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CONCEPTUAL FOUNDATIONS OF INNOVATIVE TRANSFORMATION OF ENTERPRISES IN THE CONTEXT OF INCREASING THE COMPETITIVENESS OF UKRAINIAN REGIONS

The article presents modern trends in the formation of competitiveness of regions as determining components of the competitive progress of the national economy and sustainable development of the country. The conceptual principles of innovative transformation of enterprises in the context of increasing the competitiveness of regional economies are substantiated. In the face of today's challenges and threats, related with the conduct of military operations on the territory of Ukraine, which require rapid response and ensuring the country's defense capability, as well as industrial, information, economic and financial security, it is important to ensure the competitiveness of economic subjects, industries, regions and the national economy. It is quite logical in such a situation to ensure the life of society by increasing the competitiveness of regions, which requires taking into account the vectors of development of the world economy and the existing global economic turbulence and political uncertainty. The economic essence and significance of the definition of "competitiveness" and the role of competitive development of the regions of the country as participants of competitive relations in the formation of the competitiveness of the national economy are disclosed. It is proved that in the context of global challenges and threats, military events in Ukraine and the European progress of our country, there are coordination changes in the interpretation of the economic shift and the importance of the economy of the regions and the role of the competitiveness of the regions. It offers to consider competitiveness of the region in the context of competitiveness of enterprises of the region, which is made possible by production and sale of competitive products and services, on the basis of effective use of resource potential of the region in order to increase incomes of the population and the level of their social security. The role of innovations in ensuring the competitiveness of the Ukrainian economy and the position of Ukraine in the international ratings of innovative development are presented, which confirm the absence of an active policy in the country to support and stimulate innovation processes. The experience of economically developed countries on the methodology for assessing the competitiveness of regions is considered. The conceptual principles of innovation transformation of enterprises are proposed, which provide for the formation of a strategy of innovative development, taking into account the current trends in the functioning of the national economy and the existing features of the development of regions. The algorithm of innovative transformation of enterprises on the basis of competitiveness in the process of implementation of innovative development strategy has been developed. The modern trends of increasing the competitiveness of regions under conditions of martial law and post-war recovery have been presented, which will require the use of a diverse range of innovations in order to accelerate the pace of elimination of the negative consequences of military operations in Ukraine. The priority of innovation transformation of enterprises in the regions has been proved to ensure continuous innovation development, increase financial performance and strengthen competitive positions in the domestic and foreign markets in order to achieve a high level of competitiveness of the regions and the economy of Ukraine.

Key words: competitiveness, region, competitiveness of regions, innovations, innovative development, innovative transformation, strategy of innovative development of enterprise, national economy.

КОНЦЕПТУАЛЬНІ ЗАСАДИ ІННОВАЦІЙНОЇ ТРАНСФОРМАЦІЇ ПІДПРИЄМСТВ В КОНТЕКСТІ ПІДВИЩЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ РЕГІОНІВ УКРАЇНИ

У статті презентовано сучасні тренди формування конкурентоспроможності регіонів як визначальних складових конкурентоспроможного поступу національної економіки та сталого розвитку країни. Обґрунтовані концептуальні засади інноваційної трансформації підприємств в контексті підвищення конкурентоспроможності регіональних економік. В умовах викликів та загроз сьогодення, пов'язаних із веденням військових дій на території України, які потребують швидкого реагування та забезпечення обороноздатності країни, а також виробничої, інформаційної, економічної та фінансової безпеки набуває важливого значення забезпечення конкурентоспроможності економічних суб'єктів, галузей, регіонів та національної економіки. Цілком логічним в такій ситуації є забезпечення життєдіяльності суспільства шляхом підвищення конкурентоспроможності регіонів, що потребує врахування векторів розвитку світової економіки та існуючої глобальної економічної турбулентності та політичної невизначеності. Розкрито економічну сутність та значення дефініції «конкурентоспроможність» та роль конкурентоспроможного розвитку регіонів країни, як учасників конкурентних відносин у формуванні конкурентоспроможності національної економіки. Доведено, що в умовах глобальних викликів та загроз, військових подій в Україні та європейського поступу нашої країни відбуваються координальні зміни у трактуванні економічного змісту та значення економіки регіонів та ролі конкурентоспроможності регіонів. Запропоновано конкурентоспроможність регіону розглядати в контексті конкурентоспроможності підприємств регіону, яка уможливується виробництвом та реалізацією конкурентної продукції та послуг, на засадах ефективного використання ресурсного потенціалу регіону з метою зростання доходів населення та рівня їх соціального забезпечення. Представлено роль інновацій у забезпеченні конкурентоспроможності економіки України та позиції України у міжнародних рейтингах інноваційного розвитку, які засвідчують відсутність в країні активної політики щодо підтримки та стимулювання інноваційних процесів. Розглянуто досвід економічно розвинутих країн щодо методології оцінки конкурентоспроможності регіонів. Запропоновано концептуальні засади інноваційної трансформації підприємств, які передбачають формування стратегії інноваційного розвитку з урахуванням сучасних тенденцій функціонування національної економіки та існуючих особливостей розвитку регіонів. Розроблено алгоритм інноваційної трансформації підприємств на засадах конкурентоспроможності в процесі імплементації інноваційної стратегії розвитку. Презентовано сучасні тренди підвищення конкурентоспроможності регіонів в умовах воєнного стану та повоєнного відновлення, які вимагатимуть застосування різноманітного спектру інновацій, з метою пришвидшення темпів ліквідації негативних наслідків військових дій на території України. Доведено пріоритетність інноваційної трансформації підприємств регіонів для забезпечення неперервного інноваційного розвитку, зростання фінансової результативності та посилення конкурентних позицій на внутрішньому та зовнішньому ринках з метою досягнення високого рівня конкурентоспроможності регіонів та економіки України.

Ключові слова: конкурентоспроможність, регіон, конкурентоспроможність регіонів, інновації, інноваційний розвиток, інноваційна трансформація, стратегія інноваційного розвитку підприємства, національна економіка.

Statement of the problem. The concept of the evolutionary development of our state's economy practically lost its meaning with the beginning of Russia's full-scale military aggression against Ukraine. The determining factors of the further economic development of most regions of Ukraine were not long-term trends, but revolutionary transformations caused by the security factor.

In the conditions of today's challenges and threats related to the conduct of military operations on the territory of Ukraine, which require a quick response and ensuring the country's defense capability, as well as industrial, informational, economic and financial security, ensuring the competitiveness of economic entities, industries, regions and the national economy becomes important. It is quite logical in such a situation to ensure the vital activities of society on

the basis of increasing the competitiveness of the regions and the country as a whole on the basis of innovative transformation. Innovations and innovative development are the driving force for increasing the competitiveness of enterprises and regions. Since long-term socio-economic development is fundamental and strategically important for the national economy, it is important to make the most of the scientific potential and features of the innovative economy with its rapid adaptability and ability to adapt to constantly changing conditions. That is why today, in the conditions of significant global turbulence and local uncertainty, to increase the competitiveness of the regions of Ukraine, the growth of innovative activity of enterprises, the implementation of innovative transformation and the realization of their innovative potential are becoming more relevant.

Analysis of recent research and publications.

The issue of the competitiveness of enterprises, industries, regional economies and the national economy is the subject of research by many foreign and domestic scientists. Considerable attention in scientific research is paid to the innovative vector of development of enterprises and industries, regions and the national economy. The following foreign scientists made a significant contribution to the development and research of this issue: P. Drucker, A. Krugman, M. Porter, B. Santo, L. Tang, B. Twiss and others. Worthy of attention are the scientific works devoted to the mentioned problem by such domestic scientists as Y. Bazhal, T. Bliznyuk, A. Galchynskyi, V. Geets, Z. Gerasimov, O. Voytyk, M. Kyzim, S. Ilyashenko, N. Liba, L. Haustov. However, many aspects of scientific research on the competitiveness of regions on the basis of innovative transformation of enterprises remain the subject of scientific discussions.

Highlighting previously unresolved parts of the overall problem. Research on competitiveness has long been focused on the level of enterprises, industries and the national economy. Less attention was paid to the competitiveness of the regions. The processes of decentralization in the country intensified the study of the competitiveness of the regions of Ukraine. However, the study of modern trajectories of the formation of a competitive regional economy based on the innovative transformation of enterprises in the conditions of military operations in Ukraine is extremely important for domestic science and practice. The innovative principles of regional competitiveness are of particular importance in the post-war economic revival of the national economy.

The purpose of the article is to identify modern trends in the formation of regional competitiveness and to substantiate the conceptual foundations of innovative transformation of enterprises on the basis of competitiveness in the process of implementing an innovative development strategy.

Presentation of the main research material.

Economic competition and competitiveness of enterprises, regions, industries and the national economy are manifested in the process of social reproduction at all its stages (attraction, use of resources, production, distribution and redistribution of income, etc.) and are indicators of the functioning of the market economy. Thus, competition between economic entities occurs at the micro level, at the level of regions of the country – at the meso level, and at the scale of the entire national economy – at the macro level. Regions of the country, as participants in competitive relations, play a decisive role in shaping the competitiveness of the national economy. Global challenges and threats, military events in Ukraine and the European progress of our country

require coordinated changes in the understanding of the role of regional competitiveness.

The definition of "competitiveness" was introduced in the 1980s. Michael Porter, in scientific studies of the peculiarities of the functioning of companies [1]. In the future, scientists began to use this term in the process of identifying features and differences between the national economies of countries and diagnosing indicators of the economic state and development of national economies.

The category "economy of the region" acquires special importance in conditions of competition. An important characteristic of the region is the presence of economic processes that ensure the livelihood of the population of the respective territory. These economic processes depend on the availability of natural, labor, and financial resources, the division of labor, specialization, and the structure of the economy, on the system of governing bodies and the mechanism of state regulation of the economy [2, p. 79].

The concept of "region" has a multifaceted interpretation: as a part of the territory, as a separate country, as a large area of land, as a complex territorial-economic complex, as a socio-territorial community [3]. Usually, the term "region" means a part of the country's territory or its administrative-territorial unit. However, it should be emphasized the importance of interpreting the "region" from an economic point of view, as a system that has its own structure of production, exchange and consumption of goods and services [4]. The production structure of the region is determined by the natural resource potential, demand characteristics, territorial division of labor, internal and external relations, and the level of development of foreign economic relations. The region is characterized by special social and economic processes that are formed under the influence of regional management and the mechanism of state regulation of the economy. Any region is characterized by a close relationship with the national economic system, that is, the region is an integral part of the economic, social, and political spheres of the country [2].

Evaluation of the competitiveness of regions is carried out using various approaches. One of them is the indicator of gross regional product (GRP) per capita. This is the main indicator that characterizes the level of development of the regional economy, and is determined by the sum of the gross added value of the types of economic activity in the region. The first positions in terms of gross regional product per capita in 2021 took: Kyiv (431,616 UAH), Dnipropetrovsk Region (186,697 UAH), Kyiv (162,696 UAH) and Poltava Region (162,696 UAH). The following factors influence the GRP indicator – the macroeconomic situation, the price index, the volume of industrial production, the volume of investments, foreign economic

activity, etc. The gross regional product indicator is used to calculate the regional competitiveness index. If the region index is greater than 1, it refers to a competitive region [5].

The regions of Western Ukraine and the Poltava region demonstrated the greatest adaptability and recovery of the business environment in 2023. The situation is difficult in the front-line Zaporizhzhia and Kharkiv regions, where only 10% of enterprises were operating at a high level of capacity utilization. A low level of business loading was also observed in the city of Kyiv (24%), as well as Sumy (32%), Cherkasy (33%) and Kirovohrad (33%) regions [6].

Thus, it is quite logical to consider the competitiveness of the region in the context of the competitiveness of the region's enterprises, which is made possible by the production and sale of competitive products and services, based on the effective use of the resource potential of the region in order to increase the income of the population and the level of their social security.

One of the important features of a highly productive and competitive economy is a developed sphere of science and innovation. The low level of scientific intensity of Ukraine's GDP (expenditure on scientific research and scientific and technical (experimental) development (R&D) as a percentage of GDP) has a tendency to decrease from 0.70% in 2013 to 0.33% in 2022 (Figure 1). That is, science does not implement an economic function in society, but only performs a cognitive role.

This situation is extremely unsatisfactory, especially in comparison with the indicators of European countries – more than 2% and world leaders (Israel – 5.6%, South Korea – 4.9%, USA – 3.5%) [7]. The military events in Ukraine further strengthened the negative trends in this area.

The basis of the intellectualization of social reproduction throughout the entire period of human development was and remains innovation as a source of economic progress. P. Drucker emphasized that innovation is a special tool of entrepreneurs, a means

by which they have a chance to create a new type of business or service [8, p. 156]. That is, innovations are considered as certain competitive advantages formed and implemented in the economic turnover, which are embodied in commercialized products. It is quite logical to understand innovations through the prism of innovations that bring progressive technological and positive financial changes for economic entities and society, as well as contribute to the improvement of scientific and technical processes and the functioning of production systems. The implementation of innovative activities and the introduction of advanced technologies is a mandatory condition for the European integration of Ukraine and obtaining the status of an equal and competitive partner in the market.

One of the determining indicators of the effectiveness of the state's innovative policy implementation is its place in global rankings. Ukraine is represented in many international ratings that evaluate its innovation potential, innovation capacity and effectiveness of innovation policy. Based on the results of the Global Innovation Index 2023 (GII 2023) rating, it can be concluded that in 2023 Ukraine took 55th place [9].

The low positions of Ukraine according to the index of innovative development among other highly developed countries of the world are due primarily to significant physical and moral wear and tear of the production potential of most industrial enterprises of Ukraine, which restrains the production of high-quality and competitive products on the world market. There is an ineffective and weak mechanism for the introduction of innovations into the sphere of economic activity with their subsequent commercialization. Cooperation between innovative enterprises and research institutions is carried out in small amounts. State support for innovative projects and their financing at the state and regional levels require an increase and improvement of the implementation mechanism. Revitalization and stimulation requires the process of involving private investors in the innovative progress of the regions. Unused opportunities of cooperation between Ukraine

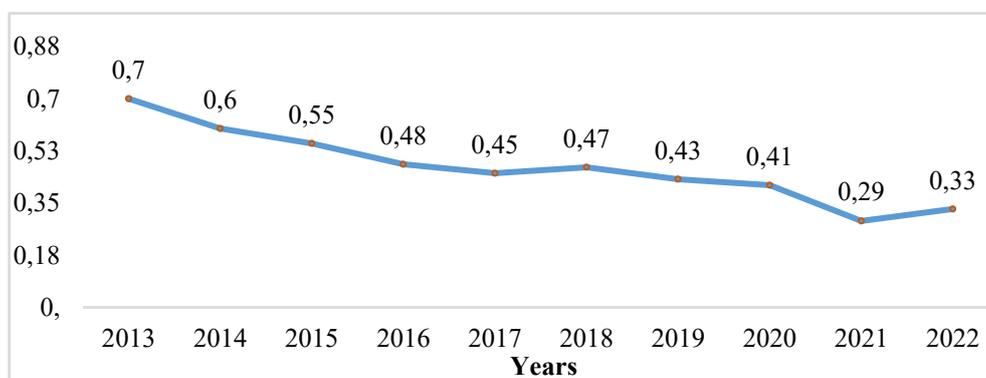


Figure 1. Dynamics and state of knowledge intensity of Ukraine's GDP, %

and the EU in the field of scientific and technological cooperation, development of entrepreneurship and industrial policy.

The results of the assessment of the scientific and innovative capacity of Ukraine indicate the need to develop and implement a unified, agreed scientific, technical and innovative policy. In addition, they indicate the need to take real steps towards the implementation of the necessary structural changes in the economy of the regions, the national economy and science, as well as the technological modernization of production and the stimulation of business to innovation. The methodological basis for determining the competitiveness of regions needs improvement.

The experience of European countries in determining the competitiveness of regions deserves attention. For example, in Finland, the Regional Competitiveness Index is determined, which is calculated from 16 indicators combined into the following groups: human capital, innovation, economic activity, accessibility [10]. In order to bring absolute and relative indicators to a single measurement system, the standardized values of indicators are calculated according to the method proposed by Finnish economists J. Huovari, A. Kangasharu and A. Alanen: a) in the case of using absolute indicators, standardized values are determined by dividing the specific weight of the indicator of a certain region in the total value for the country by the specific weight of the population of this region; b) in the case of using relative indicators, the standardized values are calculated as the ratio of the regional indicator to the similar indicator at the country level.

An average index is calculated for each group of indicators. The general index of competitiveness is defined as a simple average value of group indices. The methodology for assessing the competitiveness of regions usually involves the construction of synthetic composite indices, which are calculated only on the basis of selected factors, or take into account both competitiveness factors and performance indicators, or the competitiveness index of regions, calculated on the basis of selected factors, is compared with performance indicators. In the European Union, the Regional Competitiveness Index (RCI) is calculated, which correlates with the Global Competitiveness Index (GCI) of the World Economic Forum. The regional competitiveness index is used to compare the levels of economic status and potential of the regions of countries. The methodological principles of the RCI index include eleven factors, which are grouped into three groups (basic, efficiency, innovation).

The innovative group includes: technological readiness (the degree of use of technologies by enterprises and households); the level of business promotion, including employment status in certain industries;

innovations (the number of patent applications, the number of scientific publications and research and development costs). The factors of the innovative group make it possible to increase labor productivity and conquer new markets by economic subjects of the region. It is believed that the factors of the innovation group are characteristic of highly developed and most competitive regions, and for developing regions they are decisive, which are included in the base group and the efficiency group.

The RCI rating presents regional competitiveness as the region's ability to provide attractive and sustainable working and living conditions for economic entities and citizens of the region [11]. Therefore, the conceptual principles of innovative transformation of enterprises provide for the formation of an innovative development strategy taking into account modern trends in the functioning of the national economy and the existing features of the development of regions. The algorithm of innovative transformation of enterprises on the basis of competitiveness in the process of implementing an innovative development strategy involves certain stages of implementation – diagnosis, planning, implementation and control (Table 1).

It is important to note that the level of competitiveness of regions should take into account the current level of economic achievements and the existing potential for future economic growth. The innovative activity of the enterprise depends on the level of the existing innovative potential of the enterprise, which is realized through innovative activity. It is quite logical to understand innovation as a determining factor in the formation of competitive advantages of an enterprise through innovative development, which enables the growth of its level of competitiveness. The development and implementation of an innovative strategy for the development of enterprises on the basis of competitiveness will contribute to economic progress and increase the competitiveness of regions, which will positively affect the growth of the national economy as a whole.

Increasing the competitiveness of regions is made possible by the implementation of the following trends in innovative transformation: creation of a modern legal framework and legislative basis for encouraging and supporting the innovative activity of enterprises; increasing information transparency in the field of innovation; expanding the institutional environment, ensuring and simplifying the system of business management and liquidation; activation of public-private partnership in order to speed up innovative development in industries; protection and support of investors in innovative activities; development of small innovative entrepreneurship; increased competition in the domestic market of innovative products and

The algorithm of innovative transformation of enterprises on the basis of competitiveness in the process of implementation of innovative development strategy

Stages	Components	Characteristics
Diagnostics	SWOT analysis and comprehensive assessment of the state of innovation enterprise activity	Assessment of the state of innovative activity and innovative potential of the enterprise. Determination of cost effectiveness innovative activity. Determination of innovative opportunities and strategic perspectives of the enterprise.
Planning	Planning of economic and financial indicators of enterprise development and selection of innovative strategy of enterprise	Identification of priority areas of innovative development of the enterprise. Development of innovative strategy of enterprise development and mechanism of its implementation.
Implementation	Determination of the purpose of the enterprise's innovative strategy and the sources of financial support for its implementation. Evaluation of the effectiveness of the implementation and achievement of the goal of the innovation strategy	Formulation of the mission and goals of the strategic guidelines of the enterprise's innovative activity. Identifying the financial effectiveness of the use of enterprise resources in the process of implementing an innovative strategy. Identification of influencing factors on the implementation of the innovative strategy of enterprise development
Control	Control of the stages of implementation of the innovative strategy of enterprise development	Integrated control of all stages of strategy implementation in order to ensure continuous innovative development of the enterprise and increasing its competitiveness

services; integration of science and business in search of new ideas; creation of innovative infrastructure – regional innovation funds, technology parks, industrial parks, business incubators, etc.; mental-intellectual and organizational-management readiness of the owners and top management of enterprises for innovations.

An important factor in the implementation of the directions of innovative transformation in order to ensure an increase in the level of competitiveness of the regions is taking into account the conditions of the state of war and post-war recovery, which will require the use of a diverse range of innovations, with the aim of accelerating the pace of elimination of the negative consequences of military actions on the territory of Ukraine.

Conclusions. The rating of Ukraine and the positions it occupies show the absence of an active policy and breakthroughs in the support of innovative activities by both the state and business. The basis of Ukrainian innovative competitiveness is human capital, higher education, as well as knowledge and results of scientific research. However, the weak functioning of state institutions, an unfavorable environment for conducting innovative business, and the difficulty of financial support of activities inhibit the development of entrepreneurial activity, complicate the processes

of commercialization of innovative activities and their impact on the growth of social production.

The priority trend of the innovative transformation of the enterprises of the regions is to ensure continuous innovative development, growth of financial performance and strengthening of competitive positions in the domestic and foreign markets in order to achieve a high level of competitiveness of the regions and the economy of Ukraine.

An important component of the innovative activity of enterprises is their ability to continuously transform existing scientific knowledge into innovative products that are competitive. Innovations, innovative activities of enterprises and innovative processes of social reproduction have always been and are the priority factors for accelerating economic development and social progress in many economically developed countries. Therefore, the capacity for innovative activity of Ukrainian enterprises in the conditions of global economic transformation is extremely relevant.

Fierce global economic competition, significant dynamism of innovation processes and ensuring the competitive development of the regional economy require the strengthening of innovative activity and the provision of high knowledge-intensive activities of enterprises.

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