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GOVERNMENT POLICY TO SUPPORT CLUSTERS

Government policy to support clusters. The article presents the principles of government cluster in the present conditions of economic development.

Keywords: public administration, cluster, competitiveness.

INTRODUCTION

Today cluster approach became the important instrument of development of economic strategy in the countries with advanced competitive economy. Cluster strategy is under construction on identification of existing potential clusters, definition of degree of their competitiveness, measures for improvement of business climate and investment activity in perspective clusters. Development of a tourist cluster demands integration from its participants, from the state — support not separate business structures, and the projects realizing interests of all participants of a regional cluster. Application of cluster approach is at a loss lack of methodical development on research of tourist clusters and formation of a state policy of their support. Creation of such techniques will simplify and speeds up work of the state and local authorities on realization of cluster policy in regions of Ukraine.

An important role in formation of competitive advantages of various objects plays cluster systems. Due to a variety of structures and scales of clusters there is a number of approaches to their definition, creation and management [1, 2]. If to put an orientation of primary integration communications in a basis of their typology: vertical, horizontal, geographical, allocate: vertical production chains, industrial, innovative, regional clusters [3, 4, 5].

The cluster form of organizational activity leads to formation of a special form of an innovation — «a cumulative innovative product». Such innovation is a product of activity of several firms or research institutes which allows to accelerate its distribution on a network of interrelations in the Common Economic Space. The regional cluster created by the geographical principle is a competitive organizational form of territorial and hierarchical model of production with various levels of the localization, providing the maximum economic and social effect by means of minimization of taxes in comparison with similar branches [6, p. 160-167]. In spite of the fact that many scientific researches are devoted to problems of development of cluster systems, state regulation of cluster systems is insufficiently deeply studied and shined in economic literature.

PROBLEM DEFINITION

The purpose of this article is formation of the principles state on development of clusters. **RESULTS**

The cluster concentrates on external relations, interrelations, an exchange and institutes giving support that is so important for the competition. By means of association of firms, suppliers, related branches, service providers and institutes there is an opportunity to direct government and investment initiatives on the solution of the general for many firms and branches of problems without threat of violation of competitive fight. Thus, the government role in improvement of a cluster consists in competition encouragement, instead of its destruction. Focusing on clusters will encourage also creation of the public benefits that strongly influences many business spheres connected with their activity. The governmental investments directed on improvement of an economic situation in which there is a cluster, on condition of equality of other factors, can bring in higher income, than the capital investments focused on separate firms or branches or directed on economy as a whole.

The impression can be made that strengthening of a role of clusters aggravates unhealthy specialization in economy, but improvement of all clusters instead of an artificial choice among them helps to avoid it. Moreover, clusters act as powerful sources of origin of new fields of activity, and new clusters often arise already from the existing. Besides, presence of clusters is capable to facilitate the adaptation of local firms to changing economic conditions that reduces risk for local economy rather, instead of raises it.

In a broader sense clusters represent new, providing additional opportunities, a way of structuring and understanding of economy, the organization of the theory and practice of economic development, and also establishment of a state policy. Clusters show process in which there is a real creation of welfare by means of changes in economy, do competitiveness of more powerful, and the competition — effective. The ana-

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lysis which is carried out for a choice of economic policy, and the recommendation can purposefully be submitted for needs of business. Clusters create the mechanism for merger of companies, the government and local institutes for conducting constructive dialogue concerning improvement, and also offer the new mechanism for cooperation of business structures and the government. In this dialogue more widely outlined groups of business structures steadily gravitate to discussion of problems of the general economic situation, and also such questions as taxes, an exchange rate of currency, and also state the general discontent with an inefficiency of activity of the government. The government receives some useful information from such criticism. Dialogue between representatives of business and the government regarding certain branches brakes a productive exchange because participants show care in detection of the requirements and problems before competitors. Such discussions are often conducted round subsidies, protection against import, and also restrictions on conducting competitive fight. Contrary to it dialogues in which participants of clusters are involved, are deprived of similar difficulties as all participants are integrated together and their interests concentrate on common problems and communications between the relevant firms. Presence of suppliers and, rather often, consumers, helps to avoid attempts of suppression of the competition.

The policy of formation and development of clusters has to represent the directions, set of methods of influence of the state on functioning of the sphere of tourism for achievement of specific goals of increase of competitiveness of activity of the enterprises.

Formation of a state policy on maintenance of clusters has to be based on the following principles.

- 1. The principle of an advancing goal-setting.
- 2. Principle of state regulation of a cluster. The government has to form the concept of development of regional economy, target programs on economy development, both at the level of the state as a whole, and at the level of the region.
- 3. Creation of clusters on the basis of competitive advantages. The majority of clusters is formed irrespective of government actions. The government has to strengthen growth of available and arising clusters and to promote it, instead of to try to create absolutely new clusters. New branches and new clusters best of all arise from the already existing.
- 4. Formation of clusters on the basis of specialization. Efforts on development of a cluster have to go through achievement of competitive advantages and specialization, instead of through attempts of repetition of that already is present at other regions. It demands creation of clusters on local distinctions and sources of unusual advantages where it is possible, with their transformation into strong sides of this cluster. Specialization offers also possibilities of satisfaction of new requirements and market expansion.
- 5. Attraction of direct investments. Development of a cluster can be generated and amplify the connected investments. The most effective efforts on attraction of investments concentrate on attraction of a set of the companies working in one area, supported by parallel investments in specialized training, infrastructure, and also other aspects of a business environment. Injection of the large capital in a cluster will lead to self-sustaining growth. Also systematic efforts on improvement of local conditions are necessary. Such injection will increase growth rate of the average per capita income and will expand number of managing subjects businessmen who will provide the further growth of the average per capita income. Increase of the average per capita income increases consumer ability of the population and expands demand. Increase in demand becomes incentive of expansion of business activity that allows to expand and deepen initial multiplicative effect.
- 6. Principle of development of specialized factors. The economic policy of the government has to lead to increase of the general productivity at the level of microeconomics by means of increase of efficiency and quality of all-target investments in kinds of activity, and the relevant organizations. Activity of the government has to be directed on improvement of specialized vehicles, communications and other infrastructure. Such factors of production are necessary everywhere in economy and represent a basis on which all is under construction.
- 7. Principle of development of progressive factors. All clusters develop and become mature, and in process of shift of their competitive advantages the corresponding priorities of the government also change. At an early stage improvement of infrastructure and elimination of adverse conditions are priority. Further the role of the government consists generally in elimination of restrictions and obstacles to innovations. Researches showed that backwardness of tourist regions is connected with institutional conditions, in particular with low qualification of labor and backwardness of systems of national education and vocational training. Activity of the government must be directed on creation of specialized programs of training and retraining; creation of research work at local universities on development of the technologies connected with a cluster; support of collecting and the information processing relating to activity of a cluster.
- 8. Principle of interaction. Influence on productivity and directly comes to clusters for national borders. The joint management of transportation systems, power networks, and also coordination of

actions of the adjoining countries in other areas can positive impact on productivity by means of the mechanisms leaving far for a framework of Customs unions and free trade zones.

9. The principle of prevention of criminal, economic, financial, information expansion from separate public, economic groups. The government has to convoke conditions for effective interaction of firms, organizations, and also the relevant governmental agencies. To eliminate barriers to the local competition.

Improvement of clusters demands understanding of presence of a cluster with the subsequent removal of obstacles, overcoming of restrictions and the adverse effects weakening productivity of a cluster and its updating. Restrictions belong to human resources, infrastructure, and also have legislative character. One of them in various degree can be directed by initiatives of business owners, however others follow from policy of the government and the organizations and have to move forward the government. Improvement of clusters demands an exit in the general economic situation out of limits of improvements for an assessment and, in case of need, change of policy and the bodies influencing concrete concentration of the relevant firms and branches. The choice of competitive and effective option of strategy of management has to be based by a tourist cluster on a method of hierarchies. Creation of a tree of the purposes gives the chance of creation of a control system by a tourist cluster at different hierarchical levels of a cluster.

The first level — level of competitiveness of a cluster.

The second level — is presented by integrated indicators — competitive advantages of a tourist cluster: competitiveness of the country, the region into which the cluster enters; climatic, geographical, economic parameters of a tourist cluster; enterprise, innovative activity of a tourist cluster; level of compliance of parameters of infrastructure of a tourist cluster to the international and national standards; level of the international integration and cooperation.

The third level — represents generalizing indicators, components of indicators of the second level:

- competitiveness of the country, the region into which the cluster enters: stability of political and legal system of the country; share of gross domestic product per capita; optimum export; low inflation; debugged legislative system; low level of riskiness of economy; competitiveness of a manpower; flexibility of a financial system; dynamism of domestic market; lack of excess state debt; low tax and customs rates; low interest rates in the country; high culture of business in the country; high level of information support of a country government; active state support of small and medium business; etc.;
- climatic, geographical, social and economic parameters of a tourist cluster: existence of natural resources and favorable climate, advantageous geographical position of the country; high efficiency of use of resources; considerable investments in development of the person; high education of the population of the country; high life expectancy, low crime rate, etc.;
- enterprise, innovative activity of a tourist cluster: high specific weight of the competitive organizations and branch goods; strong competition in all fields of activity on the basis of knowledge; high level of radical innovations; competitive managers; qualitative information and standard and methodical base of management in branch; competitive suppliers; high efficiency of the organization of branch; considerable expenses from the state budget on research and development, etc.;
- level of compliance of parameters of infrastructure of a tourist cluster to the international and national standards: high quality of infrastructure of the markets and regions; harmonization of national system of standardization and certification with the international system; carrying out certification of production and systems; high level of integration within the country and within the world community, etc.;
- level of the international integration and cooperation: openness of society and markets, participation in the international organizations and associations; level of penetration of multinational corporation, etc.

The fourth level — private indicators: joint marketing by means of carrying out commerce and industry fairs and delegation of representatives; joint efforts with the government in advance of export of production; creation of directories of participants of a cluster; joint development of special curricula of vocational and technical training, training in colleges and universities; sponsoring of the specialized research centers at universities; collecting cluster information through trade associations; maintenance of close connection with providers of infrastructure for satisfaction of specialized requirements of a cluster; development of courses for managers on questions of the legislation, quality and management; cooperation with the government in development of legislative norms and their changes, directed on encouragement of innovations; creation of the local organizations of quality control and standardization; creation of trade organization based on this cluster; support of formation of local suppliers and attraction of local investments from the suppliers who are based in other places, by means of individual and collective efforts.

The fifth level — the factors influencing partial indicators: competition force at the exit system; competition force on a system entrance, among suppliers of raw materials and other components; competition force among goods substitutes; emergence of new requirements; level of the organization of production, work and management at intermediaries and consumers of the goods released by system;

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activity of contact audiences; patentability of a design of a product; rationality of organizational and production structures of system; competitiveness of the personnel of system; progressiveness of information technologies; progressiveness of technological processes and equipment; scientific level of a control system; validity of mission of system; level of demand etc.

Priority of national interests, increase of economic efficiency is one of the main bases of state regulation of cluster systems. At realization of cluster approach of development of regional economy before authorities there is a need of transition to essential changes in economic policy. It is necessary to allocate the directions of a state policy which will stimulate formation and development of clusters within region economy: realization of a package of measures on development of the market, competition, the main and supporting branches; creation of necessary infrastructure. Researches which were conducted by us in AR showed that without the state intervention business isn't able to invest in infrastructure objects of economy effectively; ensuring effective strategic planning of social and economic development of the region; formation of favorable investment climate in the region; formation of a package of measures on stimulation of development of clusters; improvement of quality of life of the population of the region.

CONCLUSIONS

The above-stated directions of a state policy in the sphere of a clustering cause a number of concrete actions in the sphere of increase of efficiency of the state administration of a clustering of economy of the region:

- improvement of system of the public and corporate governance in branches of economy and the social sphere of the region;
- expansion of practice of use and increase of efficiency of a program goals management by development of branches of economy and social sphere;
- increase of efficiency of use of public finance at the expense of realization of the principles of the budgeting focused on result;
- introduction of new mechanisms of administrative regulation and management, relationship with local governments;
- creation of agencies (institutes) of the regional and municipal development the main functions of which is implementation of monitoring and the analysis of economic development;
- creation of special economic zones (industrial and production, technical, tourist and recreational), promoting economy clusterings;
- improvement of standard and legal base (system of strategic management of edge, support of innovative and investment activity, labor and land relations, social sphere etc.)
- trust establishment between business and the power on the basis of the private and state partnership, development of its mechanisms at regional and local levels, including at implementation of infrastructure projects, at creation and development of special economic zones and technology development parks. Implementation of the program of formation and development of clusters in region economy with participation of public authorities will allow to increase essentially efficiency of regional development and competitiveness of regional branches of economy. Besides, economic development will cause considerable improvement of social indicators that will positively be reflected in quality of life of the population of the region.

REFERENCES