

COMPARATIVE CHARACTERISTICS OF PUBLIC POLICY INSTRUMENTS IN THE EU AND UKRAINE

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The attention is focused on the issues of system-wide determination of managerial innovation. It should be noted that the determination of peculiarities of organizational innovation in business is a relatively poorly researched problem in domestic science. The strategic goal of public policy for improving innovation activity should be the formation of an innovative economy based on the accumulated intellectual capital and involved investment resources. The beginning of an effective process of forming a unified universal approach to the organization of an innovative economy for any country is the study of existing experience in this field, for Ukraine, in particular, it is the experience of EU countries.

It is generally recognized in a market economy, that innovations are mostly implemented at the level of private enterprises. In today's economic realities, business is actually obliged to increase the innovation and efficiency of its own activities, which is of particular importance in times of economic volatility. The everyday evolution of a society is determined by a set of the most essential trends, which effectinevitably causes large-scale social transformations, in business in particular. At the same time, a complex mechanism of innovation implementation plays the most significant role in their initiation and ensuring successive and large-scale implementation in this system [1].

The volatility of the economic environment requires that domestic companies use adequate management methods, implement innovations and efficiently apply their innovative capabilities. In today's conditions of European integration, we can observe a high level of competition, so that in order to maximize profits Ukrainian enterprises have to create a genuinely original competitive advantage of their products, which involves the application of an effective method of competition, that is the use of innovation. Undoubtedly, the innovative development strategy in modern conditions of economic activities provides for the construction of scientific and technical policy of enterprises of the industry, oriented to promoting the development of advanced technologies, research, scientific and development elaborations of innovative nature. It should be noted that it is the innovation strategy that is the basis for the structural changes that must take place today in the economic activity of any enterprise and ensure their future economic development.

Radical managerial innovations in Ukraine are directly proportionally related to the deterioration tendencies of the situation in the society by a set of indicators and

are the response of the management subsystem to the requirements of stabilizing the situation and optimizing the forms of governance of the society experiencing turbulence. It can be also noted, based on the research, that the foundation for the widespread introduction of innovation in the enterprise activity, is assumed by funding. Indisputably, innovation cannot be reached without significant funding.

Hence, an important challenge is the financing of innovation, which is especially relevant in the context of the economic crisis and the high cost of financial resources (credits), which is now observed in Ukraine [2]. Innovation activity development will only take place when all the finance sources are mobilized. Thus, innovative business development requires considerable financial resources, including those regarding small and medium-sized businesses. As was defined earlier, the implementation of policies to increase funding for development and innovation should become the major task of the state. Financing can be done either at the expense of own funds, or funds of investors, loans and funds from the state budget.

Namely, an important issue at the macroeconomic level is the participation of the state in the process of providing financial support to small and medium-sized enterprises: subsidies, preferential taxation and lending, allocation of funds for targeted lending, compensation of interest on lending. According to the study by Andriushchenko K., Rudyk V., Riabchenko O., Kachynska M., Marynenko N., Shergina L., Kovtun V., Tepluk M., Zhemba A., Kuchai O., only 17.3% of the total number of operating enterprises in Ukraine can be considered as innovatively active, that is, introducing new technologies and updating the product range. If to compare it with foreign countries, where 60% of operating enterprises are actively engaged in innovative activity, we can assert that the level and pace of development of innovative activity in Ukraine is unsatisfactory [3].

A moderate improvement of the situation regarding the overall revival of innovation over the last few years does not solve the overall problem. The reasons for such a negative tendency are, among others, the lack of financial resources for the implementation of the innovative projects, as well as the imperfection of the financial and credit policy in the direction of stimulating innovation activity in Ukraine, that, in its turn, makes it impossible to ensure the transition of the domestic economy to an effectively new level, and therefore, to ensure its competitiveness in a globalized world.

Drawing on research by Sagaidak M., Tepluk M., we analyse the comparison of state innovation policy instruments in both the EU and Ukraine, given in Table 1., noted that most of the developed countries apply a comprehensive approach in order to stimulate the activities of innovation-oriented companies, by using methods of both direct and indirect regulation [4].

Namely, the European Union countries use several tools of innovation policy and attracting investment for financing innovation. They incorporate direct public funding, firstly through grants, loans, subsidies, etc.; creation of infrastructure for innovation activity; tax incentives, special support schemes for risk financing, provision of state guarantees. He also justifies that the tools of innovation policy are different mostly in all countries of the world. For example, Portugal and Spain, apply a large set of fiscal incentives to all companies, whatever their size, and the UK only to small and medium-sized businesses. Such countries as Sweden, Germany,

Finland, prefer to stimulate direct financial support, that in its turn results in the development of an innovative process.

Ukraine's innovation system is not developed enough and has no connection between its participants, namely: state policy, developers and consumers of innovation. Instead, European experience shows that all elements of the innovation system must be interconnected as between themselves by comprehensive public policy that is a promising fact for research [5].

At the World Economic Forum in Davos, 2016 the Fourth Industrial Revolution became the major issue for discussions, which can actually affect global changes in all the spheres of human life. It is characterized by the development and merger of automated production, innovative technologies and the exchange of data into a unified system, human intervention in which is reduced to a minimum or is entirely limited. Computer and intellectual service providers are the most interested in the Fourth Industrial Revolution, namely, they are inventors, programmers, investors, and shareholders. According to Gartner marketing company, the additional revenue for IT-related companies will be more than \$ 300 billion by 2020.

In conclusion, the knowledge and experience of people attracting innovation remain key in the fourth era of industrial development. Thus, the intellectual base remains a key factor in ensuring the quality of innovation implementation and the process of their adaptation. They continue to be the only drivers of growth in the number of active innovative small businesses, including those at the cost of the emergence of new forms of entrepreneurship (freelancing, pulsating organizations, etc.), oriented on the development of scale of production of intangible products (all types of services and new technologies), which is the foundation of modern technological realities

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