



## Article

# A Multifaceted Approach to Assessing Regional Competitiveness: Integrating Economic, Geographic, and Institutional Factors in Uzbekistan

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**Abstract:** Assessment of regional competitiveness is crucial in understanding and building up a sustainable economic growth. This thesis studies the different techniques and formats by which a region is evaluated as to offers its competitive advantage, and enables filling the current gap in standardized evaluation techniques. Despite the nature of regional competitiveness as a leading indicator for the economic development, no universally accepted approach has been applied for its assessment. This study applies a multi dimensional methodology to measure socio economic potential and regional performance through rating systems, comparative analysis, statistical analysis and network based assessment. The results indicate that natural and economic resources, governance structures and technological innovation affect regional competitiveness. In addition, the paper outlines the importance of regional specialization and interregional cooperation in sustaining competitive growth. Results suggest an objective methodology for integration of qualitative and quantitative indicators is useful to improve competitiveness. This research, with its implications, reinforces the need of policymakers to develop strategic approach in use of regional resources in ways that are effective and contribute to sustainable economics. Future research should involve the refinement of competitiveness assessment models using advanced data analytics and assessing the effects of global economic changes on regional development.

**Keywords:** regional competitiveness, economic growth, assessment methods, socio-economic potential, regional development, policy implications.

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## 1. Introduction

Economic development is essentially impossible unless regional competitiveness is secured, as it determines the regions' capacity to attract investments, foster innovation and sustain economic growth. In an increasingly globalized economy, economic landscape is more and more interconnected, and the key factors that determine regional competitiveness have been recently raised to be critical. The assessment of competitive advantages helps policymakers, the business community to gain insight in terms of strengths and weaknesses of regions. Yet this issue is important but there is no widely used methodology for appraising how well regions are doing and strategic planning is inconclusive.

Regional competitiveness study is firmly grounded on theory in economic geography, development economics, strategic management and others. The second is to ground the dynamics of regional economic performance within foundational theories such as those of Michael Porter's Competitive Advantage Theory, Paul Krugman's New Economic

Geography and classical location theories by Alfred Weber and Walter Christaller. Resource distribution, industrial specialization, infrastructure and policy frameworks are stressed in these theories as important determinants of competitiveness in a region. Although, these theoretical frameworks provide some useful insights, they do not adequately explain the peculiar socio economic and institutional context of different regions, which is an area of research that still needs to be scrutinised.

The regional competitiveness have been examined through different perspectives by several studies, employing economic indicators, technological advancements and efficiency of the governance. Tune (2020), Perru (2021) have done such research in the field of macroeconomic aspects of competitiveness, Baransky (2019) and Nekrasov (2022) have paid their attention on the spatial and structural sides. Nevertheless, these empirical studies tend to rely on just one methodology, which hinders them from covering the multidimensional competitiveness. The objective of this study is to fill this knowledge gap by integrating different methods of assessments, such as comparative analysis, statistical modeling, and network evaluation, to better understand the nature and character of regional competitive advantages.

In order to achieve this objective, the study employs a mixed method approach, combining the quantitative and qualitative analysis. Economic performance is measured using statistical methods and the role of regional policies and governance structures is assessed using comparative methods. In addition, there are network based approaches that study interregional trade and collaboration patterns. The study aims to further elucidate the study of regional competitiveness by synthesizing the findings from the diverse methodologies. It is expected that regions with well defined economic policies, a strong infrastructure and innovative capacity will be the regions showing higher competitiveness, while the ones with deficient governance and mismanagement in resource use will lag.

The findings of this study will serve as important information about the determining factors of regional competitiveness to policy makers, businesses, and researchers. It is expected that the results will underscore how strategic resource allocation, technological innovation, and the institutional efficiency are fundamental in representing the worlds of sustainable development in a region. Additionally, this research will extend the on-going debate on economic geography by pointing to a refined tool for competitiveness assessment. In the end, this study should support policymakers' formulation of evidence based regional economic growth and stability enhancing strategies which will lead to long term growth and stability.

## **2. Materials and Methods**

This study utilizes a

However, as of right now, no common approach to evaluate competitiveness in a given region is established by scientists and experts. Meanwhile, an uncertain world in which economic conditions are moving rapidly is becoming more and more a repository of economic growth; at the same time, growing regional political competition is becoming the chief economic growth engine.

Economic growth becomes steady at national and regional levels as competitive regional development rises while generating increased interregional competition.

Many foreign academics conducted research about the evaluation methods for regional competitive advantages which influence economic growth of underdeveloped regions.

International scientists I. Tunen, V. Kristaller, A. Weber, A. Lyosh, U. Izard, F. Perru, N. N. Baransky, N. N. Nekrasov, and P. Krugman have contributed theoretical knowledge about area socio-economic development that many scientists have studied through their publications.

T.M. Akhmedov and H.M. Saydakhmedov together with A.S. Soliev and A.M. Sodikov and Sh.Kh. Nazarov and A.M. Kadirov and O.O. Olimjonov along with F.... concentrated on issues of local development in the country.

The research used rating, relative advantage, comparison and observation measurement in addition to statistical analysis to gauge both the socioeconomic potency and competitive strength of the area.

Research on sustainable development for the area needs immediate execution through competitive analysis and study of socioeconomic potential.

Sustainable development of regions can be achieved through two separate strategic methods. The first approach involves using resources and advantages from the area with sound judgment. Two strategies are necessary for finance transfers between regions and external financial help.

As regional competition continues to increase a variety of challenges will emerge together with the already identified advantages. This approach leads directly to the formation of regions and underdeveloped areas. This procedure entails a more thorough examination of interregional cooperation as well as the identification of their areas of expertise and competitive advantages in international markets.

The primary focus of research on regional competitiveness is quantitative evaluation. Evaluation can be conducted using a variety of methodological techniques. The evaluation of competitiveness by networks and sectors is closely linked to these methodological techniques.

Figure 1 presents the most widely used techniques for evaluating competitiveness in a methodical manner based on global experience.

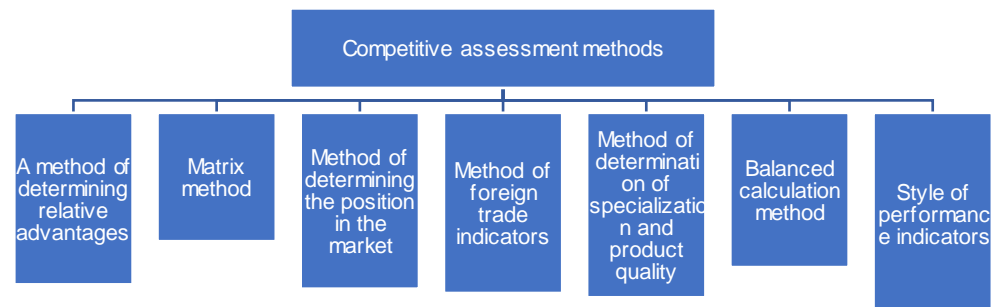


Figure 1. Methods of assessing competitiveness in industries and sectors

The technique of identifying the region's advantages is one of the assessment approaches that is currently highly relevant and has both practical and scientific significance. It should be mentioned that identifying relative advantages, supporting arguments, and identifying factors that contribute to economic growth are particularly crucial in the context of underdeveloped areas, districts, and communities.

It should be noted that there are ways to measure competitiveness across the nation, sector (field), and individual items when evaluating regional competitiveness.

Based on the use of a multifactorial model, the methodology for evaluating the competitiveness of nations that are members of the World Economic Forum comprises 12 areas (macroeconomic indicators, microeconomic environment, innovation, information technology, infrastructure, state institutions, corruption, competition, market entities, company strategy and tactics, ecology, and international organizations) that together comprise 188 indicators.

There is a "Pattern" method of determining regional competitiveness, which is determined by the following formula;

$$T_{\Pi} = \frac{\sum_{j=1}^n t_{i,j}}{n}$$

Here:

Ti - regional competitiveness index;

Tij- an index obtained based on the comparison of maximum and minimum levels of individual indicators;

The quantity of distinct indicators—different elements (components)—includes indicators of the region's economic potential, regional efficiency, and competitive advantages.

23 indicators that describe processes like economic development based on the rating method, social sphere, population income and savings, and specialization within a specific time period were used by the Russian Academy of Sciences scientists to calculate the competitiveness of regions.

N.I. Larina presented a general index of regional competitiveness. It states that four direction indices are used to determine the general index. These are the infrastructure development index (five indicators) and the current competitiveness index (nine indicators). overseas economic activity index (four measures), and innovation index (seven indicators).

The primary goal of the suggested approach is to assess a few newly developed areas of competitiveness that represent the regions' current competitive advantages. This circumstance makes it difficult to figure out how to make the area more competitive in the future.

A methodical, integrated approach to evaluating regional competitiveness was put forth by Sh. Nazarov. It states that aspects of competitive potential, competitive efficiency, and causes of competition were taken into consideration as distinct components in the comparative evaluation of the region's competitiveness. Indexes of economic activity, technological advancement, and human development were used to determine the competition's outcome.

The productivity of production elements, innovation and investment activity, and business environment indicators are the factors that influence the region's competitiveness.

Although this approach has its advantages, it would be more useful if the benefits of each region's natural and economic resources were explained in the sections on districts, cities, and neighborhoods.

Generally speaking, there are various approaches to evaluating a region's competitiveness using socioeconomic metrics. They only depict the overall state of affairs about each region's position and function inside the territorial arrangement of the nation's production forces. In this instance, the natural and economic potential of each location will be taken into consideration when determining its competitive advantages.

We believe that the availability and degree of potential play a major role in determining the region's competitiveness. The strategy based on capacity assessment models is what makes the region's competitive priorities very evident. In this situation, selecting the primary potential categories that influence the region's competitiveness is crucial.

Natural resource potential, human factor, financial, environmental, and institutional potentials are the primary factors influencing the region's level of competitiveness.

The potential of natural resources, such as geographic position, agroclimatic conditions, land and water, mineral raw materials, and labor resources, is crucial at the early stages of raising the degree of competitiveness.

The degree to which these characteristics are used is becoming increasingly important in relation to society's shift toward innovation, information, and the green economy.

Many regional scientists believe that a region's competitiveness is mostly determined by its location and resource availability.

Experiences from other countries and scientific studies demonstrate that competition between areas has emerged once the relative importance of resources and physical position has been established.

We believe that the relative priorities of natural resources and the effectiveness of state regulation of the region are the two main factors that determine a region's competitiveness.

Thirdly, it depends on the degree of advancement in science, technology, and the application of entrepreneurs, as well as the utilization of creative potential benefits and the maintenance of environmental stability. As a system, this process looks like this (Fig. 2).

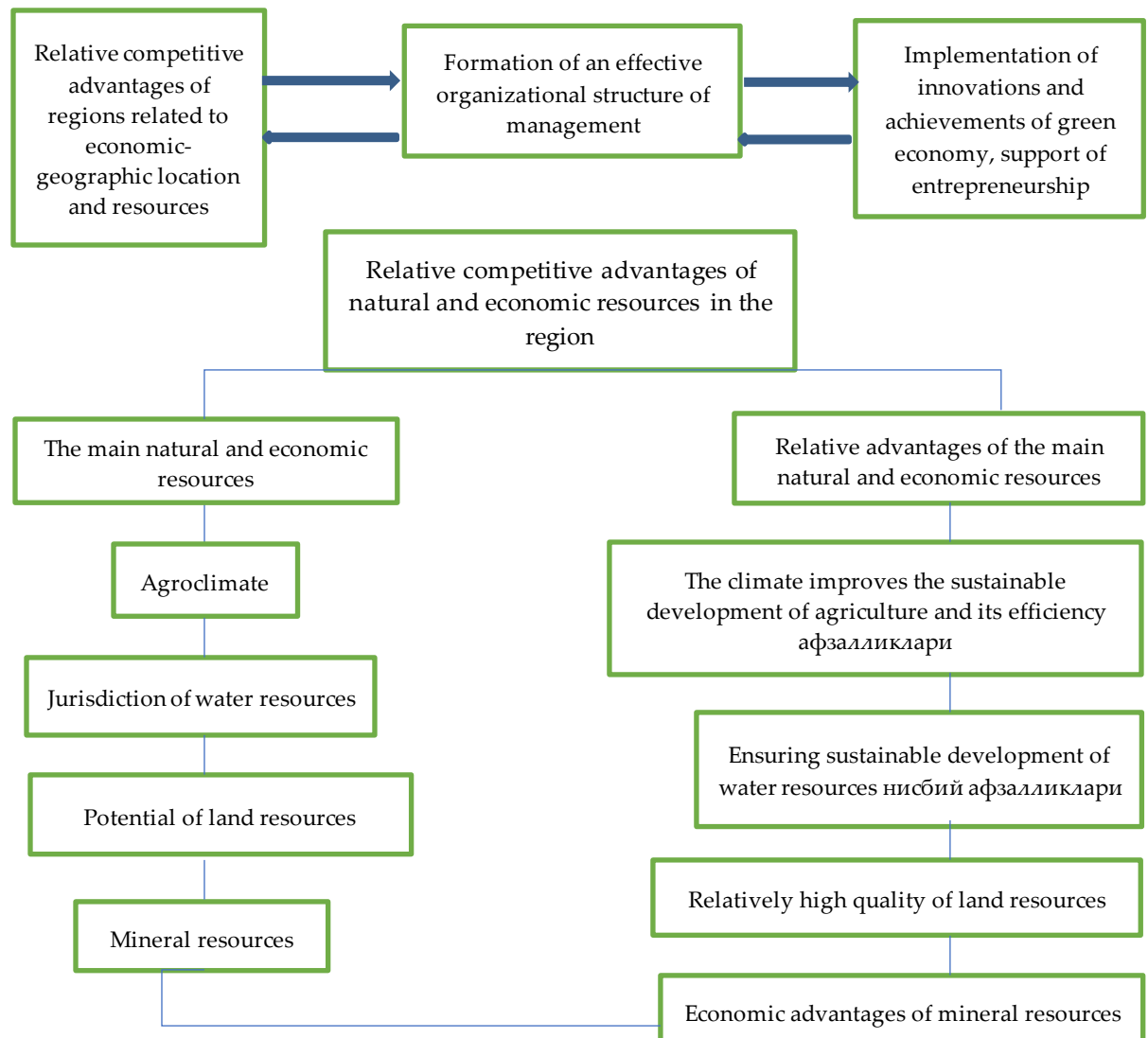


Figure 3. System of formation of competitive advantages of natural and economic resources in the region

It should be highlighted that the evaluation of the areas' competitiveness includes more than only the relative competitive advantages linked to their economic-geographic location and natural-economic resources. Several elements suggested by leading scientists and experts make up the region's competitiveness.

(population's level of living, infrastructural development, environmental conditions, introduction of new technology, etc.).

Finding the region's natural and economic resources' competitive advantages and generating extra economic growth through their efficient usage were the main goals of our study.

Evaluating the current state of affairs is insufficient; one must also concentrate on maximizing the future advantages of natural and financial resources.

While not all economic and natural resources produce competitive advantages, they can also pose dangers and negatively affect the socioeconomic development of the area.

The allocation of the region's natural and financial resources determines this process. Depending on their orientation, current and potential competitive advantages provide their own set of evaluation indicators. Specifically, the composition, quantity, and quality of water and land resources reserves, as well as their efficiency effects and benefits, are assessed by comparing them to other regions.

In some districts, villages, and neighborhoods, the region's natural and economic resources create competitive advantages. As a result, an algorithm is suggested for determining growth trends and factors based on competitive advantages in the cities-districts-neighborhoods segment of the region (Figure 3).

Algorithmic identification of "growth points and drivers" based on competitive advantages involves a number of interrelated steps.

Generally speaking, a new scientific avenue is the investigation of regional economy regulation in relation to the idea of its competitiveness.

### 3. Results

This study demonstrates that proper assessment of regional competitiveness depends on integrated research methods which analyze economic variables with geographical aspects and institutional systems. To properly assess competitive advantages of a region multiple assessment techniques such as statistical analysis and comparative frameworks and network-based assessments should be integrated into the evaluation process. Regional competitiveness relies significantly on understanding resource endowment together with governance structures and technological progress as well as interregional cooperative activities. Different regions present competing levels of economic success since some areas achieve high financial outcomes through proper resource utilization but others perform poorly attributed to substandard policies along with insufficient development systems. The research findings support established economic geography and strategic management theories which advocate for complete evaluation methods.

This research adds theoretical value to regional competitiveness discussions by using combinations of Porter's Competitive Advantage Theory and Krugman's New Economic Geography and spatial development theories. Though multiple economic performance theories reveal important details about business performance they do not fully grasp specific regional conditions including how effective government operates and how well investment performs and how successful policy measures are. Existing research about regionally oriented studies presents an information deficiency because it has limited analytical data from regional performance to theoretical frameworks. This research connects theoretical constructs by establishing a methodology which evaluates economic indicators alongside resource utilization and policy effectiveness because these factors work together to impact competitiveness. Research should extend into theoretical analysis about how emerging economic approaches such as digital economy and green economy influence regional development.



The study demonstrates that policymakers should implement strategic planning strategies which prioritize sustainable development and innovative investments and resource optimization. The establishment of supportive action by government institutions stands as the essential pillar for creating business conditions which boost regional competitiveness. The research indicates that policy frameworks and economic strategies need to recognize distinct characteristics of each region when developing their implementation strategies. Economic performance relies heavily on the combination of specialized territories working together. The development of regionally integrated clusters between technological, industrial and research institutions would boost regional innovation performance as well as economic diversification rates. Future practical studies should examine case-based models of successful regional competition to develop policy recommendations for public officials.

This study offers extensive findings yet more investigation will still be beneficial regarding specific areas. The inconsistent data distribution between regions diminishes the precision of relative evaluation procedures. Future studies need to establish standardized competitive indicators which will improve consistency when making evaluations. Further examination is needed to determine the effects that trade disruptions and climate change as well as digital transformation have on regional competitiveness. Studies require additional empirical evidence to analyze time-based effects of external factors on regional economic performance.

This research validates the necessity of using an all-encompassing assessment technique for regional competitiveness that blends theoretical understanding with actual data review. The research fills an important gap in academic literature by presenting a modern assessment framework that supports theoretical and policy-based discussions. New investigations should develop creative evaluation methods and explain present economic patterns to advance knowledge about regional competitiveness within sustainable development contexts.

#### 4. Discussion

The findings of this study emphasize the importance of an integrated approach to assessing regional competitiveness by incorporating economic, geographical, and institutional factors. The results confirm that regional competitiveness is influenced by various interconnected elements, including natural resource distribution, governance efficiency, technological innovation, and interregional cooperation. The study highlights that regions with strong governance structures, investment-friendly policies, and diversified economies tend to perform better in competitiveness rankings compared to regions with inadequate infrastructure and inefficient resource management.

One of the key contributions of this research is the application of a multidimensional assessment methodology that combines statistical analysis, comparative frameworks, and network-based evaluations. This approach provides a more comprehensive understanding of regional competitive advantages, allowing policymakers to identify strengths and weaknesses more accurately. The study supports established theories, including Porter's Competitive Advantage Theory and Krugman's New Economic Geography, by demonstrating that strategic resource allocation and innovation play a crucial role in regional economic performance.

Moreover, the research underscores the significance of interregional cooperation in sustaining economic growth. Regions that actively engage in knowledge-sharing, trade, and technological collaboration tend to experience higher economic resilience and long-term development. The findings suggest that fostering economic clusters, improving infrastructure, and implementing targeted policy interventions can enhance regional competitiveness.

Despite these insights, certain limitations must be acknowledged. The availability and accuracy of regional economic data may affect the precision of competitiveness assessments. Additionally, the study primarily focuses on economic and institutional determinants, while future research could explore social and environmental factors that contribute to regional competitiveness. Further investigation is also needed to assess the

impact of external shocks, such as global economic fluctuations and climate change, on regional development.

In conclusion, this study highlights the necessity of adopting a holistic approach to regional competitiveness assessment. Policymakers should consider a combination of economic strategies, governance improvements, and technological advancements to enhance regional performance. Future research should focus on refining assessment models and developing standardized evaluation frameworks to facilitate more accurate and dynamic competitiveness analysis.

## 5. Conclusion

The research highlights that regional competitiveness theory should be implemented through a strategy that combines attention to national interests together with an evaluation of natural potential and economic power and governmental reforms and long-lasting development methods.

Given Uzbekistan's current state the strategic reserves should receive governmental support which optimizes the relative advantages of the regions in order to attract investments.

Research indicates that utilizing potential assessment methods for regional competitiveness allows the complete disclosure of relative advantages thus making it the most effective method in comparison to other approaches.

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