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State Policy for the Development of Innovative Entrepreneurship: Experience of Ukraine

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ABSTRACT

The article's purpose is to analyze prospects for innovative development of entrepreneurship and generalize main directions of Ukraine's state innovation policy. Research methods are: monographic analysis, system analysis, comparative legal analysis, generalization, forecasting, etc. We substantiated the necessity for elaborating and implementing effective measures aimed at developing innovative entrepreneurship and increasing country's innovative potential due to the improvement of legal tools of the state policy for developing innovative entrepreneurship. We emphasized that there is possibility to develop Ukraine's potential of innovative entrepreneurship and strengthen commercialization of innovations due to the current legislation's improvement, particularly through implementing European law norms into the national legal system. It is proven that the effective implementation of scientific technical progress achievements can occur only under condition of establishing cooperation between scientific and educational institutions and enterprises; due to well-chosen financial, organizational and regulatory measures to support innovations' development and commercialization. It is concluded that formation of Ukraine's modern innovation policy should be based on the modernization of enterprises, active attraction of investments through participation in national and international projects, integration of information technologies into the production sphere and effective management solutions aimed at our state's participation in global innovation processes.

KEYWORDS: state innovation policy, innovations, scientific and technological progress, innovative entrepreneurship, innovation support programs.

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Política estatal para el desarrollo del espíritu empresarial innovador: experiencia de Ucrania

RESUMEN

El propósito del artículo es analizar las perspectivas para el desarrollo innovador del espíritu empresarial y generalizar las direcciones principales de la política estatal de innovación de Ucrania. Los métodos de investigación son: análisis monográfico, análisis de sistema, análisis jurídico comparado, generalización, previsión, etc. Se fundamenta la necesidad de desarrollar e implementar medidas efectivas dirigidas al desarrollo del emprendimiento innovador y aumentar el potencial innovador del país debido a la mejora de los instrumentos legales de la política estatal con respecto al desarrollo del emprendimiento innovador. Se enfatizó que, gracias a la mejora de la legislación actual, en particular mediante la implementación de las normas de la ley europea en el sistema legal nacional, existe la posibilidad de desarrollar el potencial del espíritu empresarial innovador en Ucrania y fortalecer la comercialización de las innovaciones. Se ha demostrado que la implementación efectiva de los logros del progreso científico y tecnológico solo es posible bajo la condición de establecer una cooperación entre instituciones y empresas científicas y educativas; gracias a medidas financieras, organizativas y regulatorias bien elegidas para apoyar el desarrollo y la comercialización de innovaciones. Se concluyó que la formación de la política de innovación moderna de Ucrania debe basarse en la modernización de las empresas, la atracción activa de inversiones a través de la participación en proyectos nacionales e internacionales, la integración de las tecnologías de la información en la esfera de producción y soluciones de gestión eficaces dirigidas a la participación de nuestro estado en los procesos globales de innovación.

PALABRAS CLAVE: política estatal de innovación, innovaciones, progreso científico y tecnológico, emprendimiento innovador, programas de apoyo a la innovación.

Introduction

Considering the active European integration processes that are taking place in Ukraine despite the war, the innovative development model of our country is attracting more and more attention of scientists, politicians and entrepreneurs. Innovative processes play an extremely important role in the modern economy. Therefore, defining and taking into account their features is an indispensable condition for ensuring the effectiveness of the state's economic strategy and the development of the country's economic potential in general. Creation of

appropriate incentives for the spread and improvement of the innovative model of economic activity of domestic enterprises becomes one of the major tasks of the innovative and economic policy of the state.

Those changes that are taking place in economic and social development of the country have led to a new model of economic development, which is characterized by fundamentally new features and priorities. Industries based on high technologies, as well as industries and specific enterprises which are able to adapt quickly to the requirements of the external environment, play a particularly important role in the society these days. Due to the rapid pace of changes in the modernization of our live, the requirements for the quality of goods, services, and their wide range are growing proportionally. The state and the society become more open to innovations as a means of achieving economic development of the country and regions, as well as the decent living standards.

Implementation of innovations can raise the economy to a new level and contribute to the rapid development of industrial production, as evidenced by the positive experience of innovations incorporation into business in developed countries. Moreover, the achievements of economic development by means of commercialization of such products of intellectual work as technologies, scientific and technical developments and knowledge are currently recognized as a model of innovative development of the economy of the European Union. European integration processes encourage Ukraine to converge the national economies with economic systems of the EU countries and introduce the European model of innovative development. Therefore, the study of features of the EU innovation policy, as well as participation in projects aimed at stimulating innovations, are extremely important for our country. The outlined questions will become especially relevant in the reconstruction period of the post-war economy and modernization of all spheres of life of society and the state.

However, today the technological structure of industry in Ukraine does not fully meet the demands of the time, which weakens the competitiveness of national producers. For this reason, it is extremely important to maximize the effective use of innovative potential of the country, internal and external resources and to transfer to an innovative model of the development of the national economy as an imperative of the state innovation policy. For this

purpose, the legal regulation of relations in the field of innovation should be improved, based on a stable legislative base for the development of innovative entrepreneurship and overcoming the existing gap between science and economic practice.

1. Literature review

It should be noted that there are quite a lot of scientific works devoted to the research of state innovation policy and innovative entrepreneurship. But most of them were written before strengthening of integration processes between Ukraine and EU and do not fully reflect the main directions of harmonization of our national legislation in the sphere of innovations with the norms of EU law. In addition, they concern mainly a separate branch of the economy and do not consider from a holistic prospective the possibilities of introducing innovations to various spheres of activities in all regions of the country with regard to the peculiarities and state of economic development of this or that region. Therefore, the legal toolkit of the state innovation policy is improved not only due to the development of economic processes and transformations in the economy in general, but also due to the active integration of our country into the European community. This state of affairs indicates the urgency and necessity of conducting research on the chosen issue.

A general overview of the theoretical foundations of state innovation policy is provided in the scientific article by Svyatohor (2016). The study of state policy instruments for the development of the high-tech entrepreneurship sector was carried out in the scientific work of Lyholat et al. (2019). The analysis of foreign experience in ensuring innovative development of the economy is carried out in the scientific article of Hotra (2015). The development of innovative entrepreneurship in Ukraine and its impact on positions in the global economy are studied in the article by Kryvovyazyuk (2021). Directions for increasing the effectiveness of state policy in the sprere of innovative development of entrepreneurship in Ukraine were investigated in the scientific work of Hotra and Varshava (2018).

Taking into account the results of research conducted by the above mentioned and other scientists, we consider it expedient to direct our scientific research to clarifying the essence of the concept of "innovative entrepreneurship" and the influence of legal means of the state's

innovation policy on stimulating its development. Therefore, the purpose of the article is to analyze perspectives for the innovative development of entrepreneurship and to generalize the main directions of the state innovation policy of Ukraine based on the optimal use of the potential of the country, region and an enterprise, as well as to study effective measures of the state innovation policy in the context of implementing the achievements of scientific and technological progress.

2. Methods

Dialectical and special scientific methods of scientific research have been used in the article. Thus, the method of monographic analysis helped clarify a range of problematic issues related to the improvement of the state innovation policy, which were researched and published by scientists in scientific publications. The method of analysis and synthesis made it possible to summarize information concerning understanding of the concept of "innovative entrepreneurship" and to form the author's vision of its essence, at the same time researching those legal instruments of innovation policy that are able to promote innovation. Thanks to the method of theoretical generalization, the elements of the state innovation policy mechanism, which are actively used to increase the innovation potential of enterprises and the country as a whole, were critically examined. The comparative-legal method allowed to carry out a comparative-legal analysis of innovation policy tools, practically used in countries with the most successful economies to stimulate innovative activity in the country and its regions. The system method made it possible to conduct a study of the state innovation policy as a dynamic system consisting of separate subsystems and elements. The forecasting method made it possible to investigate trends in the development of innovation potential with the aim to increase the level of involvement of innovations in entrepreneurship and improve the economic indicators of the country. The method of generalization made it possible to make conclusions based on the conducted research.

3. Results and Discussion

3.1. Innovation policy of the state as a tool for introducing achievements of scientific and technical progress into entrepreneurship

The idea that innovation plays an extremely important role in economic efficiency and in solving emerging challenges (such as the challenge of climate change) has gained a lot of traction in recent years. As a result, the idea that politics can play a role in supporting innovation was formed, which in turn contributed to the spread of the term innovation policy as a common term (Edler & Fagerberg, 2017).

Today the innovation policy of the state is implemented in complex and dynamic environment, including such areas as science, education and innovation, the clear coordination of which contributes to economic growth. It is the transformation of new ideas and knowledge into an object of economic relations that helps the embodiment of innovative developments and their practical implementation in production processes. Such complex economic processes require not only significant economic costs, but also appropriate political and legal support from the state. Thus the formation of demand for innovations and the creation of favorable conditions for the implementation of innovative activities is almost the most important task of the innovation policy of any country (Bazhal, 2016).

In addition, the market economy assumes that enterprises play a key role in establishing stable production of goods and services needed by the society. Therefore, an important task of the state is to ensure the most effective functioning of the national innovation system at all levels of production and in various spheres of entrepreneurship. That is why the state helps to create favorable conditions for innovation by responsible management of the economy, effective regulatory policy and promotion of the free move of investments, people and ideas within the country, regions and enterprises.

Most scientists lean towards understanding state innovation policy as a set of interconnected and mutually conditioned forms, mechanisms, tools, and technologies of the state's influence on the processes of formation, development, and implementation of the country's scientific, technological and innovative potential, based on prospective world trends in scientific and technological development (Svyatohor, 2016). In fact, the state innovation policy is a legal means aimed at the development and stimulation of innovative activity, that is the creation of new or improved products or technological processes that are implemented in the economic turnover using scientific research and development.

The choice and formation of instruments of state policy for ensuring the innovative development of the business sector depends on the stage of economic development of the country and provides the use of additional approaches to multidimensional aspects of innovative and technological activities to solve specific problems.

In general, the instruments of state innovation development policy include: regulatory tools (domestic and international law on intellectual property, economic competition, labor, etc.), financial and economic tools (cash transfers, subsidies, loans, credits, state contracts, taxes, customs duties, etc.) and so-called "soft tools" (market conditions, national and international technical standards, cooperation agreements, means of communication with the public, etc.) (Lyholat et al., 2019). It is important to note that the necessary volume and choice of methods of formation of state policy instruments should be related to specific types of innovative activity and be adapted to domestic conditions of use and, if necessary, be adjusted according to changes in the global or national environment.

The innovative type of development, which achievement involves the implementation of the state innovation policy, is characterized by shifting the emphasis to use of fundamentally new progressive technologies, the transition to the production of high-tech products and progressive organizational and management solutions in entrepreneurial activities (Fagerberg, 2016). Therefore, innovative activity involves first of all the creation and implementation of innovations, conducting scientific research, creating and improving technological processes used in the company's activities. Innovative activity is also characterized by new solutions in the field of production organization and the social sphere as well as the search for sources of financing the innovation process.

Active use of both effective mechanisms of financial support and constant improvement of the regulatory sphere of these legal relations are important for the introduction of innovations in the activities of enterprises. Thus, financial support mechanisms such as direct funding, tax incentives, subsidies and loans are the main tools used to stimulate industrial research and development. In addition, along with the mechanism of financial support, the quality of the legislation regulating the development of innovations and their introduction into the production process have great importance.

The modern regulatory and legal framework regarding innovative activity includes the norms of the Constitution of Ukraine, the Economic Code of Ukraine, the Law of Ukraine "On Innovative Activity", the Law of Ukraine "On Priority Areas of Development of Innovative Activities in Ukraine", the Law of Ukraine "On Investment Activity", the Law of Ukraine "On scientific and technological activities", the Law of Ukraine "On the special regime of innovative activity of technological parks" and other normative legal acts, which determine the legal, economic and organizational principles of state regulation of innovative activity in Ukraine, establish forms of state stimulation of innovative processes and are aimed at supporting the development of Ukraine's economy in an innovative way.

In general, the legal framework acts as a regulatory instrument of the state policy of innovation development, which provides for the use legal means to regulate social and market interactions between subjects of economic activity in the innovation-technological process (Lyholat et al., 2019).

The Law of Ukraine "On Innovative Activity" defines innovations as "newly created (applied) and (or) improved competitive technologies, products or services, as well as organizational and technical solutions of a production, administrative, commercial or other nature that significantly improve the structure and quality of production and (or) social sphere" (On innovative activity: Law of Ukraine, 2002).

Innovative activity is conceived in the norms of the law as a process aimed at implementing the results of completed scientific research and development or other scientific and technical achievements into a new or improved product sold on the market, into a new or improved technological process used in practical activities, as well as into related additional scientific research and development. Thus, a product that is the implementation of an intellectual property object for which the manufacturer has state protection documents (patents, certificates) or licenses obtained from the owners of the intellectual property objects, or the introduction (implementation) of discoveries, will be recognized as innovative. It increases the domestic scientific, technical and technological level, it is produced in Ukraine for the first time or, if not for the first time, it is compared to another similar product presented on the market as competitive and has significantly higher technical and economic indicators.

Innovations allow enterprises to reach a completely new level of production and contribute to obtaining benefits expressed in the form of tangible or intangible assets. Therefore, the innovative development of the enterprise should be understood as a process of structural improvement of production and other processes of business activity due to the practical use of new knowledge in order to increase production volumes, improve product quality, and strengthen competitiveness.

3.2. General characteristics of national and European innovation support programs in Ukraine

Given that innovations help optimize industrial production on a global scale and create conditions for economic growth, they are increasingly becoming an important topic in international relations (Leijten, 2019). Effective state economic policy should promote the development of innovations and improve the conditions for globalization processes by concluding bilateral and multilateral agreements, as well as by means of a high-quality national strategy for the development of innovations with the aim of introducing them into production and management processes.

In adopted in July 2019 Strategy for the development of the sphere of innovative activity for the period until 2030 states, that "The current state of innovative activity is a consequence of the lack of a strategic vision and consistent state policy regarding the transfer of Ukraine to an innovative path of development, the formation of a national innovation ecosystem (sets of institutions, relations, as well as various types of resources involved in the process of creating and applying scientific knowledge and technologies that ensure the development of innovative activity), which would ensure its implementation and increase the development of innovative culture in the state, using not only financial, but also other mechanisms for the development of innovative activity. Despite the presence of individual elements, there is no complete national innovation system, the purpose of which is to create innovative products (processes) and their quick introduction to the market (implementation). The existing structural elements of the national innovation ecosystem in Ukraine and the legal framework of their operation are not built into a single structure, therefore the results of the activities of these elements are isolated and do not have a synergistic effect, which should mean increasing of the efficiency of national

production of goods (services) and strengthening of their competitiveness achieved through the large-scale implementation of the results of scientific research and scientific-technical (experimental) developments" (Strategy for the development of innovative activity field for the period until 2030, 2019).

The purpose of this Strategy is primarily to build a national innovation ecosystem to ensure the rapid and high-quality transformation of creative ideas into innovative products and services, to increase the level of innovativeness of the national economy, which involves the creation of favorable conditions for the development of the innovative sphere, increased number of implemented layouts, increased economic benefits from them, investments attracting into innovative activities.

Science policy, along with technology and innovation policy should focus on creating connections, clusters and networks, as well as stimulating learning between system elements and promoting entrepreneurship (Schot & Steinmueller, 2018). Emphasis on the commercialization of scientific developments is seen in the activities of the Ministry of Education and Culture of Ukraine, in the activities of the National Academy of Sciences of Ukraine and specialized academies that have state support. In addition to financing scientific research, these structures aimed at the development of innovative activities, conduct joint activities with sector ministries, state authorities at the regional level and with local self-government bodies, as well as with various business structures.

An important direction in the development of innovative activities of universities and scientific institutions is the development of their innovative infrastructure in the form of departments of intellectual property and technology transfer. But the activities of such departments are usually reduced to the preparation of catalogs of developments, presentation of materials at exhibitions and posting of information on the Internet.

The activity of universities has been intensified in the last 2 or 3 years regarding the development of innovative activities of students through participation in startup competitions and the launch of entrepreneurship courses. An example is the pilot project "Entrepreneurial University" launched at the initiative of the start-up incubator YEP and the support of the Ministry of Education and Science of Ukraine, by which the course "Innovative

entrepreneurship and management of startup projects" has been studied in higher educational institutions (A course on innovative entrepreneurship will appear in universities, 2021).

The Ministry of Digital Transformation plays a special role in the field of formation and implementation of state policy regarding digitalization and innovative development. The expansion of the dialogue between Ukraine and the EU in the field of digital technologies and the preparation of the Roadmap for integration into the EU's Single Digital Market contributed to the growing attention of the Ministry to innovative activities. The Ministry takes an active part in the activities of the Ukrainian startup fund and initiated the creation of Action-Business centers (hubs) in universities, where students can undergo training, acquire entrepreneurial skills and abilities, and test their innovative solutions.

In addition, the Ministry of Digital Transformation formed an expert committee on the development of the field of artificial intelligence (AI) in Ukraine. The committee included representatives of business, science and education, Ukrainian and foreign IT companies, as well as individual sectors with potential use of AI. An important result of the work of the expert committee was the preparation of the concept of the development of artificial intelligence in Ukraine by 2030. In view of this Concept, AI holds a special place in the system of legal regulation, since the capabilities of AI can positively affect a number of spheres of life of the state and society (Martsenko, 2021).

Equally important are the tasks in the field of innovation, which are entrusted to the Ministry of Development of Communities and Territories of Ukraine in order to increase the competitiveness of the regions. The State strategy of regional development for 2021-2027 aims to stimulate economic development of regions through investments in regional development projects aimed at the development of regions, creating conditions for attracting investments and additional jobs (State strategy of regional development for 2021-2027).

We should note that in EU countries it is customary to distinguish three main types of state programs for innovative development (state programs, technological or scientific research programs; programs aimed at commercialization of results; national cluster programs), which contribute to the commercialization of the results of innovative activities and are aimed at supporting the creation of new small innovative enterprises at research institutions, as well as

the creation of new businesses or other means for commercial application of the results of scientific research activities (Hotra, 2015). In addition, there are EU Framework Programs supporting scientific research and innovation. These programs were launched in 1984 and today there are nine of them (The Ninth Framework Program (2021-2027) "Horizon Europe" - € 92 billion).

Among the tools, supporting innovation, the provisions of the "Innovative Europe" line of the Horizon Europe program are important; within its framework the expansion of support for competitions and tools of the European Innovation Council, the development of the European innovation ecosystem and ensuring the activities of the European Institute of Innovation and Technology (EIT) are envisaged. It is important that the EU tries to provide financial and management resources for all stages of the innovation chain, from the idea to the market, using so-called "technology readiness levels" to identify each stage.

Overall, the question that developed and developing countries are trying to answer is how to promote innovation in the best way to improve competitiveness, productivity, employment, growth and sustainable development. This question is complex and ambiguous. It is obvious that the state should concentrate funds to invest in knowledge generation and ensure free and competitive market conditions, which in turn will result in a more innovative economy (Karlson et al., 2020). It turns out that Ukraine has all the prerequisites for close cooperation between associations of scientists and entrepreneurs, which will make it possible to bring innovation policy to a new institutional level as part of the national policy of economic and social development and to promote the development of entrepreneurship in particular.

3.3. Increasing the effectiveness of state policy in the field of innovation in Ukraine

Sustainable prospects for economic development and growth become possible in the case of effective economic and innovation policy of the state with a mandatory provision of expenses for financing innovations (Đurićin et al., 2020). The consensus that the innovation process is closely related to science, technology and public policy on the development of innovations (and the financing of innovations) is progress. It is obvious that public institutions are of great importance in innovation processes, so it is important that all levels of public administration

have a clear idea of the opportunities and needs for effective innovation management. The effectiveness of innovative activities will directly depend on the effective interaction between state institutions and the entrepreneurship sphere.

We believe that special attention should be paid to the needs of society to develop and implement innovative solutions in infrastructure, education and regional activities. The joint efforts of the society should be united for the comprehensive implementation of innovations, scientific and technical research. Therefore, it is important to outline the priority directions of innovative development in the field of dynamic innovative innovations, including: digital economy and society, energy, innovative workplace, healthy lifestyle, intellectual mobility, improvement of communication opportunities at the regional, national and international levels between science and industry, increasing the pace of innovation in industry, supporting small and medium-sized businesses, supporting startups, etc.

The innovation-oriented economy is a new type of economic system that involves the development and implementation of a more flexible management style and the definition of a new role for the state in view of the high capital investments required to introduce innovations into the enterprise's activities, the long period between the development of a new technology and its commercial result on market and significant risk. In addition, it is necessary to pay special attention to the regional level of decision-making, since at this level the interaction between administrative structures of power, private business and scientists is formed, which is fundamental for the effectiveness of innovative activities. Special attention should be paid to small enterprises, which are considered to be potentially more innovative and competitive due to the absence of bureaucracy.

Regional innovation support mechanisms should become an integral part of the state's innovation policy. Providing innovation support to innovators should be an important component of innovation policy that seeks to meet the needs of firms at different levels of the innovation process. Such innovative support should come from the local government, which is more aware of the potential of local enterprises and can better assess the risks associated with local and regional innovations.

In view of the positive experience of foreign countries, the innovation process should be

stimulated with the help of the so-called cluster policy: a kind of union of universities and enterprises (Shapira & Youtie, 2010). The creation of joint research complexes is an important technology transfer tool, involving research institutes, companies and government agencies. One of the approaches to creation of joint research complexes is the high concentration of talents from the fields of science and commerce close to each other. Therefore, it is obvious that there is an urgent need in transformation of Ukrainian institutions of higher education for introduction of an innovative model of private-public partnership, as it is educational institutions that embody the first stage of the innovation cycle.

The innovative policy of the state should have definite strategy and be inextricably linked with the market situation, based on a systematic and purposeful approach to its formation (Kryvovyazyuk, 2021). The state must ensure the inseparability of innovation policy and modern achievements of scientific and technical progress, stimulate more priority areas of scientific research, provide the creation of new technical systems and technologies.

Nowadays there are problems in Ukraine that hold back the development of innovative activity of domestic enterprises. We are talking about the lack of systematic work performed by the state while realizing the innovative potential of the national economy; lack of a consistent and balanced external and internal economic policy in the implementation of state management of innovative activities; lack of a system of priorities for the development of scientific and technological sphere; insufficient financial resources to provide scientific research and the implementation of innovative developments, etc. (Hotra & Varshava, 2018.). Therefore, there is a need to increase the effectiveness of implementation of the state innovation policy of Ukraine, as a tool for the active participation of the state in the innovation process. After all, it is the state that provides legislative regulation of innovative activity and contributes to the formation of an innovative climate.

The state should solve the problem of long-term risky investments, since the process of introducing innovations is characterized by a long research and production cycle, high costs and uncertainty of the final result. In addition, only the state is able to make long-term strategic decisions taking into account all possible consequences, develop concepts, strategies, programs, for the implementation of which the necessary resources are provided.

The state is able to initiate and carry out the development and spread of basic innovations, taking on the initial investments in the development of new generations of equipment and technologies, while closely cooperating with private business, gradually increasing its share and transferring the flow of innovations to its management.

Therefore, the state should implement a rational innovation policy, taking care of the high-quality personnel training for innovative activities and ensuring the integration of academic and industry institutes and innovation-active enterprises.

Conclusions

As a conclusion, we note that the innovation policy, as a component of the socio-economic policy of the state, determines the priorities of the innovative development of the country and society, contributing to the identification of promising industries and regulating innovation processes with the help of organizational, legal and financial measures.

Innovation policy is a powerful lever for the development of innovative entrepreneurship, representing a set of elements of legal regulation mechanism aimed at the symbiosis of research in the scientific and industrial spheres and management decisions regarding their implementation.

The competitiveness of countries, regions and enterprises, as well as the environmental protection and social progress, directly depends on the effective use of accumulated knowledge embodied in innovations. Therefore, the activation of innovative activities of domestic enterprises and scientific institutions will make it possible to accelerate significantly the process of updating production and use effectively the investments for innovative activities.

Particular attention should be paid to the improvement of domestic legislation, in especially with regard to overcoming the gap between science and the economy. At the same time, it is necessary to follow the priorities about development of education, science and technology for full integration into the global innovation sphere.

It is possible to develop the innovative potential of the country by means of improvement of the state innovation policy tools and the implementation of the European law norms into the national legal system. At the same time, it is necessary to use the positive practice of countries

that occupy leadership positions in the implementation of innovations in the production process at enterprises.

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