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**H. V. Ortina,**  
**O. A. Leushyna**

## THE INFLUENCE OF STATE POLICY ON THE INNOVATION ACTIVITY OF SUSTAINABLE BALANCED ECONOMIC GROWTH IN THE GLOBALIZATION

**Анотація.** У статті зроблено спробу теоретично дослідити та практично обґрунтувати шляхи вдосконалення інвестиційної та інноваційної політики країни в умовах глобалізації. Виявлено негативні наслідки неефективної державної політики, яка перешкоджає довірі до інвестиційної діяльності в національну економіку. Зазначено, що застаріла виробнича база, зношене обладнання заважає створенню нової державної інноваційно-інвестиційної політики країни. Відзначено, що сучасний етап розвитку вимагає від адміністрації не лише сприяння залученню інвестицій з усіх можливих джерел, але й контролю за їх цільовим використанням, що дає змогу активізувати виробничі та технологічні фактори економічного розвитку. Також запропоновано шляхи підвищення інвестиційної привабливості країни.

**Ключові слова:** інвестиції, новації, державна політика, конкурентоспроможність, освіта, науково-технічний прогрес, реальний сектор економіки.

**Summary.** The article investigates and theoretically substantiates ways to improve the country's investment and innovation policy, reveals negative manifestations of imperfect state policy that impede the smooth investment in the national economy. It is stated that it is impossible to create a new state innovation and investment policy of a higher level of technological development on a morally outdated production base, worn-out equipment of industrial enterprises and scientific centers. It is stated that at the present stage of development, the state administration requires not only the promotion of attracting investments from all possible sources, but also the control over their targeted use, which makes it possible to activate production and technological factors of economic development. Ways to improve the investment attractiveness are outlined and suggested. In the current conditions of dynamic economic development, fierce competition in the market between economic entities, development of science and technology, intellectualization of the main factors of production, it is necessary for enterprises to form effective mechanisms of implementation of innovation policy that will allow to achieve competitive advantages in the domestic and foreign markets.

**Key words:** investments, innovations, public policy, competitiveness, education, scientific and technological progress, real economy.

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**Problem statement.** Overcoming technological backwardness of the national economy, reaching the indicators of economically developed countries in technological leadership and competitiveness require a significant activation of entrepreneurial activity in the innovation sphere. It is impossible to solve this problem without modernizing the ways and mechanisms of this development, changing its priorities, in-

stitutions, relations between the subjects of economic activity, resource base. The success of measures aimed at developing the national economic system within the framework of the anti-crisis strategy will be determined by the extent to which they will be complemented by appropriate transformations and efforts in the institutional, socio-cultural and political spheres. In particular, during the years of market transformations

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in Ukraine, no complete institutional environment necessary for stable and effective economic activity of economic entities, their economic and technological progress was created. However, no strategic goal in the field of socio-economic development can be successfully implemented in the absence of an institutional environment that ensures the harmonization of the interests of members of society and the achievement of a united perception of their development goals.

**Analysis of recent research and publications.** Modern theories of managerial opinion on the peculiarities of investment and innovation policy of crisis management are based on the works of reputable foreign and domestic scientists, among them: O. Datsii, L. Antonova, V. Bakumenko, L. Baranovskyi, O. Bielov, K. Berne, I. Binko, M. Bolduiev, B. Buzan, O. Vlasiiuk, V. Voloshyn, V. Heiets, B. Hriier, K. Morhenzan, P. Novak, O. Novykova, L. Olvei, Y. Orlenko, S. Pyrozhhkov, H. Pasternak-Taranushchenko, V. Ponomarenko, V. Ponomarov, P. Pryhunov, V. Senchahov, V. Sidak, A. Sukhorukov, V. Shlemko, R. Oleksenko, H. Ortina and others.

**Purpose of the article.** The study is to develop a mechanism for innovation at the national level to ensure the economic development of the country, the well-being of the population and national security of the state. For the purpose of this task was set: propose ways to attract additional investment for innovative modernization of the real economy. **Methodological basis** research is a scientific method of research and special methods based on modern scientific principles of management, economics and related sciences. In the work used: abstract-logical method; methods of analysis and synthesis; analytical modeling; system approach, etc.

**Presenting main material.** The strategic direction of modernization of the sectoral structure of the national economy brings to the fore the problem of mobilization of the necessary resources, including by the curtailment of structurally depressed industries. In the process of eliminating or partially curtailing, resources, areas, labor are released, which can then be redeployed to priority sectors. The preparation of this process should be preceded by a preparatory period, the duration of which will depend on the country's accumulated economic potential, the current state of the economy and the depth of the structural crisis. During this period, the industries and productions to be curtailed should be identified, as well as the composition of the measures and the specific timing of their holding. The first step in developing structural transformation programs is to rank the sectoral structure of the economy into groups of industries: — basic industries that are the basic constructs of the national economy and determine its independence; — promising industries that determine the basis of economic growth; — structural-depressed industries, sub-sectors, enterprises and industries to which environmentally

harmful, resource — and labor-intensive ones are based, based on outdated technologies and unpromising directions of economic activity. The implementation of structural adjustment programs requires a change in investment priorities (the cost of modernization and reconstruction in developed countries is 70–90 % of total investments in fixed assets), and the sectoral structure of investment through cross-sectoral and international capital outflows. The latter involves the redistribution of investment flows between industries and within large corporations in favor of the most promising industries (industries) and the refusal to invest in structurally depressed activities. This process is carried out through diversification or an exchange channel to solve the problem of financing innovative activities can facilitate the development of effective partnership between the state, business and academia. It is well known that private firms are reluctant to invest in expensive and risky basic research. Competition between private firms begins after the result of basic research. However, the situation can be changed by providing support for the stage of basic research by the state. In Japan, for example, the state funds the start of research, and private firms, having learned about the support of the project by the state, invest their capital in further development. In the final stages, the project is carried out entirely by private firms. Banks play a significant role in financing innovation. Banks can lend to all stages of the innovation lifecycle. Usually, the loan is issued under the funds available to the applicant, state guarantees, concluded contracts for the purchase of the new product produced through the use of the loan. In this case, the interest rate on the loan for innovation activities should be set depending on the efficiency of innovations, their payback period, compliance with the priorities of scientific and technological development and the degree of risk. The bank can co-own the result, offsetting its costs in the form of operating income from the innovation. The financing agreement may specify the period after which the share of the bank's funds in financing the innovation at the request of the borrowing legal entity may be redeemed by the bank. Banks can participate in the organization of a comprehensive examination of innovation, attracting highly qualified specialists. Typically, the cost of a comprehensive examination is 1 % of the estimated cost or determined cost of development. The Bank may also provide information, brokerage, advisory, scientific and technical, advertising, forecasting and market services to innovative enterprises. The Bank may become the organizer of joint-stock financial projects and joint ventures. The obstacles to the widespread involvement of commercial banks in the process of lending to innovative projects in Ukraine are, as a rule, the lack of methodological aspects of lending to innovative enterprises that take into account risk factors. In our opinion, the repayment of a commercial bank loan by an innovative en-

enterprise should be based on a differentiated approach to the interest rate. Factors that should be taken into account when determining the interest rate include: — profit from the implementation of an innovative project; — the amount of costs, which is determined at the stage of development work on the basis of functional cost analysis; — the share of the investment fund's or bank's borrowings in the total cost reimbursement; — term of implementation of an innovative project that defines the terms of attracting credit for its execution and repayment to their lender. Given the risky nature of innovative projects and the uncertainty of the end result, it can be expected that the planned values of these factors may not coincide with their actual values. The ratio of the actual and the planned value of the factors leads to a change in the interest rate, which will help the orientation of the borrowers to achieve the best results when using the loan. Formation of securities institutions (investment banks and funds, insurance companies), which aim to ensure free movement of shares and other financial instruments, will also contribute to the development of innovative entrepreneurship in Ukraine. Broad opportunities lie, for example, in the use of secondary financial instruments; the use of options allows the company to receive interest-free credit, and the buyer broker makes a partial prepayment of future production of new products. However, the contract stipulates that in case of refusal of supply, the interest-free loan will be converted into a commercial one with a corresponding rate. An urgent need is the formation in Ukraine of a system of venture financing of innovative enterprises of the real sector of the economy, because the venture business organically combines two types of entrepreneurship: financial and innovative. It is advisable to create two funds: sectoral and regional. The reason for the low rate of development of venture business in Ukraine is, on the one hand, that the state does not assume real risks of innovative activity, while abroad during the creation of venture funds the state contribution makes up to 40 % of the capital of the funds. On the other hand, the current legislation lacks legal forms adequate to the needs of the venture business, and the procedures for registering venture funds are complex. Due to stock market underdevelopment, there is a low level of venture investment liquidity and little choice of available strategies. There are also problems with the lack of qualified managers. Due to the above circumstances, most of the venture capital investments are directed not to new companies but to existing ones. Venture Fairs may be an Instrument for Activating Interest in Venture Financing for Innovation Projects. The Venture Fairs organization model was first developed in the United States. In the process of fairs three main tasks are solved, such as assessment of investment potential in high-tech sphere, provision of intermediary services to manufacturers and consumers of high-tech projects, raising the educational level of par-

ticipants in the use of various financial instruments. In the US, venture capital fairs are attracting to the knowledge-intensive sector more than 90 million dollars for a year. Transformation of knowledge into the main driving force of society's development, the growing pace of innovation renewal requires a radical restructuring of the education system. Education should become a continuous and strategic process that will enable professionals in the work process to acquire new knowledge for innovative industries and fields of activity. This approach involves state support for education in promising areas, as well as subsidizing job creation in knowledge-intensive industries. Since manufacturing is the main consumer of innovation, it is necessary to ensure its susceptibility to innovation, which is achieved if such conditions are met: — innovation is a prerequisite for survival and maintaining competitiveness of production; — production must or may attract the necessary resources for innovation; — there is comprehensive information on the possibilities of innovative transformations and the expected effectiveness of innovative projects; — state policy provides the necessary and sufficient preferences to motivate innovation activity of enterprises, taking into account the risks and long payback periods of innovation. One of the main conditions for effective functioning of national innovation system (NIS) is the integration of the innovation sphere into the market space. However, despite the fact that the commercialization of scientific results in itself creates the preconditions for the growth of the innovation sphere in the system of market relations, without appropriate organizational and economic transformations this task cannot be solved. Increasing the role of innovation at the current stage of national economy development is linked, on the one hand, to the highest level of competition, and on the other, with the transformation of innovation into the most powerful instrument of competition. The main purpose of innovations is to increase strategic advantages over other competitors. The above circumstances indicate that there is a deep relationship between innovation and competition. A successful innovator in a certain, albeit limited, period of time has monopoly power over the market. And only then, under the influence of the process of diffusion of innovations and / or the emergence of new scientific and technological achievements, its economic dictate is broken, which does not exclude the restoration of lost monopoly power by the development of new innovations or the transfer of this power to another innovator. It is the acquisition of monopoly power over the market that is the most important market mechanism that stimulates innovation activities.

The international involvement of capital in structural transformation contributes to tasks such as creation of a multinational company, international strategic alliances of other global business networks or joining existing associations to share existing capacity

and competencies; reduction of the level of non-equivalent exchange of the country in the world markets of high-tech goods, technologies, intellectual services. Structural adjustment programs must also be supported by appropriate government regulation mechanisms. In our opinion, special attention should be paid to: — formation and support of demand for products of perspective industries using mechanisms of state orders of subsidies to prices and selective forms of customs regulation; — managing capital depreciation processes to increase the investment capacity of enterprises at their own expense; — strengthening of currency regulation aimed at accumulation of foreign exchange resources in the country for the purpose of structural modernization; — strengthening state control over the distribution of profits of wholly or partly state-owned enterprises and transforming it into domestic investment in accordance with selected national priorities; — preferential income taxation aimed at modernization, reconstruction and innovative development of production; — preferential lending to enterprises of priority industries through selective reduction of interest rates and creation of advantages in obtaining loans for investments aimed at the industrial development of new types of products and advanced technologies; — assisting innovative businesses through state investment risk insurance in high-tech industries; — setting credit limits for banks aimed at financing priority sectors of the economy, failure to comply with which would reduce their refinancing.

The main direction of state policy aimed at modernizing the technological base and sectoral structure of the economy, as the experience of developed countries shows, should be the formation of a full-fledged country national innovation system (NIS), designed to ensure the organic incorporation of innovative processes into the progressive development of the economy and society. Despite the differences in national models of national innovation system (NIS), A unifying feature for them is the leadership of the state, which provides three priorities: the development of science; development of education; development of knowledge-intensive production. The state should play an active role in determining the priorities of scientific and technological development, support for basic research, motivation of entrepreneurial activity in the innovation sphere, protection of intellectual property rights, reform of education. Stages of applied R&D and commercialization of innovations, it is advisable to give to private companies.

Strategic guidelines for functioning and development of the national innovation system (NIS) set priorities for scientific and technological development, which allows not only to overcome the dispersion of scarce development resources, but also to link them with the corresponding priorities in the real sector of production. In this regard, the importance of sound allocation of technological development priorities is

increasing. Given this, in the US still in 1993 by Presidential decree was established the National Council for Science and Technology with the status of a federal agency, whose main purpose and function was to define and formulate in a clear form national goals and priorities for public investment in the development of science and technology. Similar state structures were created in European countries: in Germany — Technology Assessment Commission, in France — Parliamentary Directorate for Selection in Science and Technology, in Iceland — National Research Council, in Finland — Scientific Policy Council. A resolution on the creation of European Parliament Office for the Evaluation and Selection of Priorities in the Field of Engineering Science was adopted by the European Parliament. Most countries issue «white books», which reflects the priorities of national innovation policy. Thus, for a more balanced approach to prioritizing technological development in Ukraine, which has limited resources for innovative development, it is also necessary to create a state structure that, unlike periodically created expert groups, would deal with this issue on an ongoing basis through continuous monitoring and forecasting of situation in the scientific and technical sphere and geoeconomics. Ukrainian experts have identified such areas as priorities for the period up to 2020: 1. In the field of information and communication technologies — application software; intelligent systems for supporting the work of complex systems and complex automation of the enterprise; systems for a single telecommunications network, including the Internet, television, radio; multimedia purpose and virtual reality systems; systems for determining the position of people or objects in high precision terrain; reference systems and services using geopositioning technology; unified electronic identification documents; systems of distance education and distance health care. 2. In the field of nanotechnology — catalysts based on artificial zeolites and other mesostructures; highly selective nanocatalysts; nanotube based catalysts for photodegradation of waste and photoanalysis of water; highly effective biocompatible materials for medical purposes; nanocomposites; intelligent materials with variable programmable properties; nanodiodes and nanolazars; microcapillary chips; biosepsor layer on microelectrodes. 3. In the field of creating new materials — ceramic and composite materials with critical and predetermined functional properties; protective materials for metallurgy and space technology; multifunctional optical electronic and magnetic materials; new liquid crystal materials for creating «electronic paper» displays; new types of electrode materials for non-ferrous metallurgy, hybrid inorganic-organic materials, etc. 4. In the field of living systems — new drugs that use as whole membrane proteins and receptors; means of medical diagnostics of cancer, systemic, infectious diseases; technologies of complex DNA diagnostics of hereditary dis-

eases, assessment of the quality of products based on biochips, which allow to minimize the negative consequences of anthropogenic and natural emergencies for human health and the environment.

As a result of globalization, the national economy's competitiveness factors have been modified. From a weak set of more or less interdependent countries, the world economic community is transformed into a coherent economic system, where national societies are constituent elements of a single world economic organism, merged not only by the international division of labor, but also by their huge technological base, production and marketing base, a global financial system and a planetary information network.

The economic aspects of globalization create great opportunities for the development of new technologies, the development of the economy, the reproduction of goods that were not known to mankind, improving the quality of life, creating new jobs, obtaining information, enriching cultures of peoples of the world, free movement of goods, people, capitals and ideas, cooperation peoples and countries, on the other hand, reproduces neo-imperialism, which is a challenge to humanity and a threat to its existence, absolutizes the economic and political power of the new global monopoly corporations that have spiraled out of control nation-states, causing environmental pollution due to increased pressures when man-made disasters can cause irreversible changes in the habitats of people, increases the difference between income level destabilize peace and threaten and challenges of nation-institutional structure.

A significant threat is posed by the policy of the state, which provides real support and assistance to the major capital in the face of oligarchic circles. At the same time, the domestic producer usually does not receive the necessary support from the state, is not protected from the invasion of foreign producers, which means that it is unlikely to become competitive in the near future. Thus, the criminal factor in the economy (attempts to seize property, finances, establish bandit control over the private sector of the economy) is threatening in the country.

Economic crime is growing, taking on a new, more sophisticated latent form; used new methods based on the legal, psychological, advertising activities of professionals working with criminal offenders. In this regard, the state's efforts to overcome corruption and other illegal phenomena in the national economy are extremely relevant. The creation of a rule of law in which actions within the legal field would guarantee the protection and well-being of the entrepreneur, worker, citizen remains a promising task. The rules of law in force in society become effective only if they receive public recognition and reflect a public need, that is, the idea of a positive right that is aimed at protecting property, respecting discipline, ensuring all equal legal relations that guarantee the punishment of offenses, as

well as security for business entities. The need to address internal economic security concerns does not mean reducing the importance of the geo-economic dimension of the strategy, which not only allows to take into account threats but also to exploit the opportunities opened up in the context of globalization of the global economic space in terms of access to resources and markets of other countries, the potential and competence of foreign partners, participation in the processes of transnationalization and regionalization of the innovation, production and financial spheres, breakthrough to production and distribution of the world income. In this regard, an important issue is the choice of directions of development of foreign economic activity of Ukraine. At present, most of the country's foreign economic turnover is in the share of developed countries and is reduced to the exchange of material and energy resources and products of low redistribution to complex machinery and consumer goods. This situation can not be considered satisfactory in terms of solving the problems of economic security of the country, but at the same time it objectively follows from differences in competitiveness and technological development level of the interacting countries. Overcoming the current backlog of the national economy is a complex problem that requires time and effort, so it is not possible to expect radical shifts in this issue in the medium term.

This means the need to change the priorities of Ukraine's foreign economic activity. It should not be about reducing the volume of foreign trade activity with developed countries in a form accessible to the modern economy. Moreover, it needs to be developed because, for all its shortcomings, it provides a considerable amount of foreign exchange earnings to the country and meets the needs of enterprises and the population for quality products and services. By changing the priorities of Ukraine's foreign economic activity, we mean, on the one hand, a more active complement to trade cooperation with developed countries, cooperation in the scientific and technical field, and on the other, a focus on the active development of markets for finished products in those countries where accumulated competitive advantages of domestic manufacturing enterprises are significant. Such market space is given by the countries of the former USSR, as well as the countries of Asia.

Many of them are ready to buy Ukrainian aircraft, cars, machines, light industry products today. Regarding the validity of our assertions, we should pay attention to the experience of new industrial countries in Southeast Asia, which have made a breakthrough in economic and technological development, thanks to the initial orientation on the markets of developing countries and countries with economies in transition. In this economic platform, they have subsequently been able to move from a technology borrowing policy to a technology leadership policy and a breakthrough

in developed markets. In general, during the integration choice of strategic directions for the development of foreign economic activity of the national economy should be based on the fact that it can not be considered as an end in itself, without regard to the observance of national interests and solving internal problems of socio-economic development. Moreover, foreign economic activity should become one of the most important tools for solving domestic economic problems. As practice shows, insufficient consideration of this requirement leads to deformation of the structure of export-import activity; lack of mechanisms for attracting foreign investment in the sector, reflecting national priorities; inefficient use of resource and scientific and technical potential, and also reduces opportunities for increasing the well-being of citizens and business structures.

**Conclusions.** Thus, the components of the modernization potential of the anti-crisis strategy are oriented towards eliminating the effects of the economic crisis, increasing employment by creating new jobs and at the same time aiming at identifying future growth-oriented locomotives. Therefore, the urgent issue today is to develop and implement incentives for businesses of all forms of ownership. Due to inconsistent implementation and low efficiency of the state innovation-investment policy, Ukraine does not keep pace with the developed countries in technological development. As a result, the number of innovative enterprises is gradually decreasing, the development of high-tech industries is slowing down. Successful realization of the modernization potential of the anti-crisis strategy is planned to be ensured by developing partnerships between sectors of society (state: branches of government, business, public) and involvement of all stakeholders in the planning, development and implementation of this strategy (the private sector, academics, public organizations, local governments). In view of the above, as well as in the current conditions of constant expansion and expansion of globalization processes and threats to the functioning of the national economic system, the following directions of anti-crisis measures have been formed in the context of the components of new locomotives of growth: creation of system conditions for the market (improvement of the legislative base, tax support); budget support for the implementation of pilot projects, public buildings for initial market formation.

As a result, the classic market laws in the domestic innovation business only work in a modified form. Ukraine's innovation policy is implemented through mechanisms that represent concrete measures used by public authorities and society for its successful implementation. Such mechanisms are different in form and effectiveness, so it is necessary to apply them compre-

hensively and systematically. Realization of Ukraine's European integration aspirations and fulfillment of the tasks of sustainable development of regions is possible only if the state-coordinated leadership of social processes, in particular innovative ones, is used. Mechanisms for the implementation of innovation policy are the following: institutional, organizational, structural, economic, communicative, information. The definition and formation of mechanisms is influenced by the type of state innovation policy and the state-selected innovation model of development of a specific strategic direction.

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