

Polish journal of science

POLISH JOURNAL OF SCIENCE

№27 (2020)

VOL. 3

ISSN 3353-2389

Polish journal of science:

- has been founded by a council of scientists, with the aim of helping the knowledge and scientific achievements to contribute to the world.
- articles published in the journal are placed additionally within the journal in international indexes and libraries.
- is a free access to the electronic archive of the journal, as well as to published articles.
- before publication, the articles pass through a rigorous selection and peer review, in order to preserve the scientific foundation of information.

Editor in chief – J an Kamiński, Kozminski University

Secretary – Mateusz Kowalczyk

Agata Żurawska – University of Warsaw, Poland

Jakub Walisiewicz – University of Lodz, Poland

Paula Bronisz – University of Wrocław, Poland

Barbara Lewczuk – Poznan University of Technology, Poland

Andrzej Janowiak – AGH University of Science and Technology, Poland

Frankie Imbriano – University of Milan, Italy

Taylor Jonson – Indiana University Bloomington, USA

Remi Tognetti – Ecole Normale Supérieure de Cachan, France

Bjørn Evertsen – Harstad University College, Norway

Nathalie Westerlund – Umea University, Sweden

Thea Huszti – Aalborg University, Denmark

Aubergine Cloez – Université de Montpellier, France

Eva Maria Bates – University of Navarra, Spain

Enda Baci – Vienna University of Technology, Austria

Also in the work of the editorial board are involved independent experts

1000 copies

POLISH JOURNAL OF SCIENCE

Wojciecha Górskiego 9, Warszawa, Poland, 00-033

email: editor@poljs.com

site: <http://www.poljs.com>

CONTENT

ECONOMIC SCIENCES

<i>Kekutia T.</i> TENDENCIES AND CHALLENGES OF EMPLOYEE VOLUNTARY TURNOVER	3	<i>Krulevsky M., Kravchenko A.</i> FEATURES OF CURRENCY REGULATION IN THE COUNTRIES OF THE EURASIAN ECONOMIC INTEGRATION AND PROSPECTS FOR THE DEVELOPMENT OF THE COMMON CURRENCY SPACE	39
<i>Kolomiets T.</i> INNOVATIONS IN AGRICULTURE: NECESSITY, PROBLEMS AND OPPORTUNITIES	6	<i>Pavlyuk I.</i> DEVELOPMENT OF BANK LENDING STRATEGIES FOR THE AGRICULTURAL SECTOR OF THE ECONOMY OF UKRAINE	43
<i>Denysiuk V.</i> REVIEW OF STATISTICAL DATA ANALYSIS SOFTWARE	14	<i>Ruzakova O.</i> OPTIMAL PLANNING IN MANAGEMENT TASKS.....	49
<i>Koliadenko D.</i> DEVELOPMENT OF SMALL ENTERPRISES IN THE REGION BY ORGANIZATIONAL AND ECONOMIC REGULATION MECHANISM	24	<i>Fushtei L.</i> MODERN TENDENCIES OF DEVELOPMENT OF BRANCHES OF MEAT PRODUCT SUBCOMPLEX OF UKRAINE	59
<i>Koliadenko S.</i> ADVANTAGES, RISKS AND THREATS OF GLOBAL DIGITALIZATION	33		

DEVELOPMENT OF SMALL ENTERPRISES IN THE REGION BY ORGANIZATIONAL AND ECONOMIC REGULATION MECHANISM**Koliadenko D.***Candidate of Economic Sciences
Vinnytsia National Agrarian University
Vinnytsia***Abstract**

The article considers the issues of organizational and economic mechanism of regulating the development of small enterprises in the region, in particular in Vinnytsia region. The author analyzed the organizational and economic mechanism of regulation, as well as the analysis of the development of innovative entrepreneurship in the following main areas: organizational system of regulation of small organizational forms; program-targeted management of the development of small organizational forms. The article forms a mechanism for regulating the development of small business in the region in the agricultural sector, it, according to the author, consists of three main blocks: conceptual-program, organizational and functional-resource.

Keywords: organizational and economic mechanism, entrepreneurship, agro-industrial complex, small enterprises, region.

Formulation of the problem. The innovation and investment approach to the formation of the optimal structure of enterprises requires a systematic analysis of the business environment and optimization of state support systems for small business development in the region.

All this requires an in-depth analysis of the processes taking place, the development of a strategy for innovation and investment activities of business structures, taking into account the further development of state support for small and medium enterprises in the region in the agricultural sector. The choice of strategic priorities for the development of entrepreneurship in Ukraine should be based on an accurate statement of its real state, i.e. Those stable and negative macroeconomic factors that are the main obstacles to the strategic development of entrepreneurship in the agrarian sphere of the state, and therefore subject to urgent destruction, since which, even in part, is improving the economy.

Analysis of recent research and publications. The issues of organizational and economic mechanism for regulating the development of small businesses in the regional economy are constantly being studied by scientists and economists, and practitioners at levels ranging from households to macroeconomic objects, but economic realities are making adjustments every time and require constant improvement, levels. In particular, such scientists as Salnikov O.M. [2], Ziadat M. [2], Bilous G. [3], Olvinska Yu. O. [4], Sudak G.V. [5] have recently paid attention to this issue., Zabarna E.M. [6], scientists of Vinnytsia NAU Pronko L.M. [7], Kaletnik H.M. [8], Mazur A.H. [8], Goncharuk I.V. [9] etc., but we offer our point of view on this issue, which is quite important in today's socio-economic conditions.

Formulation of the article goals. The goals of the article are to identify and formulate the basic concepts of organizational and economic mechanism for regulating the development of small enterprises in the region.

The main material. Analysis of the state of small business in some regions during the years of independence of Ukraine shows that its internal environment is dominated by factors that reproduce persistent negative

processes, namely: disorder and disruption of the system and the impossibility of self-development, and the territorial structure of small enterprises by region is uneven their distribution. Of the total number of small enterprises operating in the country, more than half are in seven regions of Ukraine (including Kyiv, Dnipropetrovsk, Kharkiv, Lviv, Odesa regions).

Analysis of organizational and economic mechanism of regulation and development of innovative entrepreneurship at the regional level in such aspects as organizational system of regulation of small organizational forms of innovative character, program-target management of development of small organizational forms of innovative character (SOFIC) in the region, economic forms and methods will reveal the main problems and directions of improvement of development of SOFIC on an example of the enterprises of Vinnytsia region.

The formation of the development of support infrastructure and SOFIC at the regional level is the most important condition and factor for the progressive development of innovative entrepreneurship in the agricultural sector. This infrastructure is part of the organizational and economic mechanism for regulating the development of small enterprises, in particular in the agricultural sector. The agro-industrial complex is characterized by socio-economic heterogeneity, which affects the specifics of designing economic mechanisms of its operation, as well as areas of social problems, etc. [1].

As mentioned above, many problems arise in terms of individual regions, so they are studied by region, for example, in [4] analyzed trends, problematic aspects and constraining factors of small business development on the example of Odessa region. Priority directions of state regulation of small business are identified and recommendations for improving mechanisms for promoting its development in Ukraine are proposed.

In our research we use the scientific achievements of scientists of Vinnitsa region, in particular Vinnitsa National Agrarian University. For example, L.M. Pronko [7] draws attention to entrepreneurship and believes that the main tools to intensify and support the development of small business in rural areas is the

development and implementation of new strategic plans and development programs for soft loans, financing of advisory services, implementation of investment projects, development of regional leasing, rural areas and environmental protection.

Among the large number of scientific works by Kaletnik H.M., we would like to highlight [8], where he focuses on the categories of «human capital»; emphasizing, “quality characteristics and skills of workers have begun to significantly influence economic growth, ensuring its expanded reproduction. Social progress, in turn, has provoked increased efficiency of production at the expense of man, causing the rapid development of science, education, health and other spheres of life associated with man, the essence of this theory is to take into account the dependence of individual income, enterprise profits, society as a whole from knowledge, skills, professionalism, physical strength and human health. In other words, a person who invests in a certain level of education, professional training, professional development, health improvement - actually forms his personal human capital and thus, over time, provides both his own and public income, which is key. In business.

Cooperatives, as one of the main forms of entrepreneurial activity in the country, are paid attention in their research by I.V. Goncharuk. In particular, in [9] she states that agricultural service and production cooperatives in Ukraine have a huge potential, which we are just beginning to use, but we all realize that medium-sized producers are the most valuable part of the state. One of the strategic directions for solving the problems of sectoral character and increasing the contribution of

the economy to the social infrastructure of the village is the development of all types of cooperation in the countryside, therefore it is necessary to consolidate at the state level a program to strengthen the state's incentive policy for the development of small forms in the countryside and their cooperation.

The development of agrarian entrepreneurship in Ukraine has a not so long period, and, unlike the process of formation and development of entrepreneurship in industrially developed countries, where its development took place in a natural and economic way, and because of this, the sectoral structure, efficiency, and share of small business were regulated by the market. Mechanism of competition, in Ukraine for a long time the state-administrative mechanism of regulation of small enterprises prevailed, as evidenced by the analytical approach, which is based on two provisions: in the system of allocation the legislative, regional and local levels interact and interact; each level itself creates a system represented by conceptual-programmatic, organizational and functional-resource blocks (Table 1).

The conceptual and program block contains the purposes, principles, methods, concepts and programs of support of the small enterprise in the agrarian sphere in general and SOFIC in particular. The concept of regulation and support of entrepreneurship and SOFIC is an integral part of regional economic policy. It should envisage improving the efficiency of this sector of economy by coordinating the actions of all agencies involved in business development, developing a modern regional policy on IOIF, involving small businesses in the development and implementation of business support programs, information support.

Table 1

Mechanisms for regulating the development of small business in the region*

Conceptual and program block	Organizational	Functional resource block
includes goals, principles, methods of concept and small business support programs	combines specialized public administration and public support of small businesses, as well as infrastructure	covers the main activities of the system and relevant resources and personnel

*Compiled by the author

The system of state regulation of small agricultural business includes economic, legal and organizational support of the environment for effective and sustainable development of small enterprises. The system involves various legislative, executive and judicial bodies at the state, regional and local levels.

The following general goals of the state activity in relation to a small enterprise can be distinguished: support and development of competition in the economy; equalization of chances for successful start-up of business of any initiative citizen who wants to take responsibility for his activity; assistance in solving employment problems. Creating additional jobs in the dynamically developing agricultural sector - the basis of social stability, modernization of the national economy; support for innovation.

These public policy objectives affect the conditions of operation of a small agricultural enterprise - the implementation of scientific and technical policies that provide investment incentives for research, as well as the favorable creation of infrastructure and mechanisms for implementation of development; contributes to the outstripping growth of small business.

The specifics of a small business and the setting of general support goals logically allows you to distinguish a number of specific goals, which include:

- creation of favorable general conditions for the activity of both small enterprises in general and SOFIC in particular. That is, establishing a legal framework governing the procedure for registration, licensing, taxation of small businesses; the elimination of various forms of discrimination against small businesses by both larger competitors and authorities; ensuring equal access to resources; creation and maintenance of a special infrastructure that allows a small business to receive some services and resources (training, auditing and legal services, etc.);
- support for beginners - small organizational forms of innovative nature;
- support to the SOFIC in depressed regions and industries;
- facilitating access by small businesses to particularly scarce or expensive resources.

The set general and specific goals before the conceptual block of the organizational and economic mechanism of regulation of the small enterprise and

SOFIC allow to formulate a number of tasks concerning their support: reduction of the transaction expenses caused by functioning of credit and financial system, information infrastructure; reduction of the share of shadow turnover in small business in agriculture; stimulating cooperation between large and small businesses; additional support for small businesses at the regional level to overcome monospecialization.

The defined goals and objectives include adherence to certain principles in the regulation of both small business in agriculture and SOFIC. The following principles can be distinguished: systematization and integrity of small business management, protectionism, selectivity, coordination of legislative and regional levels, and others.

The principle of systematicity and integrity presupposes the delimitation of the scope of administrative and economic methods of regulation; building organizational management structures based on a clear delineation of powers, rights, responsibilities of representative and executive bodies of different levels, creating a system of feedback and information support of state regulation.

In many cases, small businesses and the SOFIC experience various types of complications in the initial stages of their development, and in the future, it is difficult for them to compete with large enterprises, which is why the principle of protectionism provides support to small businesses by public authorities.

The principle of selectivity, on the one hand, is seen as support for small businesses in certain sectors of the economy or regions (sectoral or regional priorities), and on the other - as support for certain groups of small businesses (start-ups, innovative, women's, youth, etc.). For example, the selective support of start-up innovative entrepreneurship on a functional basis in agriculture helps to overcome market imperfections and creates conditions for the development of this sector of small business.

The implementation of public policy requires coordination of the legislative and regional levels in order to effectively achieve the goals by objectively set funds at each level of government. For example, financial and infrastructure support should be provided at regional and local levels. The goals, objectives and principles of small business support are documented in the legislative and regional program of small business support.

The programmatic approach allows systematic work to be done to create a more favorable business climate both in the country as a whole and at the regional level. The indicator of creating conditions for the development of entrepreneurship in agriculture in the region is the growing number of small businesses, the number of employees in the small sector, the average monthly wage, output (works, services) in small enterprises in this area, increasing investment activity business entities in the field of agricultural small businesses.

Specificity of formation of organizational systems of regulation of small business is determined by peculiarities of development of socio-economic complexes of regions. To date, there is a rather extensive structure of small business support organizations in Ukraine. Both small business entities and the legislative and executive authorities of Ukraine should be interested in

the creation and effective functioning of the small business regulation mechanism and the SOFIC, and this area is a priority in the development of the small business sector.

Today, in Ukraine, the organizational system of regulation of a small business involves different forms of interaction between hierarchical levels of economic management, each of which, along with its general functions, has its own distinctive features, different degree and nature of influence on the activity of business structures.

Increasing the efficiency of the small business support system and the SOFIC in agriculture is accompanied by increased interaction with the territorial support structures of small businesses, an increase due to this quality and the expansion of the range of services provided to entrepreneurs. The concept of development of the organizational system of regulation of the business complex should be aimed at using the synergistic effect of the interaction of elements of a four-star vertically integrated support system, including legislative, legislative-regional, regional and local levels. At the legislative level, state support is focused primarily on the formation of goals, priorities, principles and conditions of support for small business in agriculture, justification of prospects for its development, development of investment and financial policies to support small businesses.

Paying attention to the content of the functional-resource block, it should be noted that it covers the main activities of the system, the corresponding resources and personnel. The support system of a small enterprise can operate in two directions: socio-economic and investment-economic.

Socio-economic direction considers the development of small business as a means of solving a number of social problems (increasing jobs, developing skills of independent work, practical understanding of market laws). The concept of social orientation is based on the fact that socially useful functions of a small enterprise should be subsidized by the state and society [2, p. 27].

The investment and economic direction emphasizes the importance of small business development in terms of efficient use of resources of the national economy and considers investing in small business as an effective investment. Therefore, the money allocated for the development of a small business should be considered not so much as social assistance (although they also perform this function), but rather as an investment capable of yielding high returns.

The current domestic practice of functioning of the small business sector in agriculture has not so long history (since the 90s of the XX century), and it testifies to the advantage of social approach in the organization of support of small business entities, for which there are a number of objective reasons, and one of the main is the lack of financial resources to implement another approach - investment [3, p. 34].

Each direction objectively provides for the availability of appropriate resources to ensure the effective operation of the entire organizational and economic mechanism, which covers various areas of the system.

Having analyzed in general the organizational and economic mechanism of small business, we can conclude that its activities are conceptual and programmatic in nature, carried out by specialized government

agencies and support, as well as infrastructure and objectively requires appropriate resources.

Considering the organizational and economic mechanism as a system consisting of interdependent subsystems, it is logical to distinguish in it a subsystem of the organizational and economic mechanism of the SOFIC. This subsystem has some differences, such as the special architecture of the SOFIC support infrastructure, a conceptually different (in some respects) SOFIC support program.

Small business in agriculture and SOFIC in the pre-start period of their development face difficulties when there is no necessary premises, equipment, financial resources, entrepreneurial and production experience. Assistance at this stage of development from all elements of the infrastructure significantly increases the chances of a young firm to commercial success.

The effectiveness of support depends on how accurately the key features of the innovation infrastructure are met, namely:

- a) adequacy, that is, the adequacy of the level of development of support institutions' activities to the real needs of the SOFIC;
- b) accessibility, ie convenient location of infrastructure facilities and prices acceptable for SOFIC for services and resources provided;
- c) complexity, that is, the presence in the region of a typical set of institutes (business incubators created on the basis of a cluster);
- d) competitiveness, ie prevention of a monopoly

position of an institution in the regional infrastructure of the Ministry of Education and Science;

e) state support, ie the use by government agencies at the legislative, regional and local levels of the whole set of levers of regulation and resource provision of the infrastructure of small innovative enterprises in agriculture.

Based on different criteria of content, scale and methods of financing, different organizational forms of regional innovation management are formed. Given that innovative infrastructure is a collection of institutions of three main types and, taking into account the criterion of classification of the breadth of the range of services and resources provided by SOFIC, we propose to identify the following types of institutes of SOFIC infrastructure:

- 1) narrow-profile (single-function);
- 2) multidisciplinary centers «growing» SOFIC or business incubators;
- 3) complex territorial formations, which are zones of accumulation (“nesting”) of SOFIC and business incubators created on the basis of clusters. Therefore, the innovation infrastructure can be represented in this way (Fig. 1).

Information and educational bodies belong to the narrow-profile institutes of innovation infrastructure of small organizational forms of innovative character. They are a system of training and advising professionals in innovative business areas.

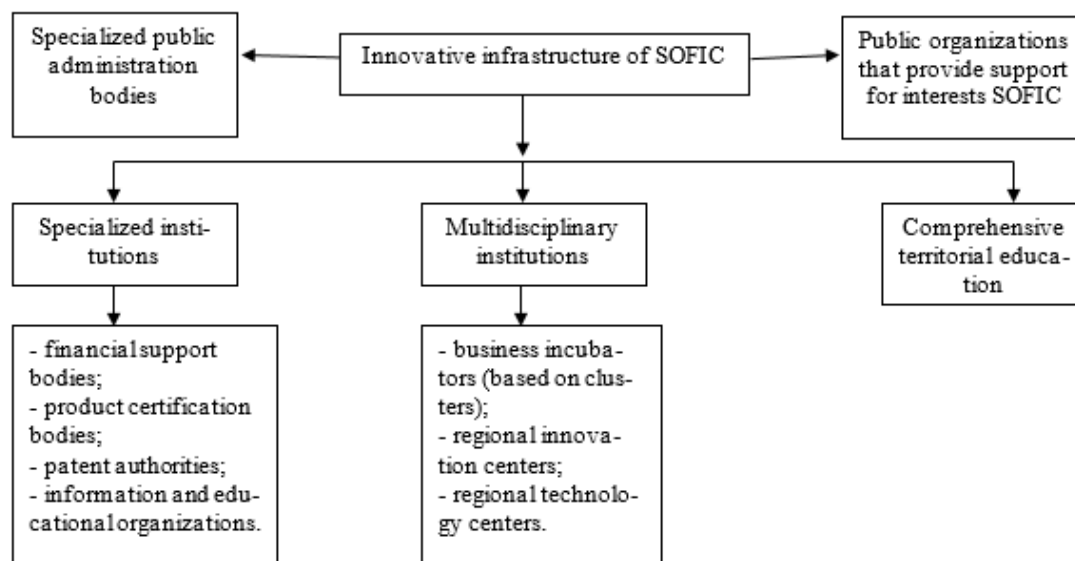


Fig. 1. Innovative Infrastructure of Small Organizational Forms of Innovative Character (SOFIC)*

* Compiled by the author

Regional centers of small business development should take a greater share in the information service of small organizational forms of innovative character and training of entrepreneurs-innovators. There are quite a few enterprises and organizations operating and marketing their information products in the Ukrainian information market. Today we can say that the market of information products and services has formed into the most developed sector of business information. A Ukrainian entrepreneur can receive on a commercial basis virtually all types of information services offered in the world market.

The next big block in the system of innovation infrastructure of small organizational forms of innovative character are multidisciplinary centers, which include business incubators, created on the basis of clusters. The economic agricultural cluster has minimal internal (endogenous) differences and significant external (exogenous) differences in the development of productive forces, in particular it reflects the state of land supply, the level of employment of the rural population and investment potential.

A business incubator (also called an innovation center, technology center, center of innovation and en-

trepreneurship, etc.) is a service organization that provides small innovative business premises, marketing, management services, etc.

With the assistance of business incubators, tenants are able to "communal" company placement, lease space at below market rates, access to financial and professional assistance, and in agriculture - to search for land and agricultural equipment. In addition, an environment is created for constant contacts between firms within the incubator and with outsiders, firms and organizations that are part of the incubator's business network, as well as the sharing of support services. All this significantly reduces costs for the needs of the firm and facilitates its introduction into the market with less risk associated with getting started. As a result, MOFICs in rural areas have a chance to become a viable cluster in 2-3 years.

The main purpose of incubators and a criterion for the effectiveness of their work is to increase the survival rate of agricultural businesses that are starting their activities. However, this is not the sole purpose, but there are other incubator tasks related to the economic development of the regions.

Business incubators are a new, largely experimental type of organization for managing the initial growth of a cluster in agriculture. The idea of this organization is undoubtedly quite constructive, since it includes the ability to create a tool of conscious influence on the spontaneous process of formation of the small format business community (business formation) and, above all, it's the most promising sector - innovative small business.

The advantage of making budget support decisions is the use of business incubator creation and development projects, which have a clear specialization and are focused on high-tech enterprises in agribusiness. All of its elements are interconnected as a cyclic cross-industry complex. Changes in one of them require a proper restructuring of the whole structure of the complex. Therefore, the agro-industrial complex should be considered as a dynamic system that allows to model intersectoral relationships and proportions [1]

Increasing the role of innovation in economic growth at all levels of the economy and accelerating scientific and technological progress has become for the economy the problem of transferring research results and new technology from research institutions to industry and agriculture and, consequently, the problem of forming new forms of science and business in addition to the traditional (licenses, contracts). The essence of these new forms of interaction between science and business is to perform the function of a tool of scientific and technical exchange, expanding the information field of both parties, technological monitoring, as well as the division and reduction of costs to create an innovative product.

Mechanisms for insuring foreign investors' funds against political, economic and other risks on the basis of collateral secured by real state assets should play an important role in attracting foreign investment. Patents, mineral deposits, property of enterprises producing competitive products, etc. can be used as such assets.

Thus, in Ukraine it is necessary to develop infrastructures capable of providing all regions with equal access to innovative development. According to scientists, in the near future, it is innovation economy as one

of the state priorities and an independent sector of the Ukrainian economy that will help to increase the competitiveness of its other industries by significantly increasing the added value through innovation.

In turn, the state regional policy should initiate a gradual transition to an innovative model of development, creating mechanisms that stimulate innovation, ensuring the concentration of resources on priority areas, creating conditions for strategic partnership government - business - public institutions, developing interregional cooperation, implementing modern technologies management of regional development in accordance with the strategy of increasing the competitiveness of Ukraine and its regions.

In Vinnytsia region, the process of forming an organizational and economic mechanism for regulating small innovative entrepreneurship is quite active. In spite of the crisis phenomena of the past years, in recent years positive tendencies of economic activity of the innovation complex of Vinnytsia region have been clearly revealed. This is evidenced primarily by the adopted and successful Program for the development of innovation in the Vinnytsia region until 2020.

Within the framework of tasks for development of infrastructure of innovative activity in the territory of Vinnytsia region it is necessary to distinguish the following:

- to promote the creation and development of organizations that promote the innovative activities of organizations: development commercialization offices, business incubators, including for clusters;
- to form a system of attracting investments for innovative projects with the participation of both state and private (including foreign) capital;
- promote the establishment of a system of international certification of innovative products;
- to support the creation of a system for promoting innovative products produced in the region on the international market;
- to organize training on commercialization of scientific developments;
- to constantly monitor the development of the innovative sector of the economy.

The mechanism of implementation of the Program, which is periodically adopted in the region, includes informational, legal, organizational, personnel, scientific, logistical support for its implementation. In order to implement the Program, the state customer - Vinnytsia Regional State Administration:

- provides information support for participants in innovation activities;
- forms clusters of innovative organizations;
- promotes the promotion of innovative products of Vinnytsia region organizations to the domestic and foreign markets and enhances the competitiveness of innovative products;
- promotes the development of international relations in the innovation sphere of Vinnytsia region organizations;
- develops elements of innovation infrastructure of Vinnytsia region;
- ensures effective interaction of innovation infrastructure facilities.

In connection with the innovation policy formed in the Vinnytsia region and the adopted regional program for the development of innovation, the following

scheme of organizational and economic mechanism for regulating innovation business is proposed (Fig. 2).

Successful development of a modern economy is not possible without a significant increase in the share of competitive high-tech innovative products in the total GDP, which is the end result of the commercialization of research and development. At the same time, the analysis of the dynamics of development of the main branches of the Ukrainian economy, including and Vinnytsia region over the years of reforms allows us to note

the persistent negative consequences of the crisis, leading to a significant decline in the level of innovation activity. Most organizations in the region have eliminated research and development units, significantly reduced scientific and engineering personnel.

Despite the crisis of the past years, in recent years in the Vinnytsia region positive tendencies of economic activity of the regional innovation complex have been revealed: innovative processes have intensified, innovation activity of the organizations of the region has increased significantly.

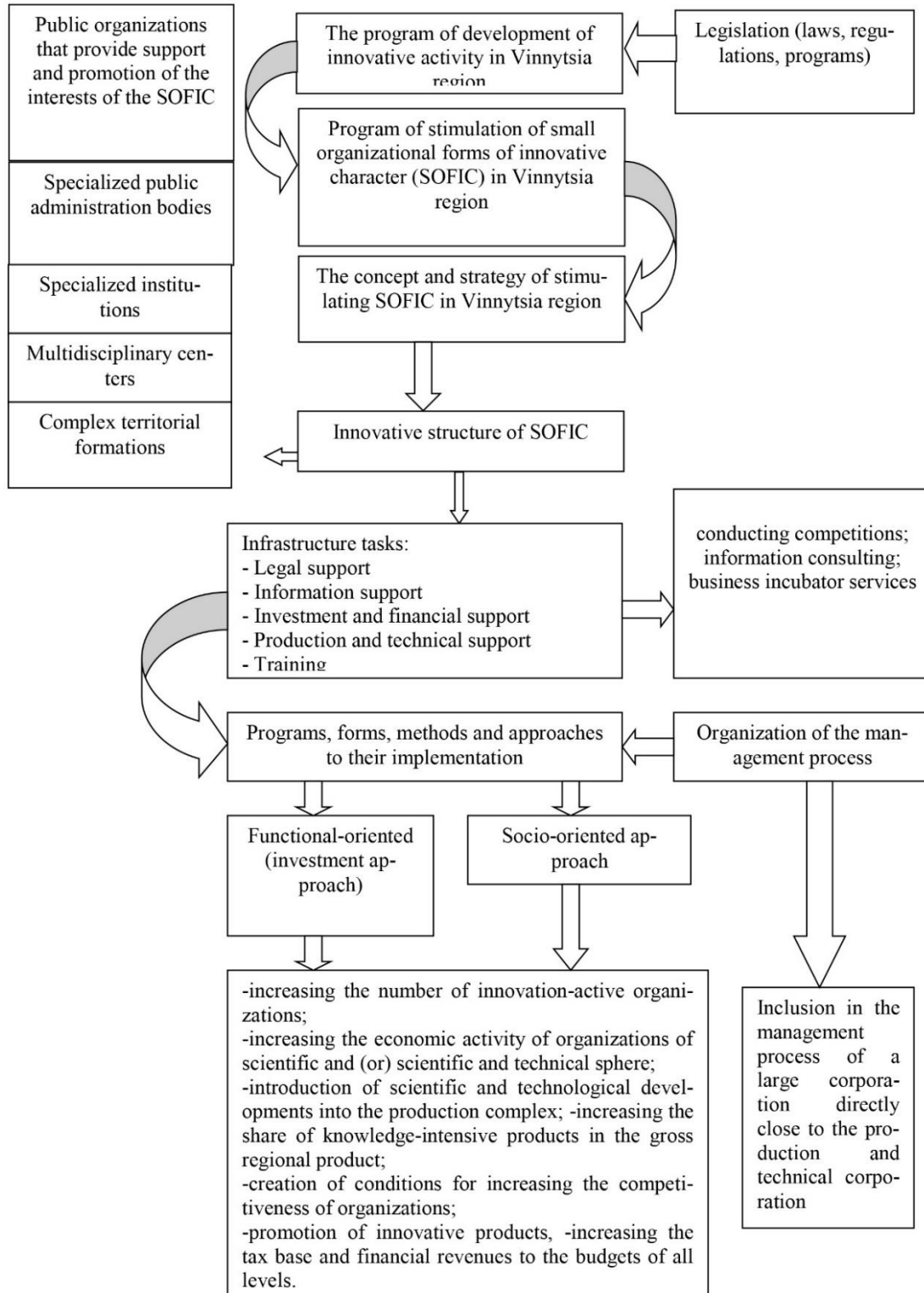


Fig. 2. Concepts, principles and objectives of innovative business in the region

In order to coordinate the efforts of public authorities and administration in Vinnytsia region, partnerships have been formed with organizations in the region, domestic and foreign investors. On the basis of multilateral agreements, Vinnytsia region cooperates with the Fund for the Development of Small Forms of Enterprises in the Scientific and Technical Sphere, the Chamber of Commerce and Industry of Vinnytsia region and other organizations. The Vinnytsia region actively participates in the competitions of the programs of the Foundation for the promotion of small forms of enterprises in the scientific and technical sphere.

Thus, in Vinnytsia region, with the support and active participation of state and public organizations, the process of creating and developing all the necessary basic elements of support for innovation activities, which in the aggregate are capable of contributing to the economic activity of small innovative enterprises, continues. In turn, as world experience shows, the funds invested in the innovation infrastructure return for the state by increasing employment and increasing tax collection, and for private investors and entrepreneurs - new markets for goods and services.

In the regions of Vinnitsa region there is an innovative situation with different ratio of the size of innovative potential and the level of its use. On the whole, virtually all districts have low investment and innovation attractiveness.

In our opinion, the long-term strategy of socio-economic development of each district of Vinnytsia region can change the situation: it is necessary to create conditions for their sustainable competitive development, which will attract significant investments in the region's economy.

The basis of such development of the territory in the modern world is innovations and the national innovation system. Today Vinnytsia region adheres to the innovative development strategy and the strategy of creating a national recreational zone. Undoubtedly, the implementation of each of these strategies gives positive results. However, we understand that today is the time to move to an innovative breakthrough strategy.

The creation of a regional innovation system should be the main goal of the innovation breakthrough strategy. A regional innovation system is a set of interdependent structures engaged in the production and commercialization of scientific knowledge and technology. Permanent introduction of knowledge-intensive technologies and development of a more high-tech method of production are possible in the conditions of a regional innovation system.

The organization of innovative development of the region at the level of municipalities is due to business incubators, which through personal connections attract the attention of venture capital, contribute to the development of the region in which they operate, primarily in terms of employment, business network, local restructuring economy through the creation of new enterprises, the creation of a cluster structure.

As mentioned above, clustering - the formation of territorial clusters is an effective tool for the development of small organizational forms in general and small

organizational forms of innovative character in particular. Clusters are groups of large, medium and small enterprises, including agricultural enterprises, which are located in the same territory and interact through production and scientific cooperation. These are economically connected enterprises that apply a scientific approach to production, which today is one of the promising areas in the development of innovative economy in the region.

The regional center of science and technology of Vinnytsia region could take on the following functions: to participate in the development of regional scientific and technical policy aimed at creating and developing competitive products and technologies on the market; develop regional scientific and technical programs and coordinate their implementation after approval by local authorities; to finance, incl. on a venture basis promising, especially export projects, primarily small and medium-sized innovative enterprises; to assist in establishing international relations, in evaluating the effectiveness of proposed technologies and cooperation schemes; to advise and inform firms, first of all, small and average on questions of scientific and technical marketing, transfer of technologies, development of innovations.

The financial side of the innovation breakthrough strategy involves the use of own and borrowed resources. However, in the first stage, budget resources play an important role, because during this period the financial institutions of the regional innovation system are only emerging and, as a consequence, there are no own sources of investment, so initial funding is possible mainly from the state and regional budgets.

The innovation and investment potential of Vinnytsia region, as well as the political will of the regional authorities allow to form a budget for the development of Vinnytsia region, which consists of similar budgets of all districts of the region. Such a budget can become a source of financing innovative investments already at the stage of formation of financial institutions of the regional innovation system, concentrating investments on key areas of development and forming points of innovative growth.

In the process of forming a regional innovation system of Vinnytsia region it is necessary to take into account the principles of system and program-targeted approaches. That is, the regional innovation system must adhere to clearly defined goals, have an organizational structure to perform the tasks, have a technical and material base - only in this case, in our opinion, it is possible to achieve a synergy effect. It consists not only in the creation of high value-added products and in the growth of budget revenues at all levels, but also in the development of knowledge-intensive production, including research, technology and human capital, as well as in the further sectoral and territorial implementation of innovations.

Today, public authorities are effectively deprived of the authority that would allow them to pursue an innovative policy of national importance. Low interest in the development of innovative activity of the regions of Ukraine and Vinnitsa region in particular has a rootedness in the key range of problems that they face:

- the lack of a comprehensive system of economic and legal mechanisms for regulating the process of commercialization of research and development;
- lack of an effective infrastructure for innovation and protection of intellectual property in the transfer of high technology;
- lack of effective mechanisms for involving local technological and intellectual resources in economic turnover;
- insufficient orientation of Ukrainian organizations to domestic applied science as a source of innovation;
- weak development of mechanisms for financing risky projects (venture investment);
- aging of scientific personnel, insufficient influx of young people, outflow of trained youth from the field of science.

Along with the above problems, the lack of a legal basis should be singled out, because the very concept of «innovation» is not a legal concept. The complexity of this issue is that the main concept of the field is not defined terminologically. On the one hand, there is a legal framework governing the area of intellectual property, but it does not have a clear definition of basic concepts, fuzzy evaluation criteria, no statistics, no monitoring, no objective evaluation of innovation potential, because it is not clear which enterprises are innovative. In view of this problem, it seems to us possible to solve it by developing a legislative framework, which includes the definition of concepts of «innovation» and «innovation activity», as well as related elements of infrastructure (business incubator, etc.).

A strategic approach to regional development involves understanding and assessing regional strengths, weaknesses and opportunities. At the same time, weaknesses should be considered as potential opportunities that are areas for innovative investment. Based on a systems approach, all authority for resource management and responsibility for implementing the strategy in the region should be transferred to a single organization that will report publicly and systematically on its activities. Cities, especially large metropolises as sources and centers of concentration of innovation potential, have a special place in the strategy of innovative development. The implementation of the strategy of innovation breakthrough requires flexibility and proactivity, it is necessary to predict and shape the behavior of consumers of innovation, to participate in the formation of trends in the investment market and the market of knowledge-intensive products. The task of regional authorities is to reduce and control risk factors (lack of information advice to investors on the strategic potential of the region and cities; lack of plans for strategic development of the region as a whole and its individual territories and the body responsible for current future investments; underdeveloped market, transport and financial infrastructure, etc.).

A scientific and technological breakthrough, including in agriculture, cannot be made without the active participation of the state, which is expressed in the following forms:

- development of a legislative framework that de-

finies and delineates the basic concepts of the innovation sphere;

- development of prospects for the strategy of scientific, technical and innovative development of Vinnytsia region, which would serve as a directive for the public sector and public administration, as well as a guide for the private sector, domestic and foreign investors;

- a differentiated approach to the choice of priorities for the development of science, inventions, technology and technologies, taking into account their technological level, as well as the allocation of those areas of research and innovation that will provide all-Ukrainian leadership, employment and maintenance of promising market niches;

- development of regional programs aimed at creating favorable conditions for the development of innovative entrepreneurship and innovative infrastructure in the Vinnytsia region;

- improvement of qualification of employees of executive bodies of Vinnytsia region, whose function is to solve issues on development of investment and innovation activity in the region, organization of infrastructure for support of innovative entrepreneurship, representatives of small business and mass media of Vinnytsia region.

Thus, in order to increase the investment attractiveness of Ukraine and the regions and attract investment in the region's economy, it is necessary to develop and implement a comprehensive long-term concept of innovative development.

Currently, the issues of attracting investment and organizing investment activities in the Vinnytsia region are a number of governmental and non-governmental structures, among which only at the level of regional authorities can be named the following: regional state administration (Main Department of Economy, and Investments), Regional Council, Vinnytsia Regional Branch of the Ukrainian Union of Industrialists and Entrepreneurs, Chamber of Commerce and Industry, Agency of SME development, Vinnytsia business incubator and others. It can not be argued that almost all departments of regional governments are in one way or another involved in investment problems and are engaged in their search and attraction. Local authorities are also active in attracting investment.

Situational analysis of individual elements of the regional investment market was conducted on the basis of the data obtained from the survey. The choice of the survey as a research method is due to insufficient coverage in the scientific literature and the official press of regional problems of attracting investment. The problem is usually considered at the level of either macro or microeconomics. The respondents were representatives of state and business structures - subjects of investment activity in the region. The purpose of the survey is to evaluate investment processes in the region directly by their participants.

Respondents were asked about the availability and nature of investment policy in the region, the state of coordination of investment activities and the need for it, the nature of investment demand and supply, and their relationship with priority areas of socio-economic

development of the region, the factors that stimulate and discourage investment processes in the region, etc. The survey allowed us to draw the following conclusions.

According to the respondents, there is no clear investment policy in the region. Indirect reflection of the investment policy of the region is the socio-economic priorities formed in the main programming documents that determine regional development.

Respondents noted, to a large extent, the spontaneous and casual nature of the formation and satisfaction of investment demand in isolation from socio-economic and structural priorities. According to the survey, all economic entities in the region are interested in raising awareness and increasing the transparency of the investment market.

Other important areas of modern agricultural cooperation, including the development of relations with enterprises of the agro-industrial complex, are not fully implemented.

As a result of the reform in the field of repair and maintenance enterprises, repairs of agricultural machinery and equipment have been concentrated in agricultural organizations, whose capabilities are designed only for their own needs, so only 9.5% of small businesses use their services. Scientifically-based recommendations for the organization of repair and maintenance of small businesses, which recommend a three-tier system of technical service, based on the options of the organization:

- own simple types of equipment, indoor and outdoor parking and regulation areas;
- cooperatives and societies that are technically complex, including mobile workshops;
- repair and technical enterprises that exist in the region at the district level.

The analysis of the work of rural cooperatives allows to conclude that the main directions of their development for Vinnytsia region may be:

- vertical cooperation of small business organizations in the field of processing and marketing of agricultural products, able to compete with processing enterprises. The serious arguments in favor of it can be considered: the possibility in this case of reducing the loss of products, preserving its quality, saving transport costs, increasing employment, improving the provision of food to the population;
- rural credit cooperation, based on the pooling of financial resources of rural entrepreneurs to promote the formation of working capital and fixed assets of farms;
- horizontal cooperation, which has the form of small informal associations that share equipment and carry out part of the work;
- cooperation in marketing and information and consulting services.

In our opinion, in order to intensify the cooperative movement in the agricultural sector, which, as already shown, promotes the development of small business in rural areas, it is also necessary to strengthen legal support for the cooperative sector and to remove the

dictates of processing structures.

Conclusions. After analyzing the overall organizational and economic mechanism of small business, it was concluded that its activities are conceptual and programmatic in nature and are carried out by specialized government agencies and support, as well as infrastructure. This mechanism covers various activities of the system, objectively involves the use of appropriate resources and consists of interdependent subsystems, among which it is logical to distinguish the subsystem of organizational and economic mechanism of small organizational forms of innovative character (SOFIC). This subsystem has some differences, such as the particular architecture of the SOFIC support infrastructure, a conceptually different (in some aspects) SOFIC support program.

An organizational and economic mechanism for regulating the development of small business in the region in the agricultural sector, which consists of three main blocks: conceptual-program, organizational and functional-resource.

References

1. Koliadenko S.V. Structural transformation in economic complexes of agro-industrial complex of the region. Collection of scientific works of VNAU. Series: Economic Sciences. №2 (53), Volume 3. 2011. pp. 181-186.
2. Salnikov O.M., Ziadat M. Small business as a prerequisite for competitive environment. Trade and Market of Ukraine: Coll. Science. Donetsk: DKII, 2000. pp. 27-28.
3. Belous G. Development of small business in Ukraine. Ukraine economy. 2000. №2. pp. 34-46.
4. Olvinskaya Yu.O. Directions of improvement of the mechanism of promoting the development of small business entities. URL: <https://core.ac.uk/download/pdf/147038039.pdf>
5. Sudak G.V. Analytical assessment of entrepreneurial activity in rural areas of Zhytomyr region. Economics and finance. 2017. № 11. pp. 157-165.
6. Zabarna E.M. Specifics of small business in the socio-economic development of the regions of Ukraine. Economic Forum. № 2. 2016. pp. 101-109. URL: file:///C:/Users/boss/Downloads/ecfor_2016_2_17.pdf
7. Pronko L.M. Tools of small business development in rural areas of Vinnitsa region. Economy. Finances. Management: current issues of science and practice, 2018. № 5. pp. 64-74.
8. Kaletnik H.M., Mazur A.H. Scientific and theoretical foundations of the formation and development of human capital in rural areas. Economy. Finances. Management: current issues of science and practice. 2016. № 10. pp. 7-25.
9. Goncharuk I.V. The role of agricultural cooperatives in ensuring sustainable development of rural areas of Vinnytsia region. Economy. Finances. Management: topical issues of science and practice. 2017. № 8. pp. 56-67.

POLISH JOURNAL OF SCIENCE

№27 (2020)

VOL. 3

ISSN 3353-2389

Polish journal of science:

- has been founded by a council of scientists, with the aim of helping the knowledge and scientific achievements to contribute to the world.
- articles published in the journal are placed additionally within the journal in international indexes and libraries.
- is a free access to the electronic archive of the journal, as well as to published articles.
- before publication, the articles pass through a rigorous selection and peer review, in order to preserve the scientific foundation of information.

Editor in chief – Jan Kamiński, Kozminski University

Secretary – Mateusz Kowalczyk

Agata Żurawska – University of Warsaw, Poland

Jakub Walisiewicz – University of Lodz, Poland

Paula Bronisz – University of Wrocław, Poland

Barbara Lewczuk – Poznan University of Technology, Poland

Andrzej Janowiak – AGH University of Science and Technology, Poland

Frankie Imbriano – University of Milan, Italy

Taylor Jonson – Indiana University Bloomington, USA

Remi Tognetti – Ecole Normale Supérieure de Cachan, France

Bjørn Evertsen – Harstad University College, Norway

Nathalie Westerlund – Umea University, Sweden

Thea Huszti – Aalborg University, Denmark

Aubergine Cloez – Université de Montpellier, France

Eva Maria Bates – University of Navarra, Spain

Enda Baci – Vienna University of Technology, Austria

Also in the work of the editorial board are involved independent experts

1000 copies

POLISH JOURNAL OF SCIENCE

Wojciecha Górskiego 9, Warszawa, Poland, 00-033

email: editor@poljs.com

site: <http://www.poljs.com>