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LEVERS OF INNOVATIVE ENTREPRENEURSHIP ACTIVATION IN THE STRATEGIC REGIONAL COMPETITIVENESS

The article reveals the tools for enhancing innovative entrepreneurship in the region, which leads to the creation of long-term, strategic competitive advantages. There are three groups of tools: institutional, organizational and marketing ones. Institutional instruments form legislation, rules, norms of innovative entrepreneurship, create conditions for the stability and permanence of innovation activity, stimulate the acceleration of innovation processes and increase effectiveness. Organizational mechanisms let to use the effective forms of entrepreneurial activity and can be used in two ways: a) as methods and techniques, b) as organizational structures capable of creating conditions for effective innovative entrepreneurship. Regional marketing promotes regional innovative entrepreneurs to national and international markets.

Key words: regional competitiveness, strategic development, innovative entrepreneurship, institutional levers, organizational tools, regional market.

Introduction. The complications of the economic, social and political environment due to globalization and other challenges require increased attention to the problems of strategic management, aimed at building systemic competitiveness at all levels of economic life. The issues of strategic competitiveness of regions are of particular importance, which are systemic elements of the national economy and at the same time – the area where enterprises operate, which are the primary link and a necessary factor in the development of the country. The efficiency of both the country and the business located in a given territory, both in the current dimension and in the long run, depends on the organization of the regional economy, its management, and the whole development. As a result, the issues of strategic development of the territory, its competitiveness and mechanisms that contribute to the achievement of strategic goals become relevant.

Strategic competitiveness consists in creating sustainable trends of advanced development of the regional economy on the basis of consolidation of all subjects of regional life. The organization and condition in the region of the innovation process and the strategic potential of participants in innovation are of particular importance, that are based on the principles of optimality, integrity, efficiency and preservation of the ecosystem. In order to form the strategic competitiveness, the tasks of activating the mechanisms of innovation activity acquire a special sound, which are aimed at supporting the entrepreneurs involved in the innovation process.

The mechanism involves a set of levers, the interaction of which motivates it to a given action and performance of tasks. In turn, the mechanism ensures the dynamics of functioning and development of the system to which it belongs.

All this determines the relevance of the research topic and makes it expedient to determine the range of levers that can be used in the process of forming the strategic competitiveness of the regional entity.

Review of publications. The issue of strategic development of regions due to its relevance is in the center of attention of scientists. The most popular is the topic of strategic planning, which is considered in details by Kostas Žymantas Svetikas¹, Gavriilidis Gaby and Metaxas Theodore², Francisco Javier Jaraíz Cabanillas, Julián Mora Aliseda, José Antonio Gutiérrez Gallego, Jin Su Jeong³.

Problems of the potential of strategic development in the regions have been explored in previous publications Kubiniy N., Marhitich V., Kosovilka T.^{4,5}. The importance of the sectoral structure, in particular of small business, in the formation of strategic regional competitive advantages is considered by Miklovdá V. and his associates⁶, and the issues of competitiveness of the region, the concept of competition and the objectives of competitors are covered Enn Listra (2015)⁷.

At the same time, the innovative entrepreneurship as the main condition and factor of regional development is not covered by modern researchers, and the regional mechanism of enhancing of innovative activity are not clarified.

The aim of the article is to investigate modern problems in sphere of regional competitiveness and determine the main components of regional innovative entrepreneurship development, mechanism of support of innovations in regions.

Results. The mechanism of development of economic and innovation processes is a complex phenomenon with a certain set of elements and interactions between them. For successful operation, the mechanism requires structural and functional analysis, which takes place in certain economic, technological and political conditions. The importance of the necessity and expediency of using various mechanisms to intensify innovative entrepreneurship as a factor of national and regional competitiveness is confirmed by the practice of leading countries. For example, world experts believe that the success of Finland and its region in the field of innovation has become possible due to the active use of various tools that have allowed the country to take first place in the world for: "the effectiveness of the regulatory framework; development of property rights; the level of intellectual property protection; low inflation; quality of primary education; availability (availability) of qualified scientists and engineers.»⁸.

Regional competitiveness is a system of mechanisms aimed at creating advantages in competition with other territorial associations for resources and opportunities located within a given economic and geographical complex to produce competitive products and services.

In the process of building regional competitiveness, its strategic aspect stands out: the long-term functioning of any system, its success in the future is laid in today's conditions, when proactive strategic decisions are made.

To ensure the adequacy of such decisions to the strategic objectives of regional development, the levers that can ensure effective strategic transformations in the region and form a competitive advantage in the future are explored. Such levers include (fig/1).

¹ Svetikas, K. Ž. (2014). *Strategic planning for regional development: an introductory textbook*. Vilnius, 133.

² Gavriilidis, G., Metaxas, T. (2017). *Strategic planning and city/regional development: Review, analysis, critique and applications for Greece*. University of Thessaly <https://mpr.a.u.b.uni-muenchen.de/81131/1/MPRA_paper_81131.pdf> (2020, October, 30).

³ Cabanillas, F. J. J., Aliseda, J. M., Gallego, J. A. G., Jeong, J. S. (2013). Comparison of regional planning strategies: Countywide general plans in USA and territorial plans in Spain, *Land Use Policy*, 30, 1, 758-773. <<http://www.sciencedirect.com/science/article/pii/S0264837712001068>> (2020, October, 30).

⁴ Kubiniy N., Marhitich V., Kosovilka T. (2019). Potential of strategic development of regional economy. *Challenges of Globalization in Economics and Business (The 4th International Scientific Conference. Georgia, Tbilisi, November 1-2, 2019 Proceedings)*. Tbilisi: Ivane Javakishvili Tbilisi State University, 237-242.

⁵ Kubiniy N., Marhitich V., Kosovilka T. (2020) Modern Content of Strategic Regional Development Potential. *Economics and Business*, 1 <<http://eb.tsu.ge/?cat=nomer&leng=eng&adgi=945&title=Modern%20Content%20of%20Strategic%20Regional%20Development%20Potential>> (2020, October, 30).

⁶ Мікловда В., Ступко, А., Брітченко, І., Кубіній, Н. (2012). *Малий бізнес як фактор розвитку конкурентоспроможності регіону*. Полтава: Техсервіс, 200.

⁷ Listra, E. (2015). The concept of competition and the objectives of competitors. *20th International Scientific Conference Economics and Management*. 26-30 <<https://cyberleninka.org/article/n/577226>> (2020, October, 30).

⁸ Мальцев, А., Кархунен, П. (2012). Феномен Финляндии: развитие инфраструктуры генерации и трансфера инноваций как фактор экономического роста. *Контуры глобальных трансформаций: политика, экономика, право*, 6 (26) <<https://cyberleninka.ru/article/n/fenomen-finlyandii-razvitie-infrastruktury-generatsii-i-transfera-innovatsiy-kak-faktor-ekonomicheskogo-rosta>> (2020, October, 30).

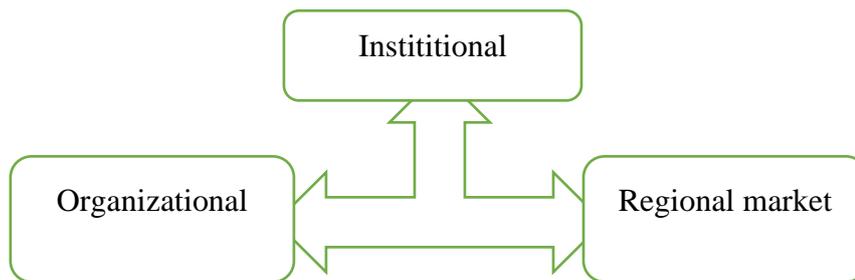


Fig. 1. Systemic levers of activation of innovative entrepreneurship as a factor of strategic competitiveness of the region (compiled by the authors)

1 .Institutional levers play an important role in the formation of a system for the development of innovative entrepreneurship in Transcarpathia. The institute is a set of roles, statuses, rules of relations between the participants of interaction, the action of which is aimed at meeting certain needs of society. In the context of innovation-oriented regional economy, institutions create conditions conducive to the stability and permanence of innovation activity, and their mechanisms stimulate the acceleration of innovation processes and increase their effectiveness.

When designing a regional institutional lever, it is advisable to take into account that it is recommended to understand the structural units of the mechanism and their correlation. As a result, the following actions will be perspective: « to integrate agents into joint activity by means of the general norms and statuses; to differentiate norms and statuses, as well as subjects and agents of different institutions...; regulate the interaction of the subjects of the institute and its agents in accordance with the established requirements; transform new requirements into real routines; to ensure the reproduction of innovation; subordinate and coordinate relations between entities belonging to different institutions; to inform subjects and agents about the accepted norms, and also about opportunistic behavior; regulate the activities that reject and share certain requirements of the institution...»¹.

The most influential institutional levers of activation of innovative entrepreneurship in this study are: a) the laws in the field of entrepreneurship and innovation and b) the institute of intellectual property protection.

Legislation in a unitary country is an institution that is formed at the national level and does not significantly depend on regional features. At the same time, the national rules of innovative action can certainly not be exaggerated: the absence or imperfection of legislation slows down the development of certain processes, limits the opportunities of entrepreneurs. For example, the lack of definition in the Ukrainian legislation of the legal category of innovative entrepreneurship does not contribute to its development. The institute of intellectual property is also in the competence of the national authorities. The main tasks of «legal regulation of intellectual property are necessity:

- bringing current legislation into line with international norms and standards;
- improvement of normative legal acts in terms of strengthening the legal protection of intellectual property rights and stimulating the development of innovation;
- optimization of public administration in the field of intellectual property;
- improvement of existing and search for new ways to increase the level of protection of intellectual property rights, introduction of protection of copyright and related rights on the Internet»².

At the same time, the regions are the initiators of improving the institutional factor of innovative entrepreneurship, inform the center about the feasibility and necessity of legal regulation of certain aspects of innovation, entrepreneurship or their interaction with the authorities.

2. Organizational tools. In scientific thought, the prevailing view is that the organizational lever "represents a system of methods, techniques and techniques for the formation and regulation of the

¹ Иншаков, О. В., Лебедева, Н.Н. (2002). Типология и классификация институциональных механизмов.

Экономика развития региона: проблемы, поиски, перспективы: ежегодник. Волгоград : Изд-во ВолГУ, 1, 434.

² Асадчев, Ю. (2020). Проблеми правового регулювання інтелектуальної власності. *Lexliga*

<lexliga.com/ua/novosti/problemyi-pravovogo-regulirovaniya-intellektualnoj-sobstvennosti> (2020 October, 30).

relationship of objects with the internal and external environment. Features of organizational levers are determined by the actions to organize management. The latter are: actions for the formation, creation, formation of the whole as a set of interconnected and interacting parts, ...; actions for the creation of elements of the whole...; actions to ensure internal order, coherence, interaction ...; actions to bring the system and its elements in line with the strategic mission, goals and nature of the object of management; actions to adapt the system to the environment»¹.

Thus, in the regional practice of activating innovative entrepreneurship, organizational levers can act in two guises:

- a) as methods and techniques,
- b) as organizational structures capable of creating conditions for effective innovative entrepreneurship.

The organizational levers – methods of activating innovative entrepreneurship include program-target method of project management, methods of project analysis, diagnostics and design.

Structural forms of implementation and support of innovative entrepreneurship, recommended for use in regional practice: innovation system, support system for innovative entrepreneurship, innovation clusters. Forms of organization of innovative activity can also be enterprises (both small and large, building their actions on the principles of entrepreneurship); research institutions, educational institutions, technology parks, innovation transfer centers, incubators, etc.

An example of an effective combination of the program-target method with organizational-structural and institutional levers is Finland, in which the Program of Centers of Expertise, coordinated by the Ministry of Employment and Economic Affairs, and it serves as a tool for implementing effective regional policy.

Clusters play a significant role in intensifying innovation. The innovation cluster combines two extremely different, but at the same time interdependent and interconnected types of production: ideas and knowledge on the one hand and goods and services on the other. This paper proposes to consider the innovation cluster as a system organizational mechanism created and managed for the sole purpose of generating new knowledge and their implementation, and cluster members function as elements of the system based on the principle of holism.

It is very important what holism requires: the whole is always more than the simple sum of its parts. Therefore, the cluster as a type of cooperation between creation and production has priority over its components: ideas and new knowledge are determined by the production sphere and vice versa.

It is well known that holism consists of two parts: coordination and integration. Coordination in holism means that the activity of any part of the innovation cluster as a mechanism cannot be planned effectively if it is carried out independently of other objects of the system. Integration, as emphasized in systems theory, determines that planning carried out independently at each level cannot be as effective without the interconnection of plans at all levels².

Organizational innovation structures can perform directly innovation activity, and can serve as infrastructure. Despite all the differences, functions, values and roles in the innovation process, organizational structures allow to create conditions that reduce the innovation process and increase the efficiency of its participants.

3. Marketing tools to influence innovative entrepreneurship are aimed at creating a positive attitude towards, for example, Transcarpathia, which helps increase the services offered by the region and sales of regional enterprises, which ultimately improve the economy, the quality of business and life in the region. The task of regional marketing is to attract new economic agents to the region, whose activities contribute to regional economic development and increase its competitiveness. Within this work, the task of regional marketing of Transcarpathia can be adjusted and defined taking into account the innovation component as follows: regional marketing of innovative development of the territory is a type of strategic activity aimed at forming regional competitive advantages based on attracting creative intelligentsia, highly qualified workers with innovative goods and technologies, players of scientific and innovative sphere (big business, scientific institutions, subjects of innovative business, organizations of innovative infrastructure, etc.) for the purpose of creation in the region of atmosphere of culture of scientific and technical creativity and innovations which

¹ Асриянц, К. Г. (2005), Организационные механизмы в управлении предприятием. *Вопросы структуризации экономики*, 2 <<https://cyberleninka.ru/article/n/organizatsionnye-mehanizmy-v-upravlenii-predpriyatiiem>> (2020, October, 30).

² Fialkovskiy, A. (2017) System approach to the cluster. *Стратегічний розвиток організації, міст та регіонів: збірник матеріалів Міжнародної науково-практичної конференції (м. Ужгород, 26-27 жовтня 2017 р.)*. Ужгород: Говерла, 26-27.

activate innovation processes contribute to the construction and effective functioning of the innovation system and the system of support for innovative entrepreneurship, which naturally contributes to the increase of research and innovation activity in the region.

One of the marketing tools of innovative development can be scientific and exhibition tourism, which includes a system of activities in the Transcarpathian region, which includes: a) holding international scientific conferences in the region; b) holding international exhibitions of scientific, technical and innovative orientation. An example is the city of Lucerne in Switzerland with a population of 80,000 people and a large number of historical monuments, which hosts Baumag – an international exhibition of mechanical engineering. A network of tourist and sanatorium establishments has already been created and is functioning for scientific and exposition tourism in the Zakarpattia region, capable of providing high-quality conditions for events (Voevodino, Zolota Hora, etc.).

Among the levers of regional marketing in Transcarpathia, it is recommended to use branding. The brand is a reflection of the strategy of competitiveness of the region, its potential, the basic principles of development and values shared by the regional administration, business players, residents of the region. The brand not only performs an image campaign or the function of promoting the region in national or global markets, but also implements a consolidating task. Regional development actors support the region's brand, which motivates them to take action to implement the strategy. The Transcarpathian brand as a "Silver Land" is associated with a recreational development strategy of the region, which is based on the unique natural and climatic opportunities of the region, serves to attract tourists and people in need of treatment or rehabilitation. This significantly intensifies the tourism industry and increases the GRP and the level of tax revenues.

Conclusion. The study showed that the competitiveness of the regional economy largely depends on the level of development of innovative entrepreneurship, which attracts a variety of resources to the region, such as intelligence, smart capital, information, knowledge, technology. In turn, the regional authorities should use a mechanism aimed at creating conditions for effective innovation activity to support innovative entrepreneurship. The main instruments of the mechanism are the following: institutional, organizational, marketing.

Organizational mechanisms let to use the effective forms of entrepreneurial activity and can be used in two ways: a) as methods and techniques, b) as organizational structures capable of creating conditions for effective innovative entrepreneurship. Regional marketing promotes regional innovative entrepreneurs to national and international markets.

In further studies, it is planned to justify the need and present a regional system for supporting innovative entrepreneurship.

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