

Chapter 11.

REGIONS OF BELARUS: COOPERATION POTENTIAL

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ABSTRACT. *The article describes the features of the regions of Belarus. Analyzed the regional differentiation of Belarus and Minsk. Calculations prove that the least differentiation of regions of Belarus has developed on the level of industrial and social-demographic development, that is caused by a leveling policy of creation of an industrial-economic complex of Belarus (which originates in planning of allocation of production factors in the USSR) and the social-focused development of during transformational and a post- transformational periods. The regional differentiation in such directions, as business development in regions and level of their innovative development is most sensitive. The highest enterprise potential is shown in Minsk and Minsk region, innovative potential is also shown in Minsk and Gomel region. On the level of industrial development Minsk, the Grodno and Vitebsk regions gain leadership. on level of social-demographic development – Minsk and the Grodno region are taking the leading position. The three of the most developed regions are Minsk, the Minsk and Grodno regions. The least developed region is the Mogilev region. Systematized the results of expert interviews with specialists of state and regional government of Belarus on the prospects for the development of entrepreneurship and innovative regions.*

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Introduction

Belarus is not only a neighboring state for the Poland but also an important partner. In terms of the European integration and strengthening of globalization processes in the world there is a necessity of deeper analysis of possibilities and prospects of development of the cooperation that is favourable to both countries. However, the efficiency of the given cooperation in many respects depends on understanding of the purposes and guidelines of the development of each partner, knowledge of potential and prospects of the cooperation. The universal trend of modern social and economic development is its non-uniformity. It is shown in formation and reproduction of stable regional distinctions. Increasing processes of globalization assume that subjects of internationalization of the world economy appear to be not only national economies or institutions, but also regions within each country. And owing to specificity of the industrial-economic complex generated in them, the territorial arrangement, the accumulated potential, regions show various degree of social and economic development. In these conditions the assessment of potential of region for a substantiation and working out of measures of its development becomes the task for the bodies of the central government of each country as well as for regional government bodies. This task has become

especially actual in connection with escalated competitiveness and world financial and economic crisis which has caused necessity of revision of development guidelines of the regions assuming innovative, socially and environmentally focused development. Thereupon designing of a uniform technique of assessment of development of regions of neighbouring countries represents scientific and practical interest that will create a basis for definition of perspective trends of cooperation of interested subjects.

Recently the number of research on both regionalistics and a problem of assessment of potential of subjects of all levels of economic system (macro-level, micro-level and regional) has considerably increased. Recognizing obvious value and importance of already received results, it is necessary to recognize, that problems of assessment of regions' potential still remain debatable, and the possible spectrum of actions for regional development and increase of competitiveness of regions is constantly improved and supplemented.

Assessment of a level of development of regions of Belarus

According to administrative territorial division, there are 7 territorial units in the Republic of Belarus – six regions and the city of Minsk (*table 1*).

Table 1. Administrative territorial division the Republic of Belarus for January, 1, 2010

Region	Population, ths of people	Districts, units	Cities, units	Settlements of urban type, units	Rural settlements, units
Belarus	9480.2	118	112	94	23501
Brest region	1398.7	16	21	8	2167
Vitebsk region	1228.6	21	19	24	6329
Gomel region	1438.3	21	18	17	2422
Grodno region	1069.6	17	14	17	4335
Minsk city	1834.2	-	1	-	-
Minsk region	1418.9	22	24	19	5206
Mogilev region	1091.9	21	15	9	3042

Source: *Regions of Belarus, 2010. The statistical digest, National Statistical Committee of Belarus, Minsk 2010, p. 13, 16.*

For the assessment of regions a choice of indicators has the great value. In Belarusian publications experts suggest evaluating a region condition in following directions:

- 1) economic indicators (industrial and agricultural output, volume of investments, production of the consumer goods, volume of a retail turnover, etc.);
- 2) social indicators (a rate of unemployment, level of employment, level, structure and dynamics of incomes of the population, etc.);
- 3) ecological indicators (anthropogenic load on territory, level of emissions of pollutants in atmosphere);
- 4) demographic factors (number, dynamics, structure of the population of region, population density, a balance of migration) (1, p. 240-241; 2, p. 137-141).

Recently such directions, as assessment of a mental potential of the region, including its human, innovative, social, reputation components (3, p. 66-70) have been added to the traditional pattern of assessment. However the given indicators will not be fully adjusted with the approaches to the assessment of regions which are used by experts of the European Commission (5) that hinders the comparative analysis of development of regions of Belarus and regions of the countries of the European Union. Experts of the European Commission use such indicators as a gross regional product, an index of development of human potential, growth of

labour productivity, level of employment, a rate of unemployment, structure of the economy of a region according to the types of economic activities, demographic indicators (5).

There are certain difficulties in harmonization of the Belarusian statistics with those indicators which are used in the EU. The Belarusian statistics does not calculate a gross regional product. The indicator of an official rate of unemployment is of little value as the methodology of its calculation does not coincide with the International Labour Organization criteria of rating of the unemployed. Therefore the rate of unemployment does not characterize actual unemployment in Belarus. Only since 2011 the Belarus statistics switches over to the analysis of structure of production according to the types of economic activities (as it is done in Eurostat's statistics). Considering possibilities of the Belarus statistical base at the current moment and the international approaches, it is right to offer the following system of indicators for diagnostics of a condition of regions of Belarus and the assessment of their development:

1. For an assessment of industrial and economic development of region: industry output per capita, agriculture output per capita, production of consumer goods per capita, retail turnover volume per capita, volume of paid services per capita, investments per capita.
2. For an assessment of social-demographic development of region: population density, employment level, monetary incomes per capita, relative density of the population with incomes above the cost of living in a population.
3. For an assessment of development of entrepreneurship in region: volume of output of micro-and small enterprises and that of individual businessmen per capita of a region, the number of small enterprises and individual businessmen per 1 thousand persons of the population, incomes of business activity per capita, total of tax revenues from business activity per capita.
4. For an assessment of innovative development of region: relative density of the organizations performing scientific research and development in the total number of the industrial enterprises of a region; a volume of employment at the innovative enterprises in the total number of the employed in a region.

The Kij index of a region for each of the four directions of an assessment is calculated by the formula:

$$K_{ij} = \sum kij/n, \quad (1)$$

where:

k_{ij} – value of i^{th} indicator in j^{th} region to the value of a similar indicator in Belarus,
 n – the number of indicators for an assessment in each direction.

The integrated assessment of a level of development of region (K_j) equals a simple average of values of an assessment of each of four directions. Interpretation of the received values of particular indices of a region (for each of four directions of an assessment) and an integrated index (in four directions of an assessment together) is made as follows:

- the value $K_j < 0,8$ indicates insufficient degree of development of potential of the region,
- the value $0,8 \geq K_j \leq 1$ indicates an average level of development of the region.
- the value $K_j > 1$ characterizes a high level of development of the region.

The necessity of such an assessment of regions is caused by the following:

- it allows creating complete enough image of the regional differentiation in Belarus;
- it creates a basis for classification of regions by level of their development and allocation of different types of regions, that lays a foundation for working out of programs of regional development (or development strategy) of regions;
- it allows detecting regions with the lowest level of social and economic development in order to undertake a number of measures of preventive character for prevention of growth of unemployment, poverty, and social intensity in them.

Table 2. Calculation of an index of industrial development of regions of Belarus, 2009

Region	Industry output per capita, bln BRB*	Production of consumer goods per capita, bln BRB	Agriculture output per capita, bln BRB	Investments per capita, bln BRB	Retail turnover per capita, bln BRB	Volume of paid services per capita, bln BRB	Factor of industrial development of j regions K1j
Belarus	13,42	3,45	2,8	4,57	5,77	1,5	1
Brest region	8,58	4,15	3,35	4,62	4,98	1,19	0,95
Vitebsk region	18,31	2,83	3,18	3,85	5,26	1,26	0,98
Gomel region	19,58	2,46	2,73	5,02	4,57	1,23	0,97
Grodno region	11,38	4,46	4,23	4,68	5,53	1,18	1,07
Minsk city	13,24	3,56	-	4,87	8,76	2,75	1,28
Minsk region	12,03	4,08	3,36	4,81	5,28	1,12	0,99
Mogilev region	10,16	2,54	3,06	3,69	4,79	1,2	0,83

*Belarusian rubles.

Source: *Regions of Belarus, 2010. The statistical digest, National Statistical Committee of Belarus, Minsk, 2010, p. 17-25.*

In terms of the level of industrial development it is right to point out insignificant differentiation of regions of Belarus. The city of Minsk and the Grodno region as a developed region, other regions can be rated as regions with an average level of industrial development.

Table 3. Calculation of an index of social-demographic development of regions of Belarus, 2009

Region	Number of inhabitants per 1 km ² , people	Employment level, %	Monetary incomes per capita, ths of BRB	Relative density of the population with incomes above the cost of living, %	Factor of social-demographic development of regions K2j
Belarus	46	74.2	753.6	94.6	1
Brest region	43	71.4	624.1	91.9	0.92
Vitebsk region	31	71.2	657.1	92.8	0.87
Gomel region	36	73.0	618.5	93.4	0.89
Grodno region	43	74.0	708.0	95.7	0.96
Minsk city	5974	78.8	1182.2	98.9	1.22 (by three indicators)
Minsk region	36	77.3	680.9	94.2	0.93
Mogilev region	38	71.4	636.9	93.7	0.904

Source: *Regions of Belarus, 2010. The statistical digest, National Statistical Committee of Belarus, Minsk, 2010, p. 13, 86, 99.*

The value of an index of social-demographic development of regions of Belarus is in a range (0,87; 1,22), that is also evidence of insignificant scope (taking into consideration, that population density in Minsk is excluded from the calculation). Minsk as a developed

region, other regions can be rated as ones with an average level of development according to social-demographic parameters.

Table 4. Calculation of an index of development of entrepreneurship in regions of Belarus, 2009

Region	Volume of output of small enterprises and individual entrepreneurs, per capita, bln BRB	The number of small enterprises in region per 1 ths people, a unit	The number of individual entrepreneurs per 1 thousand people	Incomes of business activity per capita, bln BRB	Total of tax revenues from individual entrepreneurs per capita, mln BRB	Index of development of business of j^{th} region K_{3j}
Belarus	1.229	8	23.1	1.048	3.42	1
Brest region	0.902	5.9	24.25	1.18	3.17	0.922
Vitebsk region	0.638	5.8	23.3	0.78	2.78	0.758
Gomel region	0.512	5.09	19.9	0.73	3.53	0.724
Grodno region	0.806	6.21	25.1	1.058	2.98	0.874
Minsk city	2.597	16.08	27.3	1.72	4.05	1.623
Minsk region	1.766	8.2	20.77	0.77	3.16	0.998
Mogilev region	0.678	6.2	19.5	0.83	3.94	0.822

Source: Calculated by the author on *Small business in Belarus. The statistical digest, National Statistical Committee of Belarus, Minsk, 2010, p. 14, 16, 50, 100, 192, 300, 301; Regions of Belarus..., p. 489.*

The scope of a variation of value of an index of development of entrepreneurship in regions of Belarus is much wider than two previous values: it is placed in a range (0,724; 1,623). Minsk is rated as a region with a high level of development of entrepreneurship, Brest, Grodno, Minsk and Mogilev regions can be rated as regions with an average level of development of entrepreneurship, Vitebsk and Gomel regions have a low level of development of entrepreneurship.

Table 5. Calculation of an index of innovative development of regions of Belarus, 2009

Region	Relative density of the enterprises performing scientific research and development, in the total number of the industrial enterprises, %	Relative density the employed at the innovative enterprises in the total number of the employed, %	Index of innovative development of j^{th} region K_{4j}
Belarus	3.21	0.72	1
Brest region	1.47	0.09	0.29
Vitebsk region	2.12	0.188	0.46
Gomel region	2.32	0.461	0.68
Grodno region	1.19	0.113	0.26
Minsk city	6.86	2.31	2.66
Minsk region	0.92	0.406	0.42
Mogilev region	1.56	0.113	0.32

Source: *Regions of Belarus..., p. 190, 242.*

For calculation of an index of innovative development of regions only two indicators (which are statistically accessible) are taken into account. However, the variation of this factor is maximum – it is within a range (0,29; 2,66). The city of Minsk traditionally takes leadership. However, positions of other regions in this direction are much more modest – hence, all regions can be rated as regions with insufficient level of innovative development under the accepted classification.

Table 6. The Summary index of development of regions of Belarus, 2009

Region	Factor of industrial development of j regions K_{1j}	Factor of social-demographic development of j^{th} regions K_{2j}	Index of development of entrepreneurship of j^{th} region K_{3j}	Index of innovative development of j^{th} regions K_{4j}	Summary index of development
Belarus	1	1	1	1	1
Brest region	0.95	0.92	0.922	0.29	0.771
Vitebsk region	0.98	0.87	0.758	0.46	0.767
Gomel region	0.97	0.89	0.724	0.68	0.816
Grodno region	1.07	0.96	0.874	0.26	0.792
Minsk city	1.28	1.22 (by three indicators)	1.623	2.66	1.697
Minsk region	0.99	0.93	0.998	0.42	0.835
Mogilev region	0.83	0.904	0.822	0.32	0.719

Source: own calculations.

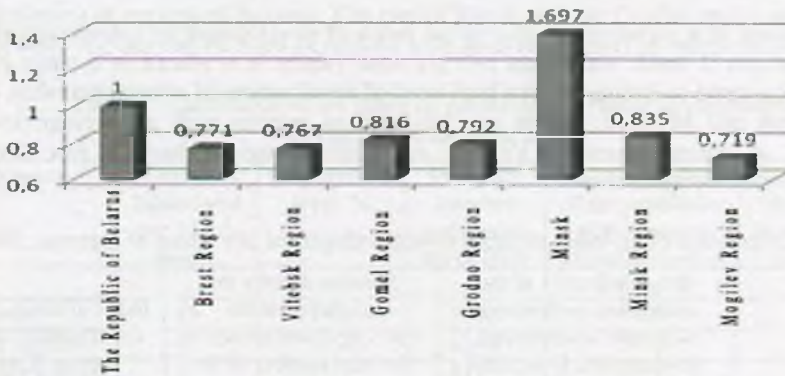


Fig. 1. Summary indices of development of regions of Belarus, 2009

Source: as tab. 6.

Thus, calculations have shown considerable differentiation of regions of Belarus. First of all, it is possible to sort out the centre (Minsk) and the peripheral territories (regions), which level of development is much lower. The scope of a variation between maximum (1,697) and the minimum (0,719) values of a summary index equals 2,36 times. Calculations prove that the least differentiation of regions of Belarus has developed on the level of industrial and social-demographic development, that is caused by a leveling policy of creation of an industrial-economic complex of Belarus (which originates in planning of allocation of

production factors in the USSR) and the social-focused development of Belarus during transformational and a post-transformational periods. The regional differentiation in such directions, as business development in regions and level of their innovative development is most sensitive. The highest enterprise potential is shown in Minsk and Minsk region, innovative potential is also shown in Minsk and Gomel region. On the level of industrial development Minsk, the Grodno and Vitebsk regions gain leadership, on level of social-demographic development - Minsk and the Grodno region are taking the leading position. The three of the most developed regions are Minsk, the Minsk and Grodno regions. The least developed region is the Mogilev region.

Expert assessment of entrepreneurial and innovative potential of regions of Belarus

Since such components of the assessment of regions as development of entrepreneurship and innovative activity are characterized by the greatest differentiation, it is necessary to investigate additionally factors of their development in regions.

Belarus has an established institutional framework for the development of entrepreneurship and support of innovations in regions. First of all it concerns the accepted regulations on development and support of entrepreneurship and innovation in Belarus. Hence, the following documents are accepted and valid in Belarus:

- The Law of the Republic of Belarus "On Entrepreneurship" (2001),
- "The Governmental Program for support of small business in the Republic of Belarus for 2010-2012" (2009),
- Decrees and Directives of the President of Belarus on measures of the state support for entrepreneurship in the Republic of Belarus – in particular, Directive №4 from 31.12.2010 "On development of the entrepreneurial initiative and business stimulation in Belarus".

"Regulations on the order of creation of subjects of an innovative infrastructure" (2007), "Government program of innovative development of the Republic of Belarus for 2007-2010" (2007), "On improvement of activity of the Belarusian Innovative Fund" (2008), «Measures on stimulation of innovative activity in Belarus» (2009) are approved by the Decree of the President of Belarus. For management of innovative activity in Belarus the State Committee On Science And Technologies (2004) is established.

The highly-valuable infrastructure of development of entrepreneurship and innovation of regions includes:

- Local authorities and self-government bodies, their structural departments fulfilling various forms of support of entrepreneurship and innovation within the limits of their competence. According to the Constitution of Belarus, local Councils of Deputies, regulatory authorities and executive government, bodies of territorial public self-government are related to local authorities and self-government. Tasks of Council of Deputies include confirmation of programs of social and economic development of regions and local budgets, levying of local charges and taxes according to the law, estimation of the administration order and the disposal of municipal property etc.;
- State authorities and their structural departments (e.g., business management in the regional executive committees);
- Non-state public associations and the non-profit organizations assisting in development of entrepreneurship and introduction of innovations (9 centers of support of entrepreneurship and 49 business – incubators);
- Mentality of officials and the citizens, focused on understanding of essence and a role of entrepreneurship and innovation in the development of regions.

Therefore along with the use of statistics for an assessment of development of regions, the opinion of experts is of great value for the research. For this reason the department of the European Integration and Regional Research of the University of Nicolaus Copernicus in Torun and the department of Management of Vitebsk State Technological University have developed the questionnaire on which 22 experts from Vitebsk region of Belarus are questioned for the analysis of innovative development and entrepreneurship in regions of Belarus. The experts include representatives of legislative and regulatory authorities of different levels (region, district, city, village). The characteristic of experts is presented in table 7.

Table 7. Characteristic of experts

Type of experts	Management level		
	Region	District	City
Legislative government – Regional Council of People's Deputies	1	-	-
Regulatory authorities	2	5	3
Executive government	3	5	3
Total	6	10	6

Source: based on questionnaire results.

According to the experts, entrepreneurship in region is, first of all, the opening of new enterprises in region (75% of experts stated such an assessment), ability to increase competitiveness of the economy of a region and its investment appeal (50% of experts). The majority of experts understand innovativeness in region as the ability to create and adopt innovations in various fields of activity of the population of a region (93,7%), as development of new technologies (75%) and updating of existing products or development of new ones(62,5%). However, it is necessary to admit that from three important characteristics of innovations (scientific and technical novelty, industrial applicability and a commercial marketability), experts focus their attention on the first two characteristics and miss the last one. Also only two experts (12%) paid attention to social innovations, on the necessity of development of innovative thinking and overcoming of stereotypes, on development of an innovative infrastructure. Entrepreneurship and innovativeness, according to experts, largely promote fast social and economic development of a region (pointed out by 62,5% of experts).

Table 8. Expert assessment of the factors stimulating entrepreneurship and innovativeness in a region

Factor	Average point*
High level of social and economic development of region	3.0
Well developed technical infrastructure (availability of communications, roads, power - and water supply, a telephone system, availability of land resources, and real estate)	2.81
Traditions of entrepreneurship and innovativeness in region	2.65
The measures stimulating entrepreneurship and innovativeness in region, undertaken by governmental bodies	3.625
The measures stimulating entrepreneurship and innovativeness in region, undertaken by bodies of a territorial administration	2.81
The international cooperation (including inter-regional)	2.6
Simplification of the procedures connected with the opening of new enterprises (simplification of administrative procedures)	2.875
Availability of credit resources to businesses	3.125

Development of research activity in region through cooperation between the science and production	2.375
Activity of Chambers of Commerce and Industry, regional and branch associations, agencies of regional development, etc.	1.81
Activity of industrial parks, technoparks, entrepreneurship incubators etc.	2.125
Activity in the territory of a region of businesses with the foreign funds	1.93
Availability of the foreign financial assets designed for support of entrepreneurial activity of enterprises	2.18
Availability to the population and businessmen of various forms of assistance in education and advanced training	2.56
Availability to the population and businessmen of various forms of the information and advisory assistance	2.56
The corresponding educational programs presented in mass media	2.06
Significant share of the population with higher education in a region	2.0

*The assessment of factors is conducted on a rating scale from 0 - the factor is not essential to 4 - the most essential factor.

Source: as tab. 7.

According to expert assessment, the most significant factors for development of entrepreneurship and innovativeness in regions are the following: support of the government, availability of credit resources and a high level of social and economic development of a region. As additional factors (not indicated in the table), experts have indicated a favourable geographical position of a region and availability of an innovative infrastructure in it.

Table 9. Expert assessment of the factors to the greatest extent preventing from the development of entrepreneurship and innovativeness in a region

Factor	Average point*
Low level of social and economic development of a region	2.25
Poorly developed technical infrastructure (availability of communications, bad roads, power – and water supply, a telephone system, inaccessibility of land resources and real estate)	3.562
Absence of/insufficient development of traditions of entrepreneurship and innovativeness in a region	2.31
Absence of / insufficient development of the measures stimulating entrepreneurship and innovativeness in a region, undertaken by governmental bodies	2.62
Absence of / insufficient development of the measures stimulating entrepreneurship and innovativeness in a region, undertaken by bodies of a territorial administration	2.68
Absence of / insufficient availability of the international cooperation (including inter-regional)	2.37
The difficult procedures connected with the opening of new enterprises	2.56
Absence of / insufficient availability of credit resources for businesses	2.62
Absence of / insufficient availability of research activity in region through cooperation between the science and production	2.0
Absence of / insufficient availability of activity of Chambers of Commerce and Industry, regional and branch associations, agencies of regional development	1.75
Absence of / insufficient availability of activity of industrial parks, technoparks, entrepreneurship incubators etc.	2.0
Absence of /insufficient availability of businesses with the foreign funds in the territory of a region	2.31
Absence of foreign financial assets designed for support of entrepreneurial activity	2.31

of enterprises	
Inaccessibility to the population and businessmen of various forms of the assistance in education and advanced training	1.87
Inaccessibility to the population and businessmen of various forms of the information and advisory assistance	1.87
Absence of / insufficient availability of the corresponding educational programs presented in mass media	2.56
Insufficient share of the population with higher education in region	1.75

*The assessment of factors is conducted on a rating scale from 0 - the factor is not essential to 4 - the most essential factor.

Source: as tab. 7.

Expert assessments revealed that at all levels of hierarchy of management there is a significant support in the development of entrepreneurship in the Republic of Belarus. It relates to simplifications of the procedures connected with the organization of entrepreneurial activity, the establishment of registration procedure by a "single wicket" principle, declarative principle of registration, licensing and closing down of a business, abolition of licensing of some kinds of activity (in particular, retail trade) (pointed out by 37,5% of experts). 25% of experts indicated measures on simplification of the taxation at the expense of local taxes: introduction of a tax holiday for beginning individual businessmen for two years, introduction of the single tax for simplification of financial statements for a businessman, reduction of land tax and real-estate rates for the innovative enterprises, technoparks and the centers of a transfer of technologies.

The significant attention is paid to the emergence of the organizations maintaining development of entrepreneurship – technoparks (25%), business incubators (31,2%), centers of a transfer of technologies (6,2%), educational and information organizations (18,7%), fairs (31,2%), information and exhibition centers (37,5%) in the territory of a region. Support of links between the science and production, information work, advertising of region, holding of investment forums, building of a road infrastructure and roadside service (43,75-50% of experts pointed out these actions) present the basic directions of the activity.

Basically, the same measures are defined as measures on support of innovativeness in regions. Special significance is given to the development of links between the science and production (25%), activity of the free economic areas (56,25%), technoparks, business incubators and information-exhibition activity (18,7-50%).

The funds directed to the support of entrepreneurship and innovativeness in the budget of a region (on all levels of management) are equal to less than 5% (pointed out by all the experts). Credits, short-and long-term loans (pointed out by 56,2% of experts), funds of state-owned and private enterprises (50%), the State Innovative Fund (12,5%) are the basic sources of finance for the development of entrepreneurship and innovativeness in a region.

In spite of the fact that 75% of experts noticed, that the state-private partnership is used to support entrepreneurship and innovation in a region, 81,25% of experts evaluated the use of this institution as insufficient.

The principal subjects with which bodies of a regional government in Belarus cooperate during the realization of the measures promoting development of entrepreneurship and innovativeness in a region, are the following: enterprises (62,5%), technoparks, business incubators (50%), individuals (50%), administrative bodies of other regions of Belarus (31,2%), public organizations (25%), executive organs of other states (mainly bordering areas of Russia - administrations of Smolensk, and Pskov regions, and also those of Poland, Latvia, Lithuania), regional and branch associations (in particular, with branch corporations – "Bellegprom", "Belneftckhim", "Bellesbumprom"). The certain experience of cooperation with the international organizations is accumulated – for example, with the Program of

Development of the United Nations, the European Commission (realization of joint projects on development of tourism, ecological support of local development, improvement of a roadside infrastructure, customs transitions, experience exchange). Practice gives a lot of examples of such fruitful cooperation (some examples are presented in *tab. 10*). The basic target groups for such cooperation are the enterprises and the population.

Table 10. Examples of cooperation of bodies of a regional government of Vitebsk region during the realization of the actions promoting development of entrepreneurship and innovativeness in the region

	Partner	Field and directions of cooperation
1	The Vitebsk Regional Center of Marketing	Holding of investment forums, the organization of the exhibitions, auctions on sale of the lots and property, research activity, the informational advisory help, informational and educational activity
2	The centers of support of entrepreneurship in Vitebsk, and Polotsk	The assistance in the organization of a single proprietorship, preparation of constituent documents, business plans, registration, the informational and advisory help
3	Legal group "Law and Order"	Incubator of a small-scale business
4	OOO "Energokomplekt"	Production of cables with isolation from polyethylene
5	Private enterprise "Vitstroytechmash"	Building of a workshop for manufacturing of hardware hydraulic rams for car lifting
5	SOOO "Vortex – water technologies"	Manufacturing of the equipment for disinfecting drinking water and sewage by ultrasound
6	SOOO "Marko"	The project on building of a large entertaining and shopping mall in Vitebsk
7	The enterprises of region which are the part of the Government Program for Innovative Development	Innovative activity

Source: own calculation

According to the experts, development of entrepreneurship and innovativeness in a region yields the good fruit. It relates to the following: increases in the quantity of jobs (pointed out by 81,2% of experts), increases in revenues of the local budget (81,2%), improvements of quality of the goods and services (37,5%), technical and technological development of the enterprises (56,2%), increase in incomes of the population (18,75%), environmental improvement (6,2%), and also to improvement of interaction between sectors of economic activity and various organizations, to increase of manpower mobility. About 100 thousand people in Vitebsk region are employed by small-scale businesses that constitutes 17,3 % of economically active population of the region (7, p. 6). The special attention is paid by regional administration bodies to work via business-associations, business-unions, Vitebsk branch of the Belarusian Chamber of Commerce and Industry. Inter-industrial cooperation became the important direction of the development of entrepreneurship – when the major concern places orders with a small enterprise for rendering of some service – for example, Polotsk Milk Factory orders bottling of milk in PET-bottles. In Vitebsk region the Program for innovative and investment development for 2011-2015 has been developed. The Program includes 25 separate regional programs – "Small energy sector of Vitebsk Region" (directed on increase in a share of local kinds of fuel, building of heat mini-power plants and boiler-plants working on wood chips, and small wood), "Vitebsk furniture", "Vitebsk wood",

“Vitebsk flax”, “Vitebsk-fish”, “Program 500” (the program of development of agro- and ecotourism in the region according to which 100 new country houses for tourism will be constructed, 100 new vacation spots, 100 objects of roadside service, 100 hunting lodges, and 100 lakes will be arranged well for recreation). 25 thousand new jobs will be created in the region due to it (that increases an employment level of the population of the region by 3,1%), the infrastructure will develop, export of goods and services will increase that will create conditions for further modernization of the economy.

The most important forms of support of entrepreneurship and innovativeness in the region are presented in *fig. 2*.

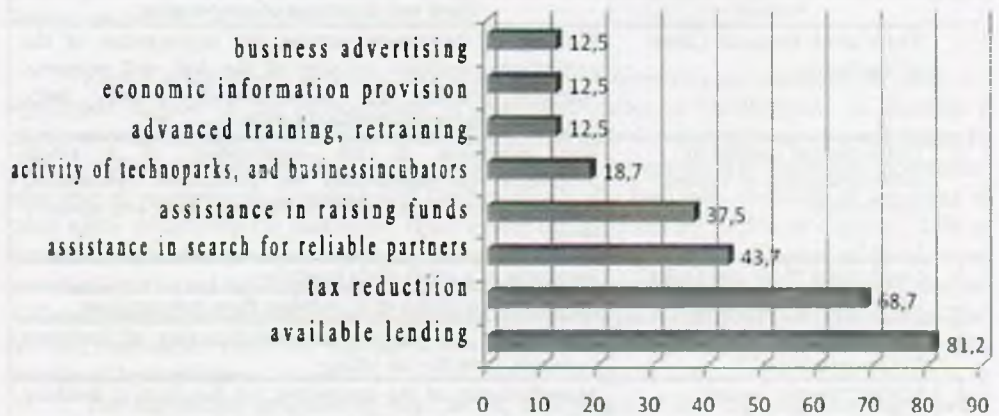


Fig. 2 Expert assessment of the most important forms of support of entrepreneurship and innovativeness in a region

Source: own calculation.

At the same time, according to the experts, such effective modern forms of support of entrepreneurship and innovativeness, as marketing of territories (pointed out by 62,5% of experts), state-private partnership (37,5%), the organization of a network of cooperation between enterprises (50%), modernization and building of the infrastructure (25%) are insufficiently used in the region.

The basic subjects that should initiate activity on strengthening of entrepreneurship and innovativeness in a region are the following: regional executive committees (pointed out by 93,7% of experts), unions (association of businessmen) – 50%, subjects of business infrastructure (chambers of commerce and industry, agencies, funds, technoparks, business incubators) – 43,7%, establishments of education providing higher education and vocational training – 12,5%. According to the experts, there are no small high technology firms in Belarus, as well as venture funds which also constitute the important element of an innovative and business infrastructure of a region and promote its development.

Conclusion

The experts relate prospects of the development of regions of Belarus to further increase of innovative and investment activity, strengthening of integration and cooperation ties, growth of effectiveness of activity of enterprises and preservation of social orientation of the economy. For this purpose it is necessary to promote development of innovative structure in regions and to support entrepreneurial activity.

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