed and constructed in a particular region with a certain period of time, and not brought from outside. The region is portrayed as a social construction that is characterized by a diversity of common interests, which is built up through internal regional interaction and identity. This determines the importance in the consolidation and constructivism of the distribution of knowledge, skills, ideological forces, institutional structures. Changes in the interests of the community, the emergence of new identities and new forms of cooperation contribute to the emergence of intersubject structures in the region.

Proponents of the theory of social constructivism are thus inclined to believe that the region is an adaptive, flexible formation that is formed by the community, has a special system of social values, which is represented as part of the objective reality and condition the productive forces development.

The modern paradigm of the countries’ development in accordance with the requirements of the new regionalism puts regional development at the forefront [6, p. 27]. In Ukraine, the asymmetry of development between regions in terms of social, economic and environmental indicators of sustainable development is increasing every year. This speaks again of the need for urgent action to modernize the economy of the regions.

Disproportions between regions are also affected by globalization challenges, which are prerequisites for exacerbating existing structural problems, while creating potential opportunities and perspectives for addressing them both for regions and for
countries as a whole. Geopolitical conditions of development of Ukraine and its European integration vector require qualitatively new approaches in the formation of key principles and directions of structural modernization of Ukrainian regions.

This and other causes the isolation of the reasons for the deepening of the asymmetry of social, economic and environmental development between the regions of the country in order to carry out effective measures and a prudent structural policy of enhancing the sustainable endogenous growth of the regions of Ukraine.

The reasons for structural modernization of the regional economy include:

- cyclical processes of the economic system (from small-scale economic fluctuations to global economic crises);
- change of values in the system of consumer needs under the influence of mass social phenomena or achievements of scientific and technological progress;
- qualitative changes in the material and technical base of production under the influence of innovation processes intensification;
- the impact of existing structural shifts or structural shifts that have occurred in the soap; the impact of market self-regulation processes on the situation of regional markets; informatization of global economic space, including space of regions;
- global tendencies towards liberalization of foreign economic relations between the states, etc.

The modernization of the regional economy with its inherent principles, approaches and instruments is carried out at the expense of the structural policy of the state, but each region, taking into account the available resources and potential, builds its own direction and determines the accents regarding the use of the structural modernization tools of the region, its directions and goals. At the same time, the structural modernization of the regional economy is a component of the modernization of the country's economy.

**Conclusions.** Therefore, regions are determined by the driving force behind the development of countries that are becoming major players in the global market in the current context of globalization challenges.

The conducted research makes it possible to point out that endogenous factors of modernization of the economy of the regions may be: small and medium-sized
enterprises; innovation activities and information resources; the density of interconnections between institutions; a system of social values that is presented as part of objective reality; regional clusters, etc.

Further studies require the identification of endogenous factors for the regions’ development of Ukraine in order to develop directions for their activation and use.

References


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