

## INNOVATION-ORIENTED STRATEGY OF IMPROVING THE COMPETITIVENESS OF REGIONAL SOCIAL AND ECONOMIC SYSTEMS

**Problem analyzed.** The complexity of the conditions of economic development depends on the competitive struggle both within the country and global levels of competition at all levels. In its result the innovative development evaluates the decisive factor of competitiveness as regional social and economic systems of the country, and the State in General. Increase in the level of competition puts forward new requirements regarding the transition to an innovative basis for economic development, which is the main direction of ensuring competitiveness.

Regional social and economic system of the country should strive to form an innovation model of development, which has provided opportunities for continuous growth of the level of scientific and technical knowledge and their application to ensure the growth of the gross regional product, and thereby increasing competitiveness of regional economic systems of the country. After all, in the market environment, the region can maintain their competitive positions based on the introduction and implementation of innovative projects.

**Analysis of recent studies and publications.** Strategy to improve competitiveness of regional social and economic systems of the country with innovative orientation became the object of scientists' research. G. Azoev, L. Antonyuk, V. Bazylevych, V. Geyets, B. Danylyshyn, V. Muntiyan, O. Naumov, S. Pyrozhkov, S. Pysarenko, L. Semiv, V. Senchagov, A. Sukhorukov, O. Shnypro are among them.

All this testifies to the relevance of the topic, and thus led to the choice of direction of research in the scientific and practical aspects.

**Tasks setting.** The purpose of the study is to develop the theoretical provisions and practical recommendations for improvement of innovation-oriented strategy to enhance the competitiveness of enterprises in the food industry.

**Basic material investigations.** In difficult conditions for Ukraine's economic development is very important structural realignment and providing further scientific and technological development that will provide the opportunity to transit from economy of low technology industries development to higher level of technologies applying [1, p.12]. Technological retardation, low level of maintenance of the production of the industrial base, the low level of financial support of scientific works from the state, the deficit of financial resources makes it impossible to develop the economy of the State on its own scientific and technical basis.

Ukraine's national interests require the implementation of geopolitical mission of our state is added to the group of world powers, which is the subject to rapid changes in level of national economies development. Means of economic policy to achieve a given strategic goal should be effective implementation of innovative models of economics development [1, p.59].

The question of the innovation orientation of regional social and economic systems development is associated primarily with the development of the innovation strategy of the regional social and economic system, with the formation of a balanced set of policies, the creation of distributed innovation infrastructure that will provide the opportunity to ensure the proper level of competitiveness.

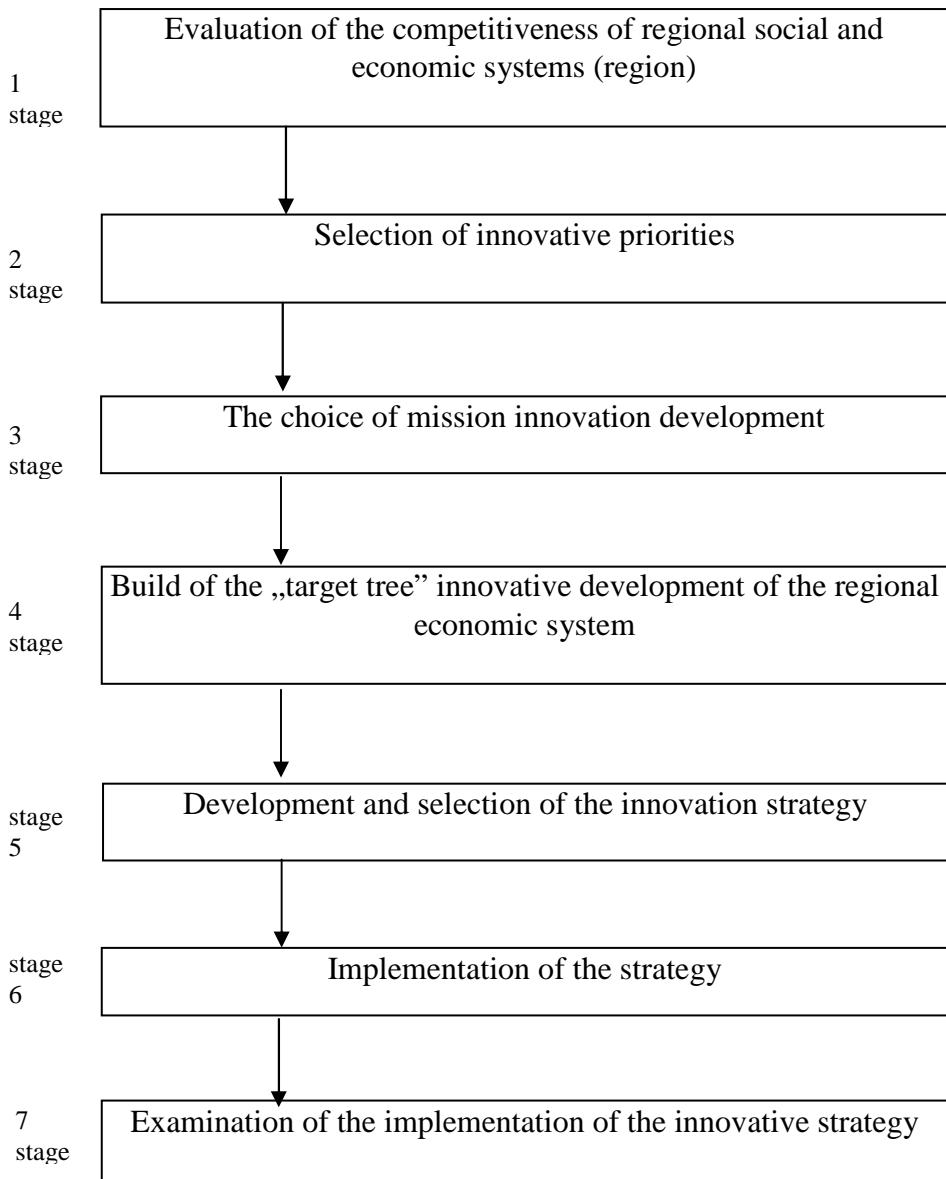
Problems in managing innovative development of regional social and economic systems are not enough studied in both the theoretical and the practical aspects. The formation and development of the regional socio-economic system of sectoral scientific organizations are not always taken into account resource capacity of regional socio-economic systems additionally complicates her balanced development and effective functioning. Therefore, the lack of a well thought-out innovation development strategy of the State and its regional social and economic systems leads to negative consequences associated with securing their competitiveness, which in turn requires the development strategy [2].

Since the formation of the innovation strategy of the regional social and economic system has difficulties and many aspects, and then it is advisable to present it in the form of the next circuit (fig. 1).

As you can see, the process of adoption of the decision on the choice of the strategy of regional social and economic system innovative development has in its composition a few interrelated stages.

Priority directions of innovation activity represent scientifically, economically and socially sustainable and defined legislative directions of innovation activity that have directed support to ensure public needs in competitive, highly technological, ecologically clean products, services of high quality and increase export capacity [3; 4; 5].

In the modern regulatory-legal base basic directions of innovative development of regional social and economic systems are defined. So in particular, article 7 of the law of Ukraine "About priority directions of innovation activity in Ukraine" the Ukrainian Parliament declared that special priority of Ukraine is harmonious development of human potential, economics and environment [6].



**Fig. 1. Stages of choosing the innovation strategy of the regional social and economic systems**  
*\* generalized by the author*

However, the priorities defined by the law of Ukraine "About priority directions of innovation activity in Ukraine", do not provide the opportunity to fully display all processes and phenomena that have occurred in the economy of the regional social and economic systems of the state and particularly relevant to their competitiveness. They must be defined so as to determine the "growth point" for ensuring competitiveness of separate regional social and economic systems, and the country in general. Along with this, depending on the levels of the innovative potential for each of the regional socio-economic system of the State should be formed by such system of priorities, which provides the opportunities to provide the characteristic features of their functioning.

It is necessary to notice that priorities of the regional economic system development on the innovation basis must be agreed and interconnected with the priorities of national development based on innovation. In our opinion, the main priority of the regional socio-economic systems of the state on the basis of innovation is the development of their intellectual resource, as a person with her knowledge, intellectual abilities, skills, thought the experience, constant self-advancing is able to introduce innovative technologies and projects.

V. Geyaets note that the importance of knowledge in the development of economy grows, outstripping the importance of production resources and natural resources [7, p. 188]. In today's economy, according to the World Bank, the physical capital generates 16% of total wealth of each State, natural – 20%, and human – 64%. In such states as Germany and Japan share of human capital amounts 80% of the national wealth [7, p. 188]. So, it allows drawing a conclusion about what directly intellectual resource, which manifests itself in the form of knowledge, results in an increase in the gross regional product and gross domestic product in

general, and is a major factor in achieving competitiveness and regional economic systems of the state in modern conditions.

Think that the development priorities of the regional economic system based on innovation should consist of such levels.

Level 1 - the strategic priorities are directed to long-term (more 5-30 years), which necessitate the identification of areas of science and technology development, are the most important for the competitiveness of the regional economic systems of the state, which should focus scarce public resources, eliminating the possibility of their spraying. This should include the development of a regional innovation system, capable to combine the system of new knowledge (science) generation, the introduction of economic entities through the system of education and training.

Level 2 – tactical – priorities, aimed at medium-term (1-5 years) that are intended to form a portfolio of innovative projects at the level of the region, implementation of which would have ensured the optimization of financial flows of regional social and economic systems and to predict its financial potential.

Level 3 – operational – priorities, focused on the short term (1 year). These priorities may be defined within each type of economic activity. Transition of regional social and economic systems of the state on the basis of innovative development means achieving the competitiveness of all types of economic activities of scientific and technical developments and accelerating the pace of their use. Priority support should use those types of economic activity with its own base for scientific research, scientific and technical, experimental works and associated researcher (labor) potential.

The priority should be the development of manufacturing science-intensive industrial sectors, particularly in the reduction of production volume of raw material with the purpose to increase the production of finished high technology products.

On the third stage the mission of the development of the regional economic system on the basis of innovation is determined.

Mission of the regional economic system development based on innovation consists of the formation of appropriate innovative environment that would facilitate the formation of knowledge in the perspective directions of increasing competitiveness of the regional social and economic system (region) to gain competitive advantage.

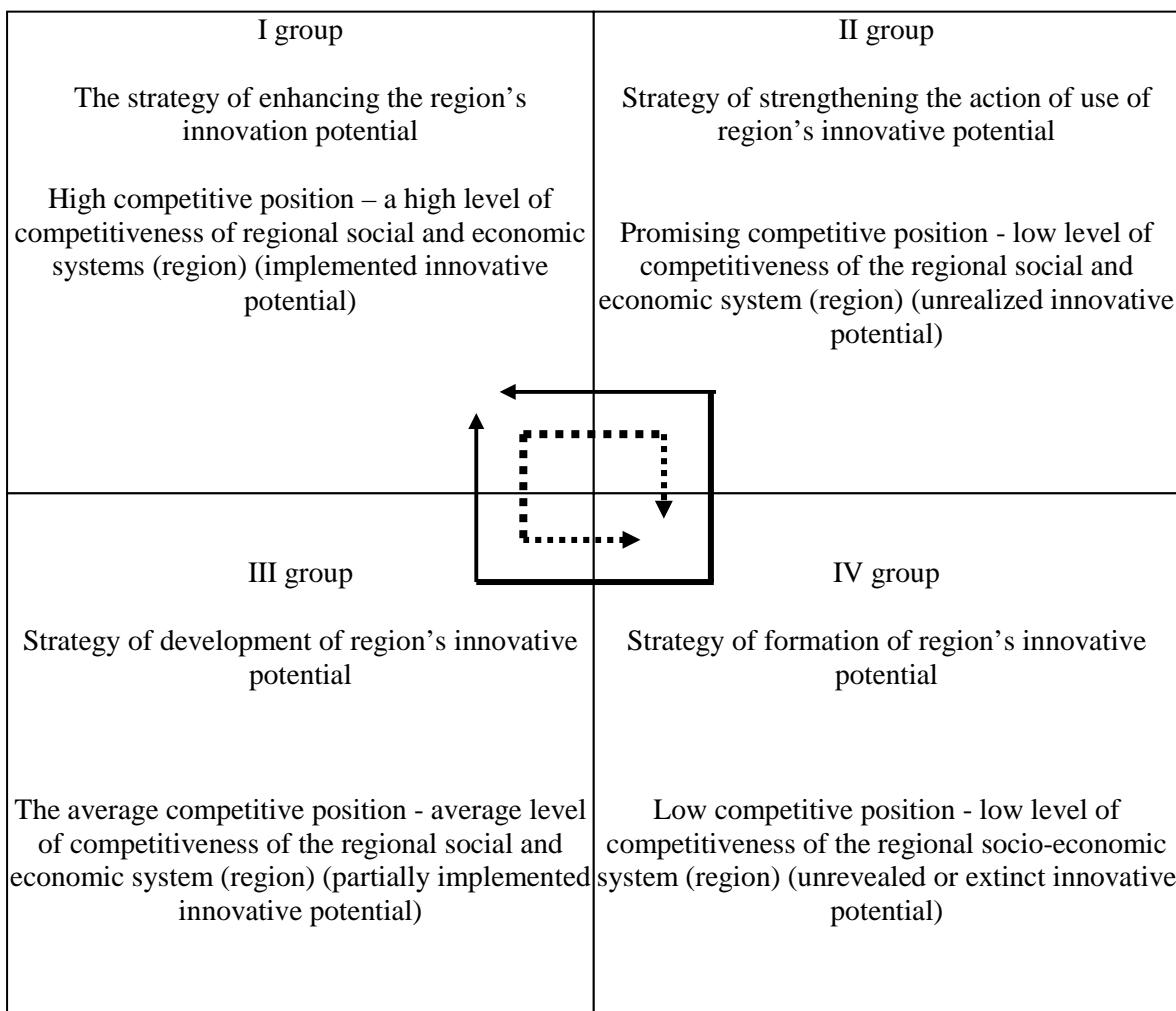
The fourth stage is characterized by the construction of a "target tree" of regional economic system development on the innovation basis, i.e. the system of additional goals describes the economic needs of regional social and economic system and the mechanism of their satisfaction in terms of the internal and external environment.

"Target tree" is a visual graphic display of goals subordination and mutual relationship, which shows the distribution of general purpose into additional goals, tasks and individual action. The main goal is to increase the competitiveness of regional economic systems of the State. Depending on the level of innovative capacity regional social and economic system is the formation of the additional goals system that improves its competitiveness. This goal can be divided into three levels: operational, tactical and strategic.

The choice of a strategy of innovation is made on the fifth stage. Not having a chance to develop their full innovative potential, a region loses a competitive position, which leads to a decrease in its level of competitiveness. To assess the competitive position of regional social and economic systems, depending on the level of innovative potential use of the form a four vector model for the development of their competitive position should be constructed. Such a criterion as the level of use of innovative potential of the regional social and economic systems lies in the basis of this model (Fig. 2.).

Regions could conquer one of four types of competitive position during competition:

- high level of competitive position, where you have high competitiveness of the regional socio-economic system (region) for the full implementation of the innovation potential;
- the average competitive position, where the competitiveness average level of the regional social and economic system of the region through partial implementation of innovative potential.
- promising competitive position for which characteristic is the low level of competitiveness of the regional socio-economic system (region) at the expense unrealized innovation potential;
- low competitive position where there is a low level of the regional social and economic system (region) competitiveness through unformed innovative capacity. This position is the most problematic, as it requires additional efforts to find innovative capacity of transformation of the consciousness and views on the process of innovation activity, as direction of ensuring competitiveness.



—————→ progressive direction of motion  
 - - - → - regressive movement direction

**Fig. 2. The selection model of the innovation strategy of regional social and economic systems**  
*\* generalized by the author*

It is worth to notice that the competitive position can have two directions of development. The first direction is progressive, where the low competitive position through the perspective or the average competitor's position the region occupies a high competitive status.

The second line is a regression, where the high competitive positions of the region go on the low competitive status that leads to loss of its competitive advantages and reduced competitiveness in general.

This model will be a precondition on the path selection of innovation development strategy of regional social and economic systems of the state.

Different level of differentiation in levels of the regional social and economic systems development of the state requires individuation approaches to the selection of innovative strategy of regional social and economic systems of the state depending on the level of their innovative potential development.

The importance in this case has the level of correlation between the innovative potential and the level of competitiveness. If there is a high level of correlation between these parameters, then the region will not be competitive under the condition of ineffective implementation of innovative potential, if on the contrary – the competitiveness of regional social and economic systems (the region) will be achieved at the expense of other components: labour, financial and other kinds of potentials.

With this purpose it is proposed to regional socio-economic systems of the state to elect the following types of strategies:

- Group I of regional social and economic systems - a strategy for increasing the innovative potential of the regional social and economic system;

- Group II of regional social and economic systems - a strategy to enhance the effects of use of innovative potential of the regional social and economic system;

- Group III of regional social and economic systems - strategy of innovative potential development of the regional social and economic system;
- Group IV of regional social and economic systems - the strategy of formation of innovative potential of the regional social and economic system.

The importance of the implementation of innovative development strategies is the development of regional centers of innovation. They provide the formation of the organizational foundations of innovation, and they are important in the movement of high technologies from the sphere of fundamental technologies to the sphere of production and contribute to the commercialization of science and increases competitiveness of the regional social and economic system (region).

The implementation of the innovation strategy is at the sixth stage. Implementation of the innovation strategy aims at infrastructural support of its innovative development. The infrastructure of the innovation strategy provides for the creation and functioning of the complex of public and private militias, contributing to the development and support of all stages of the innovation process.

Each of the structures inherent a clearly defined list of tasks and functions for innovation management, the order of interaction between themselves, methods and forms of administrative and economic impact of vertical and horizontal coordination level.

All objects of the innovation infrastructure should work together, not impeding the whole cycle of the innovation process: from scientific research and development in the creation, mastering of production and output of new high-tech products.

The effective functioning of the regional economic system infrastructure development based on innovation is possible provided the proper information and financial security, which has a fairly low level and is insufficient to promote innovative development of country's economy.

Modern scientific and technical activity has at least provided a certain degree of the existing network of relevant structures, however, this network is not enough use of the newest means of information, on the basis of computerization of scientific organizations, wide access to the Internet, automated foreign foundations of scientific and technical, scientific and patent information. It is necessary to accelerate the pace of the corporate information network development for science and education, which should operate on the basis of regional scientific centers of the National Academy of Sciences of Ukraine and Ministry of Education and Science of Ukraine [8, p. 134].

An examination of the innovation strategy implementation is made at the seventh stage. Implementation of the innovation strategy is the main factor of innovative development of regional social and economic systems economy of the state. Substantial state support of this activity requires the selection of the projects that are candidates for registration as innovative. An integral component of the selection is the examination of the innovation strategy implementation, the product of which is the innovative project.

State expert examination is carried out in accordance with the Laws of Ukraine „On innovation activity”, „On priority directions of innovative activity in Ukraine”, „On scientific and scientific technical expertise”, „On ecological expertise”, as well as the regulations „On organization and conduction of the state comprehensive expertise and qualifications of innovative projects, innovative products and innovative products” [9; 10; 11; 12].

Examination of the implementation of the innovation strategy in accordance with the aforementioned regulations will provide an opportunity to assess the importance of the innovative project at formation, securing and enhancing the competitiveness of regional social and economic systems (region). It aims at obtaining concrete results that provide the opportunity to increase the level of competitiveness of regional economic systems and the state in general. Otherwise the same innovative project is considered inappropriate for further use and distribution, which requires a further choice of goals and mission, search innovation priorities, etc.

Also, there is the evaluation of the level of the regional social and economic system (region) competitiveness which provides the ability to assess the level of efficiency of selected innovation strategy, identify shortcomings in its implementation and provide the opportunity to address them in future.

**Conclusions and further research.** So, today only on the basis of a differentiated approach to the formation of infrastructure development of the regional economic system based on innovation depending on the level of the innovational potential it is possible to increase the level of competitiveness of the regional social and economic system (region).

It is established that for regional social and economic systems that have a low level of innovative capacity, therefore it is expedient to formation of infrastructure security, which should be directed to the formation of innovative potential of the regional social and economic system. These systems have an average level of innovative potential. Regions with a high level of innovation capacity require the formation of infrastructure security, aimed at increasing the innovative potential of the regional social and economic system.

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## **Chyrva O.H. INNOVATION-ORIENTED STRATEGY OF IMPROVING THE COMPETITIVENESS OF REGIONAL SOCIAL AND ECONOMIC SYSTEMS**

**Purpose.** The purpose of the study is the development of theoretical provisions and practical recommendations for improvement of innovation-oriented strategy to enhance the competitiveness of the enterprises of food.

**Methodology of research.** In the process of research, we used the following scientific methods: systematic and structural and logical generalization – for the study of the conceptual foundations of competitiveness of regional socio-economic systems; structural-functional – to select a regional policy to improve the competitiveness of regional socio-economic systems, constructing organizational structural construction management processes increase the level of competitiveness and infrastructure to ensure the development of regional economic system based on innovation.

**Findings.** The innovative strategies to increase competitiveness of regional socio-economic systems of the country. The model of decision-making regarding the innovation strategy of the regional socio-economic system, which provides an opportunity to assess the competitive position of regional socio-economic systems.

**Originality.** Proposed areas of improvement of the infrastructure of innovative development of regional socio-economic systems of the State, as well as a differentiated approach to the formation of the infrastructure to ensure the development of regional economic system on the innovation basis depending on the level of its innovation potential.

**Practical value.** Obtained results can be used in the formation of the strategy of socio-economic development of the regions, the creation of regional programs, in practice the authorities of different levels.

**Key words:** regional socio-economic system, competitive position, competitiveness, innovation-oriented strategy, innovation potential, innovative development of the state.