FOREIGN PRACTICES IN IMPLEMENTING REGIONAL INDUSTRIALIZATION BASED ON THE SUSTAINABLE DEVELOPMENT STRATEGY.

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Abstract: This article comparatively analyzes advanced foreign practices implementing regional industrialization through the sustainable development strategy and identifies opportunities for their creative application in the practice of our country.

Keywords: sustainable development, economic sustainability, social sustainability, environmental sustainability, “green” economy, strategy, sustainable development strategy, industry, industrialization, regional industrialization, environmental standards.

As a result of the studies, it was possible to identify the specific features, advantages, achievements, and shortcomings of the models for implementing regional industrialization based on the sustainable development strategy. At the same time, it was revealed that, under the conditions of a modern market economy, certain aspects of each model of sustainable development strategies for regional industrialization are being used in an integrated manner in the practices of different countries.

Based on a comparative analysis of the operational features of regional industrialization models formed in modern economic literature on the basis of the sustainable development strategy, it was determined that, today, even in industrially developed countries, the features of different models are being used in a hybridized form when developing programs aimed at implementing regional industrialization. This situation creates the need to analyze the programs being implemented in the practice of certain countries regarding strategies for the sustainable development of regional industrialization.

The model of innovative industrialization of a region based on the sustainable development strategy is characteristic of the practice of the United States, particularly Silicon Valley. The operational features of this model have been studied in the scientific research of such economists as G.K. Wilson, N. Tham, R.W. Salisbury, and R. Reich. According to the studies, the sustainable development strategy of innovative regional industrialization is characterized by the organization of industrial production through high technologies. In particular, it focuses on the active use of research and development activities by various small and medium-sized industrial enterprises through support for start-ups, as well as on achieving high efficiency through the introduction of digital technologies at different stages of the product manufacturing chain.

According to the analysis, in 1970–2024, the share of industrial production in the structure of global gross domestic product increased from 13.7 percent to nearly 18.0 percent, while this indicator in the United States amounts to approximately 17.0 percent. In particular, while nearly 20 million people were employed in the manufacturing industry of the country in 1979, by 2024 this figure was equal to approximately 13 million people. This situation is explained by the rapid development of innovative regional industrialization processes based on the sustainable development strategy in the country, where the role of the human factor in organizing industrial production is increasingly being replaced by modern equipment, machines, and intelligent robots.

According to the analysis, the sustainable development strategy of regional industrialization in the United States is implemented by establishing high-tech production centers and industrial zones while ensuring environmental sustainability. In addition, the state widely provides tax incentives and

public subsidies to increase innovation activity, with priority given to the development of active innovative cooperation.

The second model for implementing regional industrialization based on the sustainable development strategy is the eco-industrialization model, in which Germany occupies a leading position in the world. According to its operational features, this model is aimed at ensuring environmental protection and environmental sustainability in the industrialization of regions. It also focuses on the use of renewable energy sources, deep processing of raw materials, and the application of resource-saving high technologies in the organization of industrial production.

At the same time, not only in Germany but also in most European Union countries, features characteristic of the digital industrialization model can also be observed in the implementation of sustainable development strategies for regional industrialization. In recent years, the operational features of the sustainable development strategy for regional industrialization in the countries of the European Union have been studied by leading scholars such as M.B. Bossile, F. Calza, S.P. Kiefer, and S. Ilic. These practices are distinguished by the introduction of environmental and safety standards into various sectors of national economies.

According to the studies, while Germany's eco-industrialization model gives priority to "green economy" programs, Switzerland widely uses renewable resources in industrial production. In Sweden, priority is given to maintaining carbon emissions at a minimum level in industrial enterprises.

At the same time, the practice of implementing the sustainable development strategy for regional industrialization typical of European Union countries is described in economic literature as the "European" or "Continental" model. After the German government presented its program in 2011 for transforming industrial enterprises into "SMART industrial enterprises" through cyber-physical systems (CPS), priority began to be given to "smart specialization" within the structural framework of the European model of sustainable regional industrialization. In this process, practical measures began to be developed to reduce the participation of the human factor in production and to shift toward the widespread use of digital technologies.

The above-mentioned scholars determined that, in implementing the strategy for the sustainable development of regional industrialization in EU countries, state programs were carried out on the basis of the following basic principles by sectors:

- absolute or relative competitive advantage;
- sufficient socio-economic potential of the region for the specialization of regional industrial production through the development of "SMART" enterprises;
- creation of adequate conditions for the effective use of products of the information and communication technology industry in transforming rapidly developing industrial sectors into the "drivers" of the national economy;
- strategic importance of the selected sector in the country's exports and imports;
- ensuring scientific and technological progress by supporting scientific and innovative cooperation;
- formation of an effective financial mechanism for state support aimed at specializing regional industrial production in accordance with environmental standards through the development of "SMART" enterprises. This includes the targeted use of state and local budgets, as well as extra-budgetary financial resources.

In most economic sources devoted to the analysis of the practices of Asian countries in implementing the sustainable development strategy for regional industrialization, the experiences of Japan and South Korea are mainly studied. In particular, in the research conducted by economists such as C. Johnson, K. Haitani, E. Kaplan, K.H. Jung, and E. Twaalfhoven, general conclusions were formed that, in these countries, strategies for the sustainable development of regional industrialization

were implemented through the active use of protectionist policies. This was achieved by providing strong state support for the development of import-substituting industrial enterprises.

At the same time, by applying protectionist policies, these countries increased the level of capitalization of industrial enterprises and, as their activities developed, gave priority to the practical application of the results of scientific and technological progress. In this process, the state actively participated in subsidizing industrial enterprises and allocating financial support to them.

According to China's experience, the establishment of industrial zones was carried out in harmony with localization programs. In addition, innovative cooperation in the development and practical implementation of research and development projects is consistently strengthened in order to ensure the scientific and technological progress of industrial enterprises.

One of China's advantages is the availability of cheap labor due to the country's large population. For this reason, the placement of production facilities by major foreign industrial enterprises in China expanded the country's opportunities to master the technical and technological aspects of industrial product manufacturing. China effectively used this situation for its economic development.

Thus, based on the study of modern trends and specific features of implementing sustainable development strategies for industrialization in regions, the results of a comparative analysis of the models for implementing these processes made it possible to form the following conclusions:

- although the innovative industrialization model requires high investment, it significantly increases opportunities for achieving economic efficiency;
- in implementing the eco-industrialization model, along with ensuring environmental safety, a long period is required to achieve investment returns;
- the cluster industrialization model makes it possible to deepen integration relations among science, education, and production in industry and is characterized by a medium level of investment demand;
- the agro-industrialization model increases the efficiency of using agricultural resources; however, its implementation results in a relatively low level of profitability;
- in the digital industrialization model, industrial production is automated, and the wide use of artificial intelligence (AI) and the Internet of Things (IoT) in production processes is achieved. As a result, changes occur in the structure of employment, and the number of existing jobs decreases;
- according to the analysis of global practices in implementing the sustainable development strategy for regional industrialization, countries are implementing national strategic industrialization programs in a hybridized form by combining the features of the above-mentioned models, taking into account their social, economic, and environmental characteristics.

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