

**INNOVATIVE ACTIVITY
AS A FACTOR IN INCREASING THE COUNTRY'S COMPETITIVENESS
IN THE PROCESS OF EUROPEAN INTEGRATION**

T.S. Lukianenko¹, R.V. Zakusylo², L.S. Petrushova¹.

¹Separate Structural Subdivision

"Hlukhiv Agrotechnical Professional College of SNAU"

²Shostka Institute of Sumy State University

Tatluk08@ukr.net

Abstract.

Innovative potential is a basis for ensuring a stable development and successful functioning of both a separate enterprise and the economy as a whole. The consequences of the global financial crisis, the problems of socio-economic character in the economy of Ukraine for the functioning of industrial enterprises, the attention of scientists and specialists to the issues of increasing the efficiency of their economic activity, one of the components of which is the formation of potential, in particular innovative, and its effective implementation.

Keywords.

Innovative potential, competitiveness, innovative activity, intellectual potential, intellectual property.

The purpose of the article. Eurointegration vector of country's development puts the task to find out the main problems of the innovation process in Ukraine, to identify the reasons for the slowdown in the development of the competitiveness of domestic enterprises, to substantiate the importance of directing the market economy of Ukraine towards scientific and technical progress and development of innovation activity, consider the directions of achieving the objectives of Ukraine's economic development.

The main material of the article.

The process of European integration became a starting point in the development of the economy, which was intended to facilitate the establishment of close cooperation with other leading countries of the world, to increase the competitiveness of domestic enterprises, the issue of new competitive products, exchange of technologies and overcoming technological backwardness of certain industries, and, as a consequence, improving the life level of the population, socio-economic stabilization and modernization of the country's economy as a whole.

But the XXI century does not cease to surprise new challenges that constantly make it possible to look for new ways to maintain its market positions as micro-level (maintaining competitive advantages in a certain niche) and macro level - preservation and multiplication of national competitiveness.

The competitiveness of the economy of any country depends on the ability to introduce innovation, and inadequate natural resource potential can become a prompting factor in the development of high-tech industries in the economies of countries with limited resources.

Search and introduction of ways to increase the level of national competitiveness is one of the most important factors on the path to equal partnership between Ukraine among the members of the European Community.

At the end of the last century M. Porter, a specialist in the field of studying economic competition, in particular competition in international markets, competition between countries and regions, in his theory of competitive advantages emphasized that

the availability of natural resources is not always a prerequisite for obtaining stable competitive advantages.

The main reasons for lagging Ukraine in a competitive environment were and remain, in the first place, insufficient funding of research and development, inadequate level of investment in the development of high-tech industries, low efficiency of economic reforms, as well as physical and moral demolition of basic production funds, the growth of unemployment, outflow of highly skilled personnel abroad, instability of the national currency as a result of the exacerbation of the economic crisis, reducing the consumer purchasing power, low quality produced products, exacerbation of competition in the world market.

In the evaluation of economic growth, attention is drawn to a number of factors, namely:

innovative activity, scientific and technical potential of the country;

attraction of external and domestic investments for sustainable development and economic growth of the country;

the presence of raw material and material base, that is, the provision of the country with natural, labor, production and other factors.

Thus, activity aimed at achieving high economic growth rates, raising the level of competitiveness of enterprises and countries as a whole, it is necessary to carry out precisely in the direction of improving these structural factors.

In 2020, according to the competitiveness index, Ukraine occupied 55th place among 63 countries (data of the International Development Management Institute).

Indicators of Ukraine in the ranking of the world's innovative economies that analyze such criteria as expenses for development and experiments, production capacities and concentration of high-tech enterprises are also disappointing - Ukraine according to these indicators is 56 places with 60.

At the same time, according to the index of human development, Ukraine attributed to countries with a high level of human development (74th place among 189 participants). [6].

An important factor in the intellectual potential of the country is the human factor and access to knowledge. It accumulates similar to material and financial capital, by attracting investments in the development of education, science and technology. However, such investments in the long run are fully justified. The growth of the innovative potential of the economy is directly related to the well-established cooperation of education and business. The source of innovation is knowledge that is embodied in such forms as: patents, innovations, inventions, author's certificates - they are competitive advantages. Innovative activity aims to use and commercialize the results of scientific research and development, leads to the release of new competitive products in the market.

Ukraine is inherent in a variety of natural resource potential, but in world experience there are many examples of rapid economic growth of countries by increasing the innovation activity for which factors of production are only a means of achieving scientific and technical development of the country, and not their main competitive advantage.

The first steps made in the direction of integration into the world economic space were complicated by new obstacles that brought the economic crisis caused by the coronavirus pandemic. In such circumstances, it is extremely important to find new and effective ways to maintain and ensure the proper level of competitiveness of products

that could compete with similar products of foreign commodity producers. The presence of a sufficient number of natural and human resources is leveled by the lack of high-tech enterprises that would change the raw material-semi-finished focus of Ukraine's exports. In these conditions, the best way out of the situation is to overcome the causes of chronic lagging behind Ukraine, by attracting investments into innovation development of enterprises, stimulating the production of high-tech products, compliance with quality standards and the reorientation of Ukraine's economy to an innovative model of socio-economic development of the state.

Currently, Ukraine purposefully operates its economic activity in the direction of innovation development. The proof of this is the order of the Cabinet of Ministers of Ukraine dated July 10, 2019 No. 526-p.

The basis of a long-term strategy for economic development, the principles of enhancement of technological, efficiency of existing production, growth of competitiveness, development of high-tech productions are laid down.

At various stages of the innovation process, such problems are identified to be solved by means of state policy instruments.

At the stage of creating innovations:

lack of funding, in particular the state one;

lack of information about the market prospects of the proposed idea and knowledge and advisory support of the project from the idea to the phase of commercialization;

insufficient use by scientists and small and medium-sized business opportunities for participation in international programs;

lack of established communications between scientists and business representatives interested in the development of innovations, both business needs in innovation and data on new and improved technological solutions that can be used in production;

insufficient promotion and dissemination of information about positive examples of the transformation of an idea to an innovative product;

lack of reliable forecasting of trends and research on the influence of instruments of state regulation of innovative economic development.

At the stage of innovation transfer:

lack of funding due to unpredictability of commercial results of innovations;

discrepancies in relation to the settlement of intellectual property relations between the Civil Code of Ukraine and acts of special legislation of Ukraine regulating the indicated relation sphere;

limited financial and material resources to create innovation infrastructure;

lack of specialists in the field of innovation management, intellectual property management, marketing, legal protection, financial advisers, technology transfer experts and business planning;

insufficient knowledge of scientists and employees of units responsible for commercialization in higher education institutions and scientific institutions, with regard to assessing the level of readiness of scientific and technical (experimental) development, further market effect from transferred (commercialized) technologies, developing a strategy for commercial development, technology transfer strategy, technology transfer scenarios, which are in different stages of readiness;

lack of information about information partners;

the absence of a mechanism for the transfer of technologies created or acquired for budget funds abroad;

low level of interest in higher education institutions in the proceedings of innovation;

restrictions on contributions in the form of intangible assets for higher education institutions and scientific institutions during the formation of authorized capital, creation of legal entities for the introduction of scientific and technical results;

complexity of assessing the value of objects of intellectual property rights and shortages of specialists for its implementation;

at the stage of introduction of innovations by creating a specialized small innovation enterprise – startup;

burdensome regulation, in particular, complicated access to the labor market of foreigners and excessively complicated the process of eliminating an enterprise, which is extremely relevant for startups, since innovative activity is a highly ranking business and part of the startups turns out to be unsuccessful;

a high level of taxes (primarily on the remuneration and profit of enterprises);

insufficiency of the necessary knowledge and skills for conducting entrepreneurial activity;

large expenses for a newly formed enterprise for leasing premises and equipment, payment of third-party services (primarily accounting);

inadequate development of venture financing in Ukraine and the problems of legal protection of ownership of foreign investors;

the absence or limited effectiveness of innovative infrastructure, which should facilitate the development of innovative entrepreneurship.

At the stage of introducing innovations in an existing enterprise, exit to serial production:

inadequate level of economic entities in implementing the results of domestic scientific research and scientific and technical (experimental) developments that require additional time and financial resources for their full application;

insufficient awareness of the possibilities of small and medium-sized enterprises in the field of innovations, high transactional costs for searching and access to databases, lack of effective channel transmission of information on the demand of enterprises to the science and education sector;

insufficiency of an independent assessment of the technological level of scientific and technical (experimental) development and the ability to implement it technically;

lack of innovators (persons who create new or improve existing competitive technologies), presentation skills products, skills to assess the amount of funds they can receive from the company, which bears the main risks during the implementation of innovation;

lack of "joint language" of business and science representatives;

low level of awareness of innovators in the field of legal protection and protection of intellectual property.

There are also a number of problems that relate to all stages of transformation of ideas into innovation products, in particular the problem of departure abroad of skilled personnel, scientists, inventors, entrepreneurs. The main reasons of them are:

the best opportunities for implementing ideas abroad (first of all access to financing, legal protection, proximity to market markets, smaller business management);

higher standard of living (safety and rule of law, education and health care, social protection, in case of need, infrastructure, ecology, etc.);

creative and entrepreneurial environment created in the best world centers of innovation. [8]

Conclusions.

Ukraine, as a state that has a great intellectual potential, has to solve these problems to build a competitive economy with developed entrepreneurship, innovation and high production productivity. It is necessary to take into account the interests of all participants in the innovation process and promote innovation at all stages of creation and withdrawal of innovative product to the market.

This problem can be solved by creating a favorable legal framework for business entities that provide innovation activities, as well as the development of innovative infrastructure, expanding the links of domestic scientists and inventors with foreign enterprises, increasing innovation culture.

An important direction for increasing the competitiveness of the economy is to increase funding for scientific research, viewing the priority areas of development of science and technology in order to approach the directions defined in developed countries of the world, improving the quality of education by approximating it to the needs of the global market and specialists' needs capable of creating, adapting, and use technological innovations, support for the introduction of educational disciplines from entrepreneurship, financial literacy and intellectual property protection.

The state policy should provide for the following directions of achieving the objectives of Ukraine's economic development:

improving the quality of education in accordance with the needs of the global market;

creation of conditions for the development of technoparks, business incubators, high-tech offices;

state support for science-intensive production;

directions of development of innovation activity;

increase in the level of science intensity of production;

provision of a favorable investment and regulatory climate;

reduction of technological import dependence of the country;

increasing the level of innovation culture.

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