



DIRECTIONS OF IMPROVEMENT OF INNOVATIVE DEVELOPMENT OF INDUSTRY OF UKRAINE UNDER IMPERFECT COMPETITION

A. V. Kolodiychuk

*MA of Institute of Regional Research of NAS of Ukraine
Postgraduate*

Revised 25 November 2013, Accepted 30 January 2014

Abstract: *In this article the author suggested ways of improving the management of innovative development of industry in Ukraine in conditions of imperfect competition in the micro and macro levels. In particular, these directions outlined within the following areas: in the area of management the creating innovation and its commercialization; in the area of the management resource support of innovative development of industry; in the area of selecting priorities for innovation development industry; in the area of improving the organizational structure of innovative industrial development in conditions of imperfect competition; in the area of transfer of innovations, in the area of overcoming imperfect competition in the industry.*

Keywords: *innovation development, industry, management, imperfect competition, commercialization of innovation, resource support of innovation development, priorities for innovation development, organizational structure management for innovation development.*

STATEMENT OF THE PROBLEM

The strategic priority of Ukraine's economy development is the transition to an innovative model. Therefore, it is important task to identify approaches to improve the management of innovative industrial development in conditions of imperfect competition at the micro, macro and regional levels.

ANALYSIS OF RECENT RESEARCH AND PUBLICATIONS

Analysis models and concepts of innovation development, finding optimal ways of testing the paradigm of innovation development in the Ukrainian industry, research innovation processes in Ukrainian economy, identification the problems of state regulation of innovation activity in Ukraine dedicated the works of scholars such as V.M. Heyets, M.F. Goncharenko, A.M. Gurzhiy, V.A. Gusev, V.H. Kremen, O.A. Mazur, S.S. Pyrozhkov, D.V. Tabachnik, V.P. Shevchenko and others. Prior to the establishment of conceptual and theoretical framework of innovation policy have committed such classics of economics as J. Keynes, M.D. Kondratyev, A. Lewis, D. North, W. Rostow, M.I. Tugan-Baranovsky, J. Schumpeter and others. As notes O.M. Kondrashov, conducted back in 2003 analysis of the current legal and regulatory framework of the industry transition Ukraine to innovation development model has shown that about seventy documents have certain shortcomings and not solve problems in complex [6, p. 65]. In Ukraine at the

legislative level adopted by a number of legal documents that regulate this area – Laws of Ukraine “On the innovation activity in Ukraine”, “On the priorities of innovation activity in Ukraine”, “On priority directions of science and technology development”, “On State control activities in technology transfer area”, “On science parks”, The State Target Program “Development of innovation infrastructure in Ukraine” for 2009-2013, the National integrated program of high-tech knowledge-intensive technologies development, the State program of development of techniques and technologies at microwave frequencies for 2005-2009, the Conception of the State target scientific and technical program development and creation of sensor knowledge-based products for 2008-2012, the Conception of the State target scientific and technical program “Nanotechnologies and Nanomaterials” for 2010-2014 and more. However, the adopted acts are not devoid of significant drawbacks, especially such as fragmentation of the state innovation policy, its specific non-systematic, duplication of functions of many organs and, that is no less important, ignoring the factor of imperfect competition, which is especially crucial for Ukrainian industry, and so on.

The **aim** of the paper is outlining areas of improvement of management the innovative

development of industry of Ukraine under imperfect competition.

THE MAIN MATERIAL

Based on the analysis of problems of innovative development of industry in Ukraine by the author designed and generated the following directions for improvement of management the innovative industrial development in conditions of imperfect competition:

1) in the area of management the creation and commercialization of innovations.

At the macro level:

- Implementation of systems the marketing management on industrial enterprises;
- Development of special trade and intermediary networks focused on selling industrial innovation product by not only their expansion but also improving the quality of service;
- Creation of databases of specialized scientific and technical information on industrial enterprises, which increases the possibility of industrial enterprises to improve their own innovative products;
- Taking into account the potential demand the adjustment of cooperation between research institutes, universities and industrial innovation-active businesses regarding the start of production of innovative products of domestic scientists;
- Setting up international economic activity of industrial enterprises by including them in foreign production chains for producing innovative products;
- Implement effective systems to motivate employees on industrial enterprises for manifestations of scientific and technical creativity, professional development.

At the macro level:

- Carrying out the state policy of interbranch balance promising innovative technologies of production on the one hand, its application by optimizing communication system "science-production" on the other hand;
- Improving the legal protection of domestic intellectual property, more detailed inspection of its patentability and reducing of bureaucracy in the process of acquiring such rights by subjects;
- Establishing the system of state orders for promising scientific research involving state-owned enterprises;
- Transformation of institutions of NAS of Ukraine, research institutes, a number of technical universities in the generating power of innovation development of industry of Ukraine, the complete link of industrial production through its wider interaction with the innovation active industrial enterprises;
- Creation by the State of conditions for stimulating innovative technologies import to implement them in the industrial sector;
- Increasing level of remuneration scholars-innovators;

- Modernization of the industry as a place of attachment innovation;
- Extensive involvement in innovation and investment projects of private enterprises, particularly it applies not as to small and medium-sized businesses as to large financially strong businesses.

2) in the area of management the resource support of innovative development industry (storage quality and quantity of resources, its optimal use);

At the micro level:

- Ensuring the creation of systems development staff in industrial undertakings (such systems should include training, internship, advanced training, certification);
- Implementation in industrial enterprises international experience with formation and operation the systems of resource-saving operational and tactical management;
- Development of new organizational-activity structures in the industry.

At the macro level:

- Intersectoral balance innovation development industry for the optimal combination of production factors;
- Improving the quality of higher technical education to prepare narrow-profile professionals for priority industries;
- Suspension the "brain drain" through increasing financial reward for intellectual work and enhancing its social recognition;
- Development of new organizational and spatial patterns in the industry;
- Creation of favorable conditions for the inflow of foreign scientists primarily in priority areas;
- Introduction of energy saving technologies and optimal use of resources;
- Creating the State special innovation fund;
- Active involvement of the banking system to innovative and investment projects through differentiated system of incentives and preferences;
- Increasing the environmental regulations and improving the government control over their observance as a prerequisite for maintaining the quality of the resource potential of innovative industrial development.

3) in the area of selecting priorities for innovation development of industry;

At the micro level:

- Selection of priority directions of innovation activity at the each industrial enterprise;
- Optimization of resource provision according to selected directions;

- Realization of potential mergers and acquisitions of industrial enterprises due to the needs of imperfect competition, and considering achieving synergistic economic impact including in the field of innovation activity.

4) in the area of improving the organizational structure of management the innovative industrial development in conditions of imperfect competition:

At the micro level:

- Studying and implementation of international experience to improve organization of innovation departments activities in large industrial enterprises;
- Establishment in the medium-sized industrial enterprises of innovation units;
- Assignment the employees who will be engaged in the coordination of innovation in small industrial innovation active enterprises.

At the macro level:

- Creation of a separate state agency to combat corruption and economic crime;
- Establishment based innovation centers in regions regional centers innovation transfer and regional centers of innovation development;
- Creating advisory boards in the regions and at the national level, involving academic community, business representatives to discuss ways to improve the organizational structure of management the different levels of the hierarchy;
- Creation in the ministries and agencies whose activities are related to resource provision for innovation activity, relevant departments.

5) in the area of transfer of innovation:

As the micro and the macro level:

- Creating demand for domestic innovation;
- Improving the technical infrastructure of the transfer of innovation;
- Increasing level of importance of Ukrainian developments.

6) in the area of overcoming imperfect competition in the industry:

At the micro level:

- Providing the clear and targeted use of financial resources in industrial enterprises;
- Understand for staff of industrial enterprises the system of financial compensation.

At the macro level:

- Ensuring closer coordination of efforts between the authorities of different hierarchical levels in order to overcome manifestations of imperfect competition;
- Introduction of public control over the activities of separate authorities to combat the imperfect competition.

CONCLUSIONS

Based on the above, the following conclusions and generalizations can be done. Thus, in Ukraine in recent years, much attention is paid to the area of improvement of the organizational structure of innovative industrial development. However, in our opinion, the most important at this stage should be the area of management the creation and commercialization innovation, the area of management the resource provision of innovative industrial development, and within these areas, given the specificity of the Ukrainian economy, prominent place should belong counting of factor of imperfect competition and adequate regulation by the state.

REFERENCE

- [1]. The Law of Ukraine "On state regulation of activities in the area of technology transfer" dated 14.09.2006. Accessible: <http://zakon2.rada.gov.ua/laws/show/143-16>.
- [2]. The Law of Ukraine "On basis for prevention and combating corruption" dated 07.04.2011. Accessible: <http://zakon2.rada.gov.ua/laws/show/3206-17>.
- [3]. The Law of Ukraine "On the innovation activity in Ukraine" dated 04.07.2002. Accessible: <http://zakon4.rada.gov.ua/laws/show/40-15>.
- [4]. The Law of Ukraine "On priority directions of innovative activity in Ukraine" dated 08.09.2011. Accessible: <http://zakon4.rada.gov.ua/laws/show/3715-17>.
- [5]. The Law of Ukraine "On priority directions of science and technology development" dated 11.07.2001. Accessible: <http://zakon4.rada.gov.ua/laws/show/2623-14>.
- [6]. Maslak O. Future directions and potential socio-economic impact of diversification of industry's innovation development: monograph. Kremenchug, 2010, 168 p.
- [7]. Shaposhnikov A.A. Technology Transfer: definitions and forms. In: Innovations, 2005, N 1(78), p. 57-60.
- [8]. Tabachnik D.V., Kremen V.G., Gurzhiy A.M., Goncharenko M.F., Gusev V.O., Mazur A.A. Ways of innovative development of Ukraine. Kyiv: Lyudoprynt, 2004, 544 p.