In this connection, the production process should be modelled both for ordinary and critical situations from the position of an optimal economic policy for all the participants of the process. Every member of the organizational and productive structures of the productive system and system overall is secured to get an optimal benefit (profit) for the conditions of the current market in case of a correct modelling and implementation of the decisions. Such an optimization is provided by a complex minimization of expenditures on stocks in the production system, a more intensified accounting and control over the production process at all levels, strengthening of the dependence of the final results and the labor cost which results in the motivation increase of the production personnel.

Therefore, if a situational economic management for regional industrial complexes development is considered, the priority should be marked as an expedient use of resources which secures the production process, namely, material, labor and informational resources.

INNOVATION AND SPECIALIZATION IN THE TOURISM INDUSTRY

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In recent years, the tourism industry has brought in significant changes to adapt to the development and use of new technologies. Several important aspects related to location, such as specialization, diversity and competition levels present in the area where the tourism industry is located, may determine the greater or lesser technological development of the tourism industry. Nevertheless, firms are the last agents to decide whether to innovate, and as such, it is interesting to study how innovations affect firm profitability.

The capacity to innovate, that is, the potential to adopt and use new technologies in the productive and management process [1], is increasingly seen as a factor in determining competitiveness. The service industry and in particular the tourism industry also participates in innovative development but in a rather peculiar way given the specific characteristics of the tourism industry (intangibility, interactivity, value systems and diversity, among others). These characteristics have several theoretical consequences for the definition of innovation in the service industry and in the tourism industry in particular.

Differences in terms of innovation sometimes seem greater within the service industry itself than they do between different service industries, bearing in mind that the types of products vary widely from one service activity to another. As such, the study of innovations within the tourism industry is subject to a number of peculiarities and most works are all too often centred on information and communication technologies (ICT), leaving aside other intensive technologies which have also been increasing steadily in service industries, in hotels and in transport.

In recent years there has been a growing interest in the importance of technological advances and innovation with respect to the growth of an economy and industries. Similarly, ICT affects the strategic behaviour of firms in the tourism industry, such as mergers, concentrations, strategic alliances and virtual cooperation.

Glaeser et al. [2] mention the importance of technology diffusion in the growth of regions and the fundamental role that externalities play in the diffusion of innovations.

A distinction is made between dynamic externalities, which generate growth, and static externalities, which only generate concentration of the activity. Among the dynamic externalities they distinguish between the MAR models [4], Porter's model [5] and Jacobs' model [3].

MAR model externalities, defined as intra-industrial, occur as a result of the distribution of knowledge among firms in the same industry, owing to the greater facility of assimilating innovations between similar firms. According to the suppositions of the MAR approach the tourism industry should specialize geographically in order to absorb the diffusion of knowledge between firms, enabling them to learn from each other more quickly. The MAR theory also suggests that local monopoly is better for growth than local competition, because local monopoly restricts the flow of ideas to others and so allows externalities to be internalised by the innovator. Indeed when externalities are internalised innovation increases. Consequently, the MAR approach in terms of the tourism industry considers that the greater the level of innovation in the tourism industry, the lesser the local competition and the greater the geographical specialization in this industry.

Porter, like MAR, argues that the specialization of a region in a specific activity boosts the diffusion of knowledge. However, his approach differs from the MAR approach with respect to the effect of local competition. According to Porter's approach, competition between tourism firms boosts greater innovation and consequently growth in the region. For Porter, greater competition between tourism firms allows for more innovation, and in a competitive context it is a case of "renew or die".

Finally, turning to Jacobs' theory, unlike MAR and Porter, Jacobs considers that the less specialization there is in a tourism destination, the greater the diffusion of knowledge. He argues that the transmission of knowledge takes place for the most part between firms belonging to different industries since it is more likely that these firms have different information, which they end up sharing with each other. With regard to the effect of local competition between hotels, Jacobs predicts that greater competition between tourism firms boosts the degree of innovation in the tourism industry.

To summarize, the MAR and Porter theories claim that tourism industry specialization fosters greater innovation and growth since proximity encourages the diffusion of knowledge. For Jacobs, the diversification of activities furthers the diffusion of knowledge between different industries, and therefore innovation and growth. Regarding competition, for Jacobs and Porter, competition between firms boosts innovation in the sector, which is not the case in the MAR approach which

considers that competition between firms discourages innovative activity.

It can be concluded that in the hotel industry there are positive external effects on innovation from specialisation and diversity, and negative external effects from competition. As such, with the same degree of specialisation in the hotel industry, the diversity of economic activity leads to an increase in the total innovations made by firms. The greater the number of firms competing with each other, the less easy it is to appropriate the profitability generated by an innovation, which, in turn, discourages innovation.

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QUALITY MANAGEMENT OF LABOUR POTENTIAL IN INDUSTRIAL REGIONS OF UKRAINE

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Labor potential is a set of qualitative and quantitative characteristics of the staff and the conditions of their realization in the labor process, so the quality management of labor potential makes it possible to improve the processes of formation and realization of the labor potential in order to ensure the necessary productivity in industrial production.

Issues of labor potential management have been studied by many domestic and foreign scholars such as A. Amosha, O. Novikova, I. Antohova, I. Bajan, V. Goroh, T. Reshetilo, P. Tarhov, A. Krikliy, N. Levchuk, A. Pankratov, L. Shaulska, although theoretical and methodological foundations of quality management of labor potential of industrial production at the regional level should be further improved and developed [1 - 8].

Therefore, the purpose of this article is to study the functions of quality management of labor potential and development of measures to improve the effectiveness of labor potential in industrial production of the regions of Ukraine.

Achieving this goal involves solving the following tasks: to define "quality of labor potential"; to generalize functions of quality management of labor potential; to develop measures to improve the effectiveness of labor potential in the regional industry of Ukraine.

One of the components of the quality of labor potential is determined by the characteristics of professional qualification, age, medical and biological indicators of workers. Professional characteristics are determined by the level of education and