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FACTORS INFLUENCING THE INNOVATIVE DEVELOPMENT OF THE REGION

The level of innovative development of the region is considered in the article, as well as the analysis of regional factors of influence is conducted and the directions of their research within the framework of innovation development is determined. The influence of certain regional factors on the innovative development of the region, in particular, scientists, who are engaged in researches, the industrial specificity of the region, the sectoral structure of the economy, the quality of human capital, scientific potential, financial security, and the attractiveness of the region in terms of life-support and business-related preconditions are revealed. In the course of the research, the evaluation of the indicators of the effectiveness of innovation development was carried out and its influence on the region's economic growth was revealed.

Keywords: innovation, innovative development of the region, factors of influence, regional development, economic growth.

Formulation of the problem. Today the goals of innovative development and scientific and technological progress outline the priorities of the state economic policy, where innovation is a prerequisite for economic growth and social development. The level of development of innovative processes forms the direction and pace of regional development with a view to qualitative transformation and raising the level of basic economic indicators. In this regard, the study of innovative development of the region becomes important and relevant.

Analysis of recent research and publications. Researches on innovative development problems at the regional level were undertaken by both domestic and foreign scientists, in particular O. Dotsenko¹, O. Zhikhor², O. Snisarenko³, T. Gorodinsky⁴, V. Nezhibortsia⁵ etc. However, the synthesis of scientific approaches to the identification of problematic issues of innovative development necessitates further research in the direction of outlining the causes of the too slow passage of the process of innovative regional growth.

The purpose of the article. To select the priority of regional factors of influence on the innovative development of the region.

Presenting the main material. First of all, the development of innovative activity, primarily within the region, addresses the priority tasks, firstly, the marked activity will contribute to solving existing problem issues of socio-economic and ecological development; secondly, it will be a source of preservation, and in the future, and the creation of new jobs in the field of science and technology, will reduce the level of social tension, will enable support of existing scientific institutions and universities with the obligatory consideration and involvement in the process of creative and talented youth.

¹ Доценко, О.Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25-35. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

² Доценко, О.Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25-35. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

³ Доценко, О.Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25-35. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

⁴ Доценко, О.Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25-35. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

⁵ Доценко, О.Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25-35. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

The main factor in increasing the competitiveness of the regional economy is the rapid growth of scientific and technological progress, which determined the innovative way of development of economic entities within the economic territorial system, in particular¹: states, regions, industries, enterprises. Such a change determines the need for innovative transformations, starting with the micro-, meso- and macro levels.

In order to provide innovative growth, the need for radical changes in all spheres and types of economic activity of the economic complex of the country and its regions is determined. At the same time, there is a need for the development of methodical tools for the formation of mechanisms for innovative development of the region, which will contribute to raising the level of competitiveness of the region and ensuring its socio-economic development. Regional innovative development involves the integration of the scientific and technical sphere in the processes of livelihoods of social socio-economic development, which means the formation of a system of institutions capable of generating innovations and creating new markets for high-tech products and services, resulting in the formation of a regional innovation system².

Innovations as a priority direction of socio-economic growth directly affect the quality of human life. The implementation of this development is primarily due to the internal innovation potential and effective management influence, which will increase the efficiency of the functioning of the innovation sphere. At the same time, the stability of the socio-economic development of the regional economy is an important factor in innovative development, since it forms the external environment of innovation development. Thus, regional innovation development is formed under the influence of a number of factors³:

- formation of innovative infrastructure;
- level of socio-economic development of the region;
- level of competitiveness of the region;
- regional character of innovation entrepreneurship;
- methods of state influence on the innovative development of the region;
- financial support of innovative development of the region;
- influence of foreign economic relations on innovation activity;
- social and environmental problems of innovation;
- legal regulation of innovation development;
- protection of intellectual property;
- staffing of the innovation process.

The isolated factors, their interdependence determine the peculiarities of the innovative development of the region, make it possible to form the most effective system for its realization. First of all, their influence is through the scientific intellectual and personnel components, as well as a powerful system of higher education. The developed scientific sector of the region serves as a significant intellectual prerequisite for the development of human capital and raising the level of innovation potential. At the same time, human capital is characterized by the level of intellectual and spiritual development, qualification, innovative abilities, professional skills and conscientiousness acquired in the process of acquiring educational knowledge and gaining experience in the field of innovative provision of the region's development. In order to improve the quality of human capital, institutions are required to provide a timely and adequate response of the economy and society to changes in the professional structure of the labor force and demand for it.

In Transcarpathia, such institutions are still poorly developed (Fig. 1), which makes the problem of structural imbalance in the domestic labor market especially acute. In developed market economies, such institutions provide stable and effective links between employers, educational institutions and the population and, accordingly, rapid adaptation of the labor force to changes in the economy.

¹ Доценко, О. Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

² Доценко, О. Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

³ Доценко, О. Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

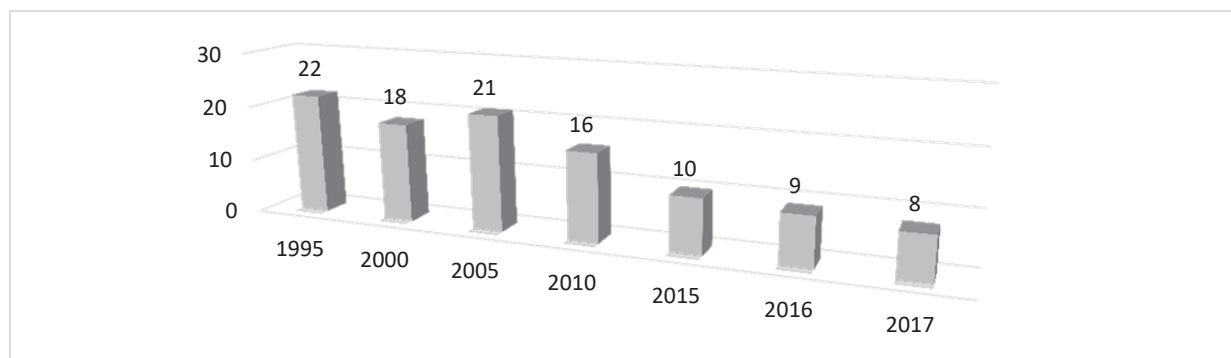


Fig. 1. Number of organizations performing scientific and scientifically technical work in the Transcarpathian region for the period 1995-2017 *

* Shaped by sources¹.

For the analyzed period (1995-2017), as can be seen from Fig. 1, there is a tendency to decrease the number of scientific organizations and performers of scientific and scientific and technical works, which is connected with the decrease of material and technical support of research activities. In such a situation, financial support is required for the updating of equipment and scientific equipment. A sharp problem remains the decrease in the number of scientists (R & D performers), which is associated with low prestige of scientific work and social protection of scientists, and leads to the outflow of young talented scholars in other areas of economic activity or their departure abroad.

The research shows that innovation activity in the region has a small, but somewhat positive, upward trend since 2015. In recent years, the share of innovative enterprises (which have implemented measures aimed at increasing the technological level of production and production of new products) is decreasing. Thus, in 2017, compared with 2016, the innovation activity of investigated enterprises decreased by 4.8% (Fig. 2).

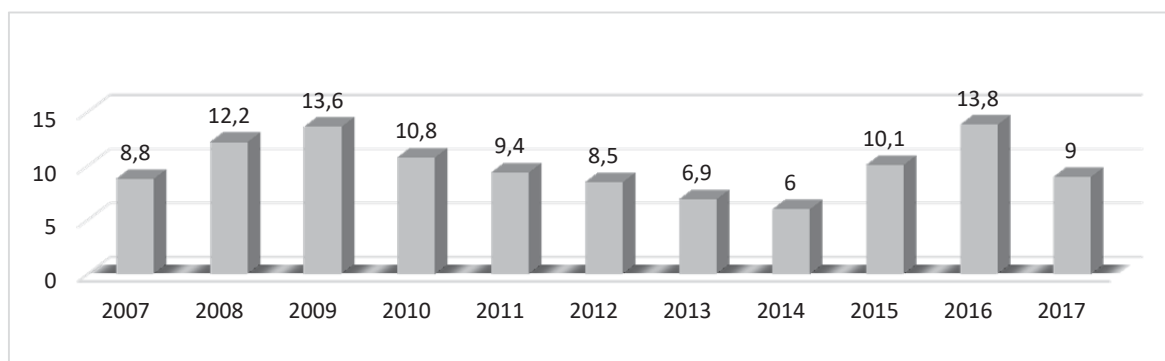


Fig. 2. Innovative activity of industrial enterprises of Transcarpathian region for the period of 2007-2017,% *

* Formed by source².

¹ Наукова та інноваційна діяльність України у 2007 році: статистичний збірник (2008). Київ, 196.; Наукова та інноваційна діяльність України у 2010 році: статистичний збірник (2011). Київ, 186.; Наукова та інноваційна діяльність України у 2015 році: статистичний збірник (2016). Київ, 143.; Наукова та інноваційна діяльність України у 2016 році: статистичний збірник (2017). Київ, 86-87; Наукова та інноваційна діяльність України у 2017 році: статистичний збірник (2018). Київ, 86.; Регіони України: статистичний збірник. 2 частини (2009). Київ, 1, 362-365.

² UKRSTAT.GOV.UA (2019). Головне управління статистики у Закарпатській області. <<http://www.uz.ukrstat.gov.ua/statinfo/nauka/index.html>>. (2019, March, 20).

More informative indicators of innovation development of the region are indicators that characterize the volume of sales of innovative products, since the product itself forms the gross regional product and certifies the final result of the innovation activity of the enterprise. Products are considered innovative when it is new or significantly improved in part of its properties or methods of use¹. At the same time, new products are goods and services that differ significantly in their characteristics or purpose from products manufactured by the enterprise earlier. The volume of innovative products includes the aforementioned products that were introduced into production during the last ten years and are primarily intended for implementation on the domestic market.

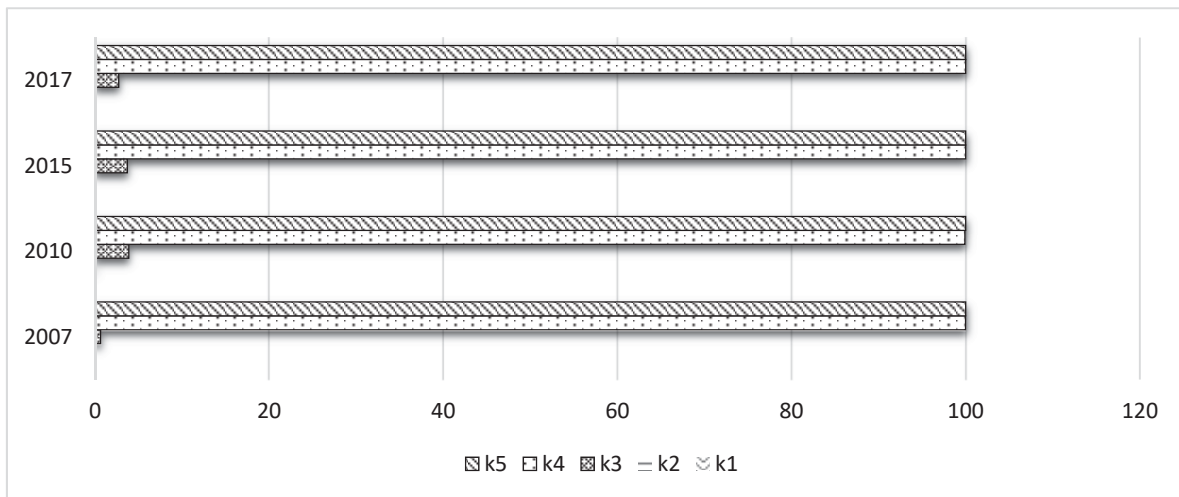


Fig. 3. Indicators of the volume of realized innovative products of the Transcarpathian region for the period of 2007-2017, % *

**Formed by sources².*

The value of the indicators of the share of the volume of sales of innovation products of the region in the total volume of implementation has different meanings (Fig. 3). Indicators k1 and k2 characterize the share of sales of innovative products, which is new to the market since 2007 and is insignificant in the region.

It should be noted that nowadays innovative products are not decisive in the process of formation of the real volume of sales, and ultimately the gross regional product, since the actual situation from the point of view of the influence of innovative development of the region on the formation of its socioeconomic status reflects precisely indicators k3 and k4, as indicate the level of innovation products in the region in total³.

An analysis of the economic development of the region makes it possible to assess the attractiveness of the regional market from the perspective of investors and innovation. A comparative analysis of regional socio-economic development and the identification of trends in its growth is carried out with the help of aggregate indicators of the gross regional product and volumes of investments into fixed capital. These

¹ Доценко, О. Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 25. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

² *Наукова та інноваційна діяльність України у 2007 році: статистичний збірник* (2008). Київ, 262, 264.; *Наукова та інноваційна діяльність України у 2010 році: статистичний збірник* (2011). Київ, 239, 241.; *Наукова та інноваційна діяльність України у 2015 році: статистичний збірник* (2016). Київ, 170.; *Наукова та інноваційна діяльність України у 2017 році: статистичний збірник* (2018). Київ, 102.

³ Доценко, О.Ю. (2010). Рівень інноваційного розвитку регіонів України та фактори, які його формують. *Економічний вісник Національного гірничого університету*, 4, 30. <http://nbuv.gov.ua/UJRN/evngu_2010_4_5>. (2019, March, 20).

are indicators for the period 1995-2017 are presented in Table 1.

Table 1

**Indicators of the socio-economic state of Transcarpathian region
for the period 1995-2017¹**

	1995	2000	2005	2010	2015	2016	2017
The number of permanent population (at the end of the year), thsd. persons	1271,2	1258,2	1242,6	1244,5	1256,3	1255,9	1255,3
Natural increase in the reduction (-) of population, thsd. persons	2,3	0,5	-0,7	3,4	1,2	0,6	-0,5
Number of employees, thsd. persons	X	503,3	551,0	531,8	519,3	505,5	496,3
The number of unemployed (according to the ILO methodology), thsd. persons	X	66,3	41,3	50,4	52,5	56,3	58,2
Average monthly nominal wages of employees, UAH	50	172	665	1846	3381	4298	6355
Gross regional product, mln. UAH	X	X	6700	15299	28952	32390	-
Population's income, mln. UAH	-	-	7504	20841	36173	42235	52753
Agricultural products (at constant prices in 2010), mln	3340,6	3272,4	3739,3	3838,3	4095,9	3964,9	4021,4
Capital investment (in actual prices), UAH million	-	-	-	2205,4	3778,4	4663,0	5623,7
Acceptance in operation of the total area of housing, ths., Sq. Ft	198,0	213,3	232,0	293,3	442,1	336,0	419,6
Transportation of goods by all types of transport, million tons	23,5	14,7	18,4	13,6	10,8	10,5	10,3
Passenger transportation by public transport vehicles, million passengers	40,8	33,1	53,1	49,9	50,7	40,9	37,4
Postal and communication services, mln. UAH	17,7	90,5	283,9	600,9	1034,5	1099,1	1146,2
Turnover of retail trade enterprises, mln	206,8	703,3	2595,4	5877,8	12239,4	13365,5	12196,8
Foreign direct investment (share capital) at the beginning of the next year, million USD	18,0	92,1	261,3	364,4	311,8	317,7	328,4
Foreign trade in goods, mln. USA							
export	53,0	215,3	552,3	1156,6	1094,4	1211,9	1446,4
imports	54,6	183,9	686,4	1348,6	1011,5	1133,4	1341,7
Foreign trade in services, mln. USA							
export	13,4	16,9	67,0	128,0	188,9	184,0	256,9
imports	0,5	4,6	27,2	39,5	20,9	25,8	21,9
Financial result before tax (profit, loss) mln UAH	106,3	-40,0	155,3	-90,4	-1586,7	1479,6	-288,2

¹ Статистичний щорічник Закарпаття за 2017 рік (2018). Ужгород, 22.

The analysis of the trends of the values of the group indexes of the main economic characteristics for the period 1995-2017 indicates that both the positive and the negative changes are observed in the Transcarpathian region. Positive changes in the region are related to the increase of GRP, since in 2017, compared with 2005, they grew 4.8 times on average, the volume of investments in fixed assets increased by 2.5 times, the increase in household incomes was seven times higher.

The negative trend in the process of restoration of the regional economy by the group of the main economic characteristics is observed in reducing the population, increasing the number of unemployed, as well as reducing the financial results before taxation in the region.

The level of socio-economic development of the region is a significant factor in the innovative development of the region, due to the fact that today the situation with significant disproportions regarding the level of socio-economic development has developed in the country (Fig. 4).

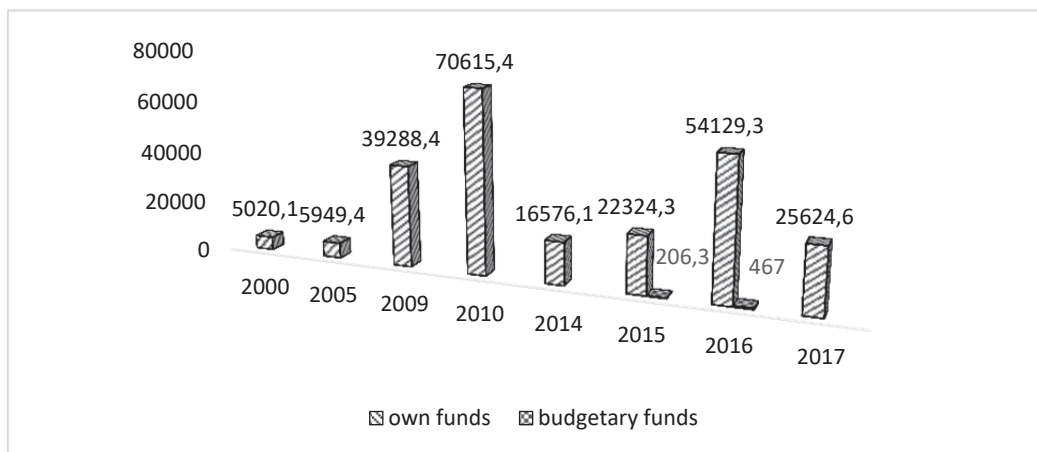


Fig. 4. The correlation of own and budgetary funds of financing of innovation activity of the region for 2000-2017, ths. UAH *

*Formed by sources¹.

As we have already noted, the general indicators of socio-economic development of the region include the gross regional product, which indicates an expanded reproduction of it both in the Transcarpathian region and in Ukraine (Fig. 5).

An assessment of the socio-economic growth of the region indicates an average level of its development. Structural indicators of the development of innovation space are based on the quantitative measurement of individual elements of the table. 2

Innovative development of the region through the activation of innovation activities is simultaneously an instrument for solving the problems of its socio-economic growth. The peculiarities of innovative processes in regional economic systems include: forms of organization of the process of integration of science and production; forms of organization of the intermediate link between science and production, small innovative enterprises; organization of management of innovative activity in regional economic systems by state authorities; legal regulation; economic relations in the innovation sphere, connected with the long term and especially high risk of investment in it; direct state investment; multi-channel private funding; restructuring.

¹ Наукова та інноваційна діяльність України у 2007 році: статистичний збірник (2008). Київ, 221.; Наукова та інноваційна діяльність України у 2010 році: статистичний збірник (2011). Київ, 207, 209.; Наукова та інноваційна діяльність України у 2015 році: статистичний збірник (2016). Київ, 154.; Наукова та інноваційна діяльність України у 2016 році: статистичний збірник (2017). Київ, 96-97; Наукова та інноваційна діяльність України у 2017 році: статистичний збірник (2018). Київ, 92.

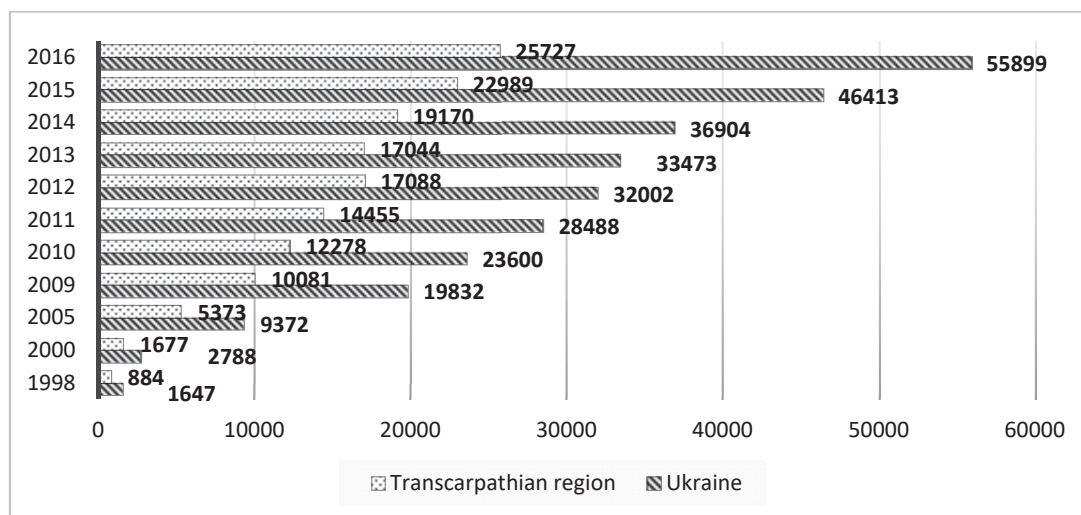


Fig. 5. Gross regional product per person in Ukraine and Transcarpathian region for the period of 1998-2016, UAH *

**Formed by source¹.*

The research confirms that for the socio-economic development of the region on an innovative basis, the following basic conditions are necessary: technological and intellectual potential sufficient for launching the innovation process; the constant growth of the number of participants in the innovation chain, including a number of new social groups; an institutional system (which includes both formal and informal elements) is oriented towards innovative development; the demand for innovations of business entities, individuals, regional innovation system as a whole.

Formation of a favorable innovation environment – a long process that requires significant investment, support from the state, which is a direct participant in innovation activities, primarily as a subject of management of these activities.

In order to ensure the effective functioning of the innovation system, subjects of economic activity, including the state, should be interested in participating in all branches of the chain: fundamental science – applied research – research and development – experimental production – mass production and market entry. The state has a significant impact on ensuring the effectiveness of the innovation process through direct and indirect measures, the correlation of which is determined by the economic situation in the country and from the chosen concept of state regulation – with an emphasis on the market or centralized influence. As a rule, during the period of economic decline, the Keynesian approach to the implementation of the state economic policy, which involves an extremely active state intervention in the economic life of society, is typical. In the period of economic recovery, the philosophy of conservatism prevails, which prefers the game of market forces. Modern researchers in the field of innovation development point out that the market is not able to provide an adequate investment of resources in science, thereby, indicating the need for state regulation of innovation.

We outline the peculiarities of state stimulation for the commercialization of innovations in the high-tech sector²:

1. Support for innovation activities should be carried out at all stages (from research work to the implementation of scientific and technical products (services). The state should offer a range of programs depending on the stage of technology development.

2. Multicomponent support for innovation should be carried out taking into account regional peculiarities and state priorities. Each stage in the development and transformation of knowledge requires financial, consulting, information and other support.

¹ Регіони України: статистичний збірник. 2 частини (2009). Київ, 13.; Регіони України: статистичний збірник. 2 частини (2016). Київ, 15.; Регіони України: статистичний збірник. 2 частини (2018). Київ, 16.

² Фатхутдинов, Р.А. (2000). *Инновационный менеджмент*. Москва: Бизнес-школа Интел-Синтез.

Table 2

Indicators of Innovative Development of the Economy of the Transcarpathian Region *

Indicators	2005	2010	2015	2016	2017	2017, % до 2005
The share of extrabudgetary funds in internal research and development costs (%)	0,7	0,9	0	0	0	0
The share of researchers aged under 39 to the total number of researchers (%)	21,3	18,5	20,4	21	22	103,3
Innovation activity of industrial enterprises (%)	–	10,8	10,1	13,8	9	0
Number of industrial enterprises that introduced innovations (units)	16	23	11	10	12	75
Number of acquired and transferred new technologies (units)	45	13	6	-	-	0
The share of innovative products in the total volume of sales of industrial products in the domestic market (%)	6,5	6	3,4	3,1	3,5	53,8
Number of implemented new technological processes (units)	10	8	7	18	7	70
Number of implemented types of innovative products (hired).	33	16	9	11	8	24,2
Number of industrial enterprises that implemented innovative products (units)	–	250	138	134	133	0
Number of organizations performing scientific and scientific and technical work (units)	21	16	10	9	8	38,1
Number of employees involved in the research and development (persons)	1805	1686	678	562	-	0
State budget expenditures on science (ths. Hrn)	11618,9	22572,4	28340,2	28130,9	35698,3	307,2
Internal costs of research and development (ths. Hrn)	14688,1	24910,0	38943,0	46384,3	55113,6	375,4

* Calculated by the author by sources¹.

3. Considerable attention should be paid to programs that transform the research and development results in a commercial application stage, as well as comprehensive software support programs for technology starters. The state, participating in risk assurance and financing high-risk projects, thus does not substitute for business, but compensates for "market failures."

4. The state should actively support the development of science-industry relations through the financing of cooperative R & D at pre-competitive stages. At the same time, cooperation is beneficial both for scientific organizations and the business sector. The essential stimulus in such programs is the transfer of research and development rights, created at the expense of budgetary funds, to the industry for its further commercialization.

¹ Наукова та інноваційна діяльність України у 2007 році: статистичний збірник (2008). Київ; Наукова та інноваційна діяльність України у 2010 році: статистичний збірник (2011). Київ; Наукова та інноваційна діяльність України у 2015 році: статистичний збірник (2016). Київ; Наукова та інноваційна діяльність України у 2016 році: статистичний збірник (2017). Київ; Наукова та інноваційна діяльність України у 2017 році: статистичний збірник (2018). Київ.

5. In the process of formation of innovation infrastructure, it is important to build both elements directly related to the field of science and technology, as well as "external" infrastructure (roads, airports, and other communications), which should also be attractive to potential investors.

The main regulatory functions of executive and legislative bodies in the innovation sphere are: accumulation of funds for research and innovation; coordination of innovation activity; stimulation of innovation, competition in this area, insurance of innovative risks, introduction of state sanctions for the production of obsolete products; creation of the legal basis for innovation processes, in particular the system of protection of copyright of innovators and protection of intellectual property; institutional provision of innovation processes in the public sector; raising the social status of innovation activity; ensuring the social and environmental orientation of innovation; regional regulation of innovation processes; formation of scientific and innovative infrastructure at the state and regional levels.

In order to implement these functions, the following measures of economic and budgetary policy are used¹:

- inclusion of expenses for research and development of the private sector in the cost of production;
- writing off a significant part of the scientific equipment at accelerated depreciation rates;
- application of the system of targeted tax privileges, aimed at constantly increasing the amount of scientific expenses in large corporations and attracting small and medium-sized businesses to innovation in the field of new technologies;
- preferential crediting of scientific and technical developments and partial financing of large projects, creation of institutional conditions for the development of venture financing;
- Gratuitous transfer or provision of state-owned property or land on preferential terms for the organization of innovative enterprises (mainly in the field of education or for small and medium-sized businesses), as well as for the creation of scientific infrastructure in the regions.

It should be noted that the main role in the regulation of innovation processes within the territorial economic system belongs to the bodies of regional government and local self-government bodies. Accordingly, the main task of regional policy should be to ensure the concentration of resources in priority areas, creation of conditions for interregional cooperation and strategic partnership of power, business and public institutions within the framework of an innovative development model. Therefore, in the framework of administrative and legal support of the scientific-technical and innovation development of the region, the formation of institutional and legislative conditions for the support and stimulation of investors, innovative enterprises, and institutional reforms is key. According to these instruments, the implementation of regional policy should be: administrative and managerial; means of deterring the placement of new enterprises in overpopulated areas; spatial division of economic activity of the state; financial incentives for companies (in the form of subsidies on certain amounts of investments, loans, financial incentives, subsidies in connection with the creation of jobs, etc.); organization of physical infrastructures and "soft" measures to stimulate development (creation of a favorable business environment, support for information networks, consulting activities, education, research and technical development)².

It is worth mentioning that ensuring the balanced development of an innovative environment is facilitated by the formation of an extensive innovation infrastructure, as a set of systems that have access to resources and provide various services to subjects of innovation activity. Typically, the following types of innovation infrastructure are distinguished³:

- financial – different types of funds (budget, venture capital, insurance, investment), as well as other financial institutions such as, for example, the stock market, especially for high-tech companies;
- productive-technological (or material) – technology parks, innovation technology centers, business incubators, technology transfer centers, etc.;
- Information – databases and knowledge, access centers, as well as analytical, statistical, information, etc. centers (that is, organizations that provide services);
- personnel – educational institutions for training and retraining of personnel in the field of scientific and innovative management, technological audit, marketing, etc. .;

¹ Фатхутдинов, Р.А. (2000). *Инновационный менеджмент*. Москва: Бизнес-школа Интел-Синтез.

² Фатхутдинов, Р.А. (2000). *Инновационный менеджмент*. Москва: Бизнес-школа Интел-Синтез.

³ Петрухина, Е.В. (2012). Основные факторы инновационного развития регионов. *Научные ведомости*, 120. <http://dspace.bsu.edu.ru/bitstream/123456789/10808/1/Petrukhina_Major_12.pdf>. (2019, March, 20).

• expert-consulting – organizations engaged in providing services on intellectual property issues, standardization, certification, as well as consulting centers, both general and specializing in particular areas (finance, investment, marketing, management, etc.).

An important component of the formation of a regional innovation system should be the sector of innovative entrepreneurship, which plays a leading role in approbation and development of the latest and most risky technologies. Flexibility, the ability to quickly rebuild, expand or, conversely, roll-over production makes this sector more competitive. The innovation entrepreneurship sector is the driving force behind the innovative development of high-tech industries.

Independent innovative enterprises, aimed at a common end to all members of the team, they work faster and more efficiently. In the narrow collective it is possible universalization of specialists, therefore, mutual assistance and temporary concentration of intellectual efforts, "brainstorming", are possible here¹.

In addition to the above, innovative entrepreneurship solves a number of important social problems, as its development is accompanied by an increase in the size of tax revenues in the country's budget, and, consequently, the expansion of the state's ability to fulfill social obligations. The activities of enterprises are oriented to the satisfaction of local needs in goods and services and contributes to the employment of the population and filling the revenue part of local budgets. The need for activation of business entities in the field of innovative entrepreneurship is confirmed by the experience of the developed countries of the world.

Conclusions. Thus, in order to increase the innovation activity of business entities in the multifaceted spheres and types of economic activity of the territorial system, the priority tasks should be: technical and technological updating, solving the tasks of forming and increasing the competences of individual enterprises, coherence of actions of participants in the competitive market, ensuring the interests of owner's investment capital and implementation of state policy in this area. The demand for innovative products needs to be stimulated through substantial government procurement or the development of niche innovations, the high demand for which is guaranteed, taking into account the potential opportunities and prerequisites of individual regions. The outline and taking into account the factors influencing the provision of innovative development of the region will promote its socio-economic growth while reducing unemployment and increasing employment, raising the level and improving the living conditions of the population, protecting health, forming a powerful educational and intellectual potential, etc.

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