

TRENDS AND PATTERNS OF THE IMPACT OF THE ECONOMIC POTENTIAL IMPLEMENTATION ON THE DEVELOPMENT OF REGIONS IN THE CONDITIONS OF THE CREATIVE ECONOMY FORMATION

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Abstract

The article is devoted to the identification and study of the leading trends and patterns of influence of the realization of economic potential on the intensification of the development of the regional space in the conditions of creative economy formation. The article identifies and characterizes the stages of transformation of the content and main components of economic potential based on the study of socio-economic development trends, which were accompanied by the transition from pre-industrial to industrial and post-industrial development. It is proved that the economic potential has gained new significance as a result of the established transformations, and it is found that against the background of the importance of the natural component of the potential during all selected periods, there are new elements and their significance in modern conditions. It is established that in the process of forming and exercising influence on the intensification of regional space development, economic potential as a complex system containing a number of elements and connections between them, acquires such properties as a synergistic effect, and feedback is established, without whose effective existence is impossible.

Keywords: *economic potential, economic development, regional space, region, creative economy.*

JEL Codes: *R10, R11, R19.*

Introduction

The modern development of our state is accompanied by a significant impact of globalization and integration processes on all components of public life, the processes of decentralization of power. Modern challenges form new steps in the development of social

relations on the basis of post-industrial development, which consists in intellectual and innovative, informational, knowledge-based direction of economic development. In this context, the concept of creative economy acquires special significance for the realization

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of the economic potential of regional economic systems and the economy as a whole. Creative economy is based on the creative potential of the individual, making non-standard new decisions that can provide a positive result. The application of the concept of the creative economy formation allows to increase the added value of economic systems, expand their potential, intensify development.

Activation of the development of regional economic systems in the conditions of the creative economy formation requires identification of their opportunities and strengthening of competitive advantages. Among the leading moments of this process should be noted the realization of economic potential, which is the key to successful restructuring of regional economic systems and intensification of regional development. The formation and application of economic potential of the region is the basis for the development of regional economy in the creative economy, the degree of which depends not only on improving economic performance, welfare, but also, above all, improving organizational and economic, market processes and mechanisms, which is the introduction of the latest methods of organization of production, entrepreneurial activity, which are adapted to the transformation processes.

The purpose of this article is to substantiate and highlight the theoretical and methodological trends and the main patterns of influence of the realization of economic potential on the development of regional space in the conditions of creative economy.

Literature review

The following leading scientists have devoted their research to the study of the impact of the realization of economic potential on the intensification of the development of the regional space: Derhaliuk M., Fleischmann K., Gasparin M., Gazzarin C., Herat S., Avhustyn R., Kholiavko N., Niembro A., Pártlová P., Parvin A., Popelo O., Raszka B., Savin S.,

Tulchynska S., Vaganova L., Zwolak, J. and others.

In the study (Raszka, B. et al., 2021), the authors assess the social, economic and environmental potential of cities and municipalities of Walbrzych County. As a result of the study, the decisive factors in the development of the region's potential are the creation of new jobs, the provision of appropriate living conditions and services, as well as various sports and tourism. Researchers (Niembro A. et al., 2021) studied the sectoral production structure of the regions, the level of functioning of each sector, regional labor mobility and the potential for remote work between sectors.

The scientific work of scientists (Herat S., 2021) is devoted to the review of business and economic potential of e-waste recovery in the countries of the Asia-Pacific region. The main task of the researchers (Gazzarin C. et al., 2021) was to quantify the economic potential of milk production strategies in the pre-Alpine region. The article finds that the decisive role is played by the consistent implementation of production strategy, as well as personal qualities in terms of cost management.

The aim of the article (Pártlová P. et al., 2020) is to develop a new approach to determining the economic potential of rural areas on the example of the South Bohemian region in the Czech Republic. The basis for the analysis of the economic potential of the region, the authors identified a complex model consisting of four submodels.

The article by British researchers (Gasparin M. et al., 2020) is based on the fact that regional innovation systems have become a political panacea for countries seeking to develop their economies. The authors proposed a model that includes creative aspects that will contribute to the development of bottom-up policies in countries with economies in transition.

Scientists from Australia (Fleischmann K. et al., 2017) argue that innovative technologies contribute to regional

development. The authors investigated that creative industries have a strong potential for regional economic development.

The study (Zwolak, J., 2019) examines the regression dependence of sold new and significantly improved goods on the flows of real and human capital in Polish industry. It is proved that the level of innovative development of industrial regions is influenced by the level of technology transfer and rational use of human capital.

American researchers (Parvin A. et al., 2020) have argued that innovation has a significant impact on the efficiency and speed of creative decision-making. The authors of the article analyzed the components that allow predicting the rate of spread of technological innovations using partial diffusion data.

Despite the numerous scientific developments on this topic, issues related to trends and patterns of influence of economic potential on the intensification of regional space in the creative economy are not sufficiently considered, which requires further study and analysis.

Methodology

The methodological basis of this work were general scientific research methods and special methods based on modern scientific principles. This study used historical, logical methods, methods of induction and deduction, methods of systematic and comparative analysis to study the evolutionary processes of formation and application of economic potential in the formation of creative economy and the genesis of economic category "economic potential"; identification of subsystems and characteristic aspects of economic potential; elucidation of leading trends, identification and classification of factors influencing economic potential on the intensification of regional space.

Results

Economic potential is a complex characteristic of development, which combines significant management aspects in the current conditions of transformational transformations of the domestic economy, its adaptation to market conditions. Reproduction of potential takes place against the background of increasing both internal and external competition of territories, the restructuring of which is accompanied by market changes, the development of innovation and technology.

The economic situation of our country and its regions, its position in the world will depend on the realization of economic potential, the level of involvement of its intellectual component, which is able to produce new knowledge and ideas and turn them into innovations. Under such conditions, both theoretical bases and practical aspects of determining the impact of the use of economic potential in the context of the formation of a creative economy on the intensity of regional development are of interest. Therefore, it is necessary to investigate the change in the understanding of the concept, nature and components of economic potential during different periods of economic development. The categories "potential", "economic potential" is not constant, they are transformed depending on the qualitative and quantitative characteristics of social processes, as well as new features, values and traits that appear in the process of evolution (Table 1).

Therefore, Table 1 shows that the economic potential of the region in the course of evolution has acquired a new meaning. The basis of life and source of development during all evolutionary stages was and is a natural component of the economic potential of the region, each stage was accompanied by an understanding of the use of new resources and factors of their activation under rational use.

There is an increase in the importance of such new components of potential as information, innovation, creativity, etc., as well as increasing the complexity of those already used. Such

directions of development indicate the need to systematize the work on economic potential and its impact on the intensification of the regional space in the formation of a creative economy.

Table 1. Evolutionary processes of formation and application of economic potential

Stage of economic and social development	Characteristics of the stage and its trends	Leading components of development
Pre-industrial	The emergence of a productive economy based on the use of obvious natural resources, which took place against the background of the development of the division of labor. Existence of a significant level of dependence on the potential of geographical location. Origin and use of machinery, mechanisms, machine labor, etc. in the background of which the development of production and industrial potential was observed.	Natural, geographical location
Industrial	Significant changes in economic potential, in particular, the rapid development of productive forces, the emergence of new industrial spheres of activity, accompanied by social transformations (the emergence of new social classes and groups, structural and component restructuring of the population, etc.). Increasing the use of natural resources, which has led to transformations in natural potential	Industrial, production, infrastructure
Post-industrial	Development of science-intensive areas of activity, focus on resource-saving industries and technologies, introduction of information and digital systems and technologies.	Intellectual, informational, communicative, innovative, creative

**Source: generated by the authors.*

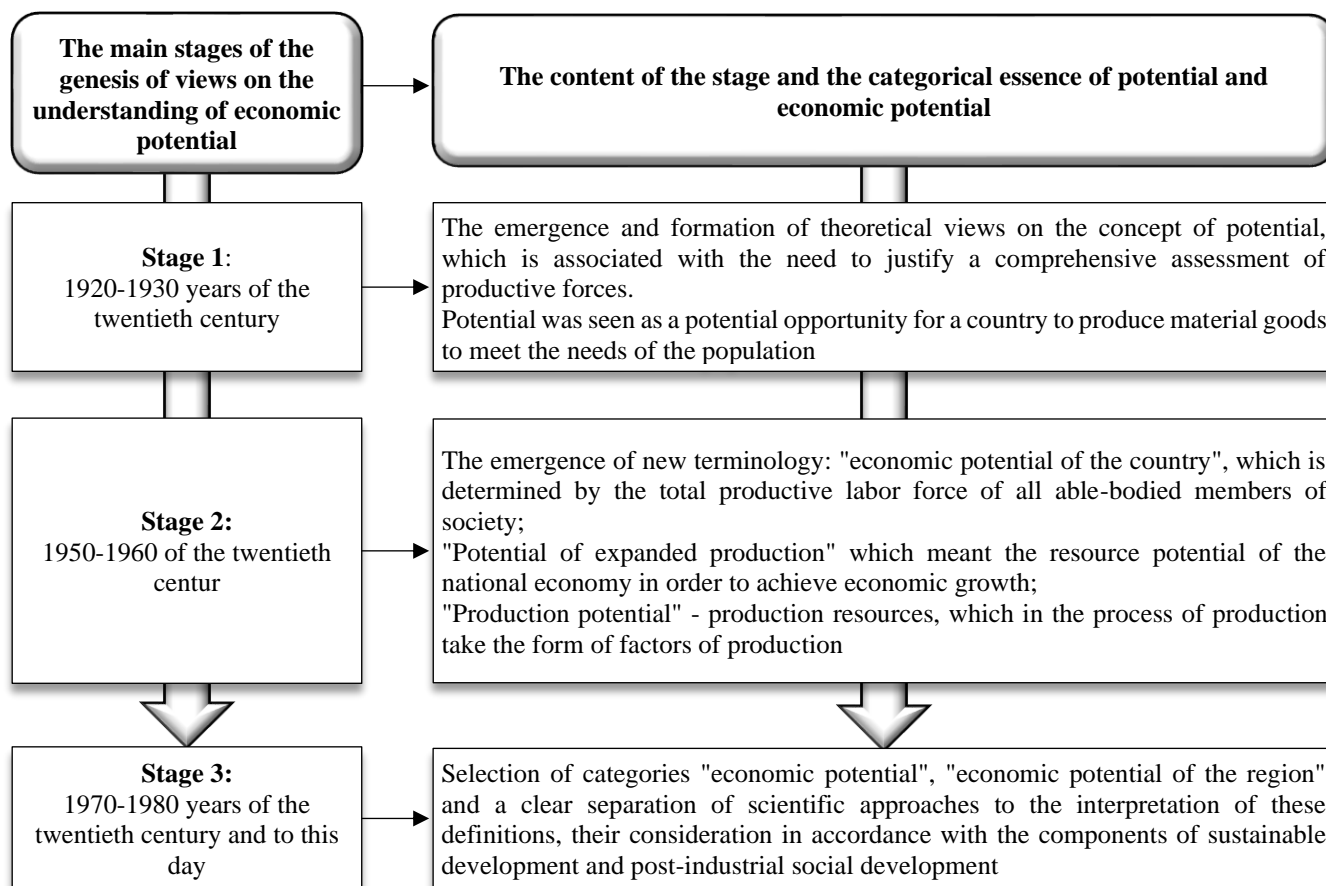
The existence of different views on the interpretation of economic potential is due to the complexity and ambiguity of understanding its essence and the development of economic ties and relations, which requires the study of these aspects. The genesis of the economic category "economic potential" is a complex integration process of its development, which includes a long period of time, diverse scientific approaches and concepts that form the categorical nature of economic potential in different periods of time (Fig. 1).

In modern conditions, the development and realization of economic potential of the region in the creative economy is in three main directions: economic, social and environmental and is accompanied by efforts to achieve their harmonization and balance to improve welfare and quality of life and improve socio-economic development. In this case, each of the above

areas of the impact of economic potential has a qualitative characteristic and is measured by quantitative indicators, the implementation of which is based on scientifically sound principles of achieving a balance between economic, social and economic spheres.

Among the main patterns of influence of the realization of economic potential on the intensification of the development of the regional space in the conditions of formation of the creative economy should be noted the following:

- production specialization;
- complexity of actions and processes;
- relative independence;
- sustainability;
- social orientation;
- managerial conditionality;
- creative orientation.



*Source: developed by the authors.

Figure 1. Formation and development of the economic definition of “economic potential”

The process of formation and realization of the economic potential of the region is also influenced by such general economic laws as: sustainable development of productive forces; territorial division of labor; coordination of interests; scientific organization of management.

At the same time, the law of sustainable development of productive forces occupies a leading place, as it is based on the formation of a strategic vector of socio-economic development of the region, based on the available economic potential. Manifestation of this law is the strengthening of the social component, modernization of the economic system in accordance with the new socio-

economic conditions, preservation of the environment.

When considering economic potential as a set of components such as economic, social and environmental, which in turn consist of a number of potentials, its development and impact should not be considered as just the sum of these potentials, due to the emergence of complex systems such a synergistic effect. Consequently, it arises from the interaction of the components of the system and can not be manifested in any of them separately, while the economic potential of the region in the formation of a creative economy can be much greater than the sum of the potentials of its components. Under such conditions, feedback appears as a necessary

condition for the effective functioning of a complex system (Fig. 2).

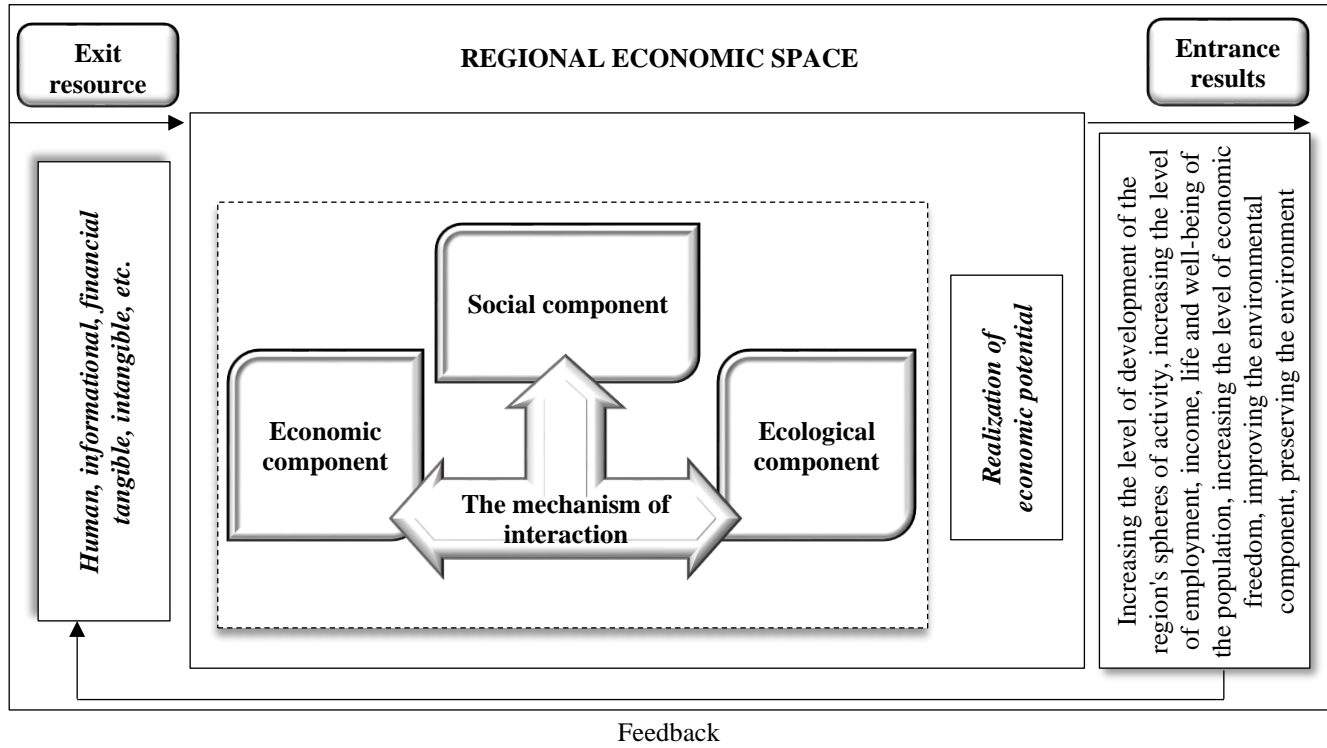


Figure 2. Economic potential and its impact on the intensification of regional space in the creative economy

**Source: developed by the authors.*

Thus, the economic potential (EP) of the region is a function of economic (Ec), social (S) and environmental (En) components:

$$EP = f(Ec, S, En). \quad (1)$$

In turn, economic, social and environmental potentials are not a simple sum of potential components, which allows to obtain a synergistic effect, especially when using the creative potential of regions, which allows to make new non-standard effective management decisions, more efficient use of existing resources and potential opportunities. regions. The components of the potential are determined by the formulas:

$$\begin{aligned} Ec &= \sum_{i=1}^n k_{Ec} I_{Ec}, & S &= \sum_{i=1}^n k_S I_S, \\ En &= \sum_{i=1}^n k_{En} I_{En}, \end{aligned} \quad (2)$$

where k_{Ec} , k_S , k_{En} – weighting factors according to the economic, social and environmental potentials of the components of the economic potential of the region.

I_{Ec} , I_S , I_{En} – indicators of economic, social and environmental components of the region's potential, which are determined depending on the selected indicators and are determined by regression-correlation analysis.

As a result, we obtain the following functional dependence of the economic potential of the region:

$$\begin{cases} \frac{dEP}{dt} = \frac{dEc}{dt} + \frac{dS}{dt} + \frac{dEn}{dt} > 0, \\ \frac{dC}{dt} \geq 0. \end{cases} \quad (3)$$

where C – creative potential of the region.

It should be noted that the development and impact of the realization of economic potential on the intensification of regional space in the creative economy is characterized by a certain uniqueness, uniqueness, and therefore this process will be based on its features.

The ability of economic potential to influence the intensification of regional development in a creative economy should be seen not only as its ability to improve the quality of the population, but also as a system capable of creating new levels of strategic growth. This goal should be implemented taking into account the permanent changes in the external environment and its uncertainty, as well as clarifying the place and role of economic potential in the process of sustainable development.

Conclusions

Thus, the article based on the study of evolutionary processes of formation and use of economic potential in the formation of creative economy, as well as the genesis of this category found that it has acquired a new meaning and significance. At the same time, there is a transformation of the structure of economic potential, in which against the background of the constant importance of the natural resource component, new elements appear, such as informational, innovative, creative which in modern post-industrial stages of socio-economic system directions and tendencies of its influence

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on intensification of development of regional space.

The application of a systematic approach to clarify and study the impact of economic potential on the intensification of regional space in the creative economy in the framework of this study allowed to identify such leading aspects and subsystems as: management, which includes the activities of governments at the regional level, and which should be aimed at generating an adequate to modern challenges and trends management system, and accompanied by comprehensive (methodological, legal, resource, etc.) support; target, aimed at intensifying the development of regional space in the formation of a creative economy; managed, which includes various areas of activity.

The research conducted in the article made it possible to present economic potential as a complex system, which is a set of interconnected components such as economic, social and environmental, the interaction of elements of which creates a synergistic effect and establishes feedback. At the same time, the impact of the realization of economic potential on the intensification of regional development in the conditions of creative economy depends on its unique properties and features, as well as the ability to adapt to permanent changes in the environment.

Further research requires the development of mechanisms and tools to enhance the formation of the creative economy, as well as assess their impact on the effectiveness of regional economic systems.

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