

ppi 201502ZU4645

Esta publicación científica en formato digital es continuidad de la revista impresa
ISSN-Versión Impresa 0798-1406 / ISSN-Versión on line 2542-3185 Depósito legal pp
197402ZU34

CUESTIONES POLÍTICAS

Instituto de Estudios Políticos y Derecho Público "Dr. Humberto J. La Roche"
de la Facultad de Ciencias Jurídicas y Políticas de la Universidad del Zulia
Maracaibo, Venezuela



Vol.41

Nº 78

Julio

Septiembre

2023

Legal dimensions of innovative development management functions

DOI: <https://doi.org/10.46398/cuestpol.4178.07>

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Abstract

Using dialectical, systemic, logical and historical methods of scientific knowledge, the main purpose of the article was to study the features of the state legal regulation of the innovation development management system. The subject of the research is the system of innovative development. The sphere of innovation at the present stage acts as a highly organized type of activity that requires the reciprocal influence of the state. The experience of developed countries shows that the existence of a market economy is not a sufficient condition for technological growth. It is concluded that consistent state regulatory measures are needed to create a favorable innovation climate to help develop the country's scientific and technical potential. As a result of the study, a number of key aspects of state legal regulation of the innovation development management system were identified.

Keywords: legal dimensions of development; legal aspects; innovative development; state regulation; public policies for development management.

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Dimensiones jurídicas de las funciones innovadoras de gestión del desarrollo

Resumen

Mediante el uso de métodos dialécticos, sistémicos, lógicos e históricos del conocimiento científico, el objetivo principal del artículo fue estudiar las características de la regulación legal estatal del sistema de gestión del desarrollo de la innovación. El tema de la investigación es el sistema de desarrollo innovador. La esfera de la innovación en la etapa actual actúa como un tipo de actividad altamente organizada que requiere la influencia recíproca del Estado. La experiencia de los países desarrollados muestra que la existencia de una economía de mercado no es condición suficiente para el crecimiento tecnológico. Se concluye que se necesitan medidas regulatorias estatales consistentes para crear un clima de innovación favorable que ayude a desarrollar el potencial científico y técnico del país. Como resultado del estudio, se identificaron una serie de aspectos clave de la regulación legal estatal del sistema de gestión del desarrollo de la innovación.

Palabras clave: dimensiones jurídicas del desarrollo; aspectos legales; desarrollo innovador; regulación estatal; políticas públicas para la gestión del desarrollo.

Introduction

Innovative business is one of the most important factors supporting the economy, a key driver of economic growth in many countries. Even crisis conditions are not able to change the priorities of innovative development in the context of globalization. The use of knowledge and innovation as the main sources of economic resources makes it possible to raise the economy to a new level that meets modern civilizational requirements. There is an urgent need for changes in the national innovation system, the implementation of which requires the creation of special support mechanisms by the state.

Increasing the efficiency of material production and the competitiveness of products is based on the use of new high-performance equipment and progressive technology, the use of modern organizational forms and economic methods of management.

Innovative activity is an activity carried out at one's own risk, aimed at making a profit from the implementation of innovations (including the commercialization of scientific or scientific and technical results). Modernization should differ from innovative activity, the fundamental difference of which from innovative activity lies in the local nature of novelty

due to the absence of a sign of high risk (the concept of modernization corresponds to a broader understanding of innovation in the modern sense and requires a different, more limited system of state support measures).

Modernization activity, with a certain similarity to innovation, differs from the latter in signs of novelty from the global level to the local one. As part of the modernization, methods are being introduced that have been previously tested by other participants and have proven their effectiveness in the same field of activity. Innovations are associated with the development of fundamentally new approaches.

The law of innovation activity can be considered at present as an intersectoral complex institution of national law, which includes the norms of administrative, financial, civil, business and other branches of law. In the structure of this complex intersectoral institution, it is possible to single out relations that are predominantly private and predominantly public legal in nature.

In innovative legal relations, the state can act in a special status (management of innovative activities, support of innovative activities) and in the status of a direct participant in innovative activities - an innovator. Regardless of the role played by the state, its participation in innovation is due to a special interest.

If a business, investing in new technologies, promoting new products on the market, is ultimately interested in making a profit, and the amount of this profit serves as a criterion for the effectiveness of innovations, the interest of the state lies in the development of the economy through innovation. By stimulating innovative activity, the state is interested in increasing the competitiveness of enterprises (not in a particular, but in the whole industry, region, country), which leads to an increase in the profits of these enterprises, respectively, there is an increase in the tax base, and ultimately, an increase in the social obligations of the state.

Public administration is carried out by using certain administrative-legal forms and methods. An analysis of the scientific literature makes it possible to single out two administrative and legal forms of state participation in innovation activity: direct and indirect.

Management of innovation activity is an indirect form of state participation in innovation activity. Management in the classical sense includes the stages of planning, accounting, analysis, control and regulation. In the state management of innovation activity, these stages are represented by the definition of state policy (including budgetary) in the field of innovation activity - planning, implementation of state statistics - accounting, rule-making in the field of innovation activity - regulation, state control in the field of innovation activity.

The main purpose of the article is to study the features of the state-legal regulation of the innovation development management system.

1. Materials and methods

The methodological basis of the article is the fundamental provisions of economic science, the theory of innovative development, scientific works of scientists on the problems of legal regulation of innovation. To solve the tasks set, dialectical, systemic, logical and historical methods of scientific knowledge are used, which ensure the conceptual unity of the work. The following methods were used in the research process: structural-logical, scientific abstraction, analysis and synthesis, modeling and abstract method for drawing conclusions. The information base of the study consists of legal documents and publications.

2. Literature review

Innovation is defined as the end result of the implementation of new ideas and knowledge in the national economic system, due to the availability of sufficient funding, in the form of new products, technologies, organizational and managerial decisions, which ultimately provide a qualitative increase in the initial cost, leading to the economic growth of the national economy, increasing competitiveness in the long run (Atusiak and King, 2020).

Among the general methods of management in innovation activity, the method of stimulation stands out, which is closely related to the method of persuasion, but has significant differences. The very stimulation is the main method of state management of innovation. In the system of private methods, the program-target method, the method of state support, and the state order are distinguished (Dligach, 2022).

In recent years, the program-target method has been used predominantly in the state management of innovation activities. The specificity of this method involves focusing on the sectoral approach, which consists in identifying priority areas for innovation in order to further provide state support measures in these areas.

Some scientists note that the state order is not only a form of direct participation of the state in innovation as an investor and intellectual owner, but also a form of state support for innovation. The advantages of the state order as a form of implementation of innovative activities by the state include its simplicity - no additional mechanisms or special subjects of law are required. In addition, the close connection between the state order mechanism and targeted programs is a sign of the systemic integration of this form with the state management of innovation activities.

At the same time, the state order, with its insufficiently universal and not always objective procedures for evaluating and selecting applications, cannot effectively stimulate the private sector to implement truly large innovative projects. This requires specially created by the state special participants in the innovation process - state-owned companies and corporations (Fadeev, 2012; Gontareva, 2018; Hrebennyk, 2021).

As most scientists note, in the conditions of the post-industrial stage of development, the efficiency of functioning and the ability to develop any economic system (organization, region, state) is determined by susceptibility to innovation, that is, the ability to provide conditions for the continuous renewal of various forms of activity in accordance with changes in the external and internal environment. In the modern world, economic growth is, on the one hand, the main factor in the development of countries, on the other hand, it is the result of scientific and technological progress, the introduction of innovations in various fields of activity.

The innovative economy, based on innovation activity, is a special type of economy that ensures the development of the economic system through the renewal of knowledge, innovative factors and post-industrial technologies (Kalashnyk, 2020; Krylova, 2020; Kryshchanovych *et al.*, 2022).

Despite the active scientific and practical attention to the issues we have chosen, today some aspects of the state-legal regulation of its innovative development still remain undisclosed.

3. Research Results and Discussions

The complex and systemic nature of innovation activities has a direct impact on the composition of its subjects, which is characterized by breadth and heterogeneity. Two groups of subjects take part in innovation activities: entities that directly carry out innovative activities and ensure its implementation.

The state investment policy should be aimed not only at the entities that are the owners of the invested funds and at the entities that provide financing for the implementation of investment projects, but also at the entities that act as professional intermediaries in the investment services market. Such financial intermediaries are called institutional investors, and their activity, being permanent and professional, is to mobilize temporarily free capital from various sources with subsequent investment in the economy through collective investment schemes.

Institutional investors act as a special instrument of state regulation of the economy, allowing them to accumulate significant capital and concentrate it under the control of a single entity, which leads to an increased

state interest in regulating activities as part of the implementation of state investment policy.

Particular attention on the part of the state to the activities of institutional investors is due to the fact that they invest the money savings of the population, but are not automatically included in the system of compulsory insurance of the risk of losing invested funds, which leads to the need to protect non-professional investors from such a risk (Margaryan, 2021; Kryshstanovych *et al.*, 2021; Mastrobuoni, 2020).

Priority areas in the infrastructure provision of state support for the innovation activity of technoparks should be: the formation of basic centers for innovation activity (innovation platforms); ensuring prompt and verifiable information exchange between innovative structures (based on the principles of relevance and complexity); integration of available resources (human, financial, material and others) for the purposes of maximum targeted use; search for new ways and opportunities for state support of innovation activity with justification of the expected payback.

The system of infrastructural provision of state support for innovative development is based on the principles of target and organizational certainty, the creation of a single information space (based on the resources of the digital economy), focusing on the specific features of the socio-economic development of regions.

A tripartite model for determining the key factors of innovative development, presented in Fig.1.

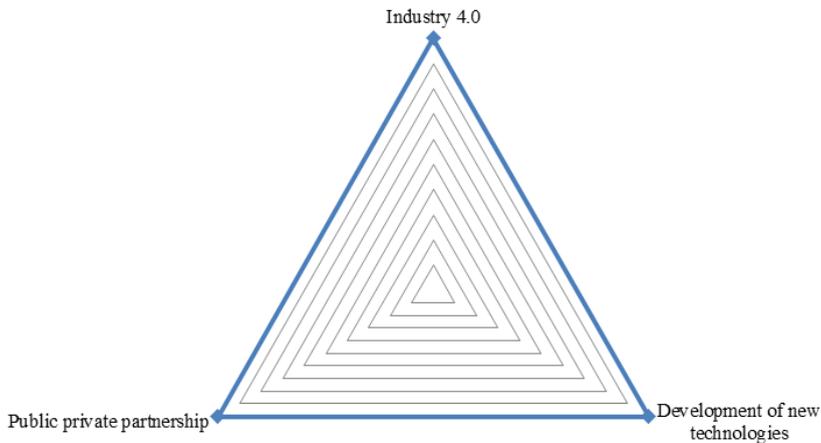


Figure 1. A tripartite model for determining the key factors of innovative development. Formed by authors.

At present, there is an obvious need to combine the efforts of the state and business to satisfy the public interest in strengthening national security, accelerating the socio-economic development of the state, improving the quality of life of society as a whole and of each citizen individually. Public-private partnership mechanisms are recommended as ways to solve various kinds of public and state problems in strategic planning documents of a territorial and sectoral nature, and individual laws. Various legal forms of public-private partnership are being actively implemented in the EU countries.

Public-private partnership can be carried out in various legal forms, in particular, in the form of concession agreements, production sharing agreements, a special investment contract; agreements on conducting activities in special economic zones, lease agreements with investment terms, trust management and other contractual structures using special legal regimes - territories with special regimes for doing business, mechanisms for the development of territories provided for by urban planning legislation, project financing.

Despite the readiness of the legislator to introduce public-private partnerships everywhere in the implementation of state investment policy, in practical terms, the implementation of such projects raises a number of problems: the lack of fixing some legal forms of public-private partnerships in the legislation, for example, the model of the operator agreement, institutional form, life cycle contract.

Innovative development requires the necessary investment, while the promotion of investment activity should be considered in the context of the general innovative vector of the strategic development of the state. In the modern world, it has been unconditionally proven that investments in the development and development of innovations are the most profitable.

They guarantee a high return, laying a reliable foundation for maintaining the scientific and technical potential at the required level, thereby ensuring the country's competitiveness in world development. However, innovation activity is the object, the regulation of which only with the help of market mechanisms is not enough. They cannot ensure the emergence of long-term initiatives for accelerated technical development in the absence of stable, scientifically reasoned, and effective government regulation mechanisms that help attract investment in the scientific and technical sphere (Sylkin, 2021; Zakharchenko, 2020; Zarichna, 2018).

The state innovation and investment policy is the activity of the state aimed at creating favorable regulatory and economic conditions for investment and investment in innovation, stimulating the process of creating investment conditions for innovative development, as well as forming a market for innovation and investment.

A four-sided model of the main threats to the regulation of innovative development, presented in Fig.2.

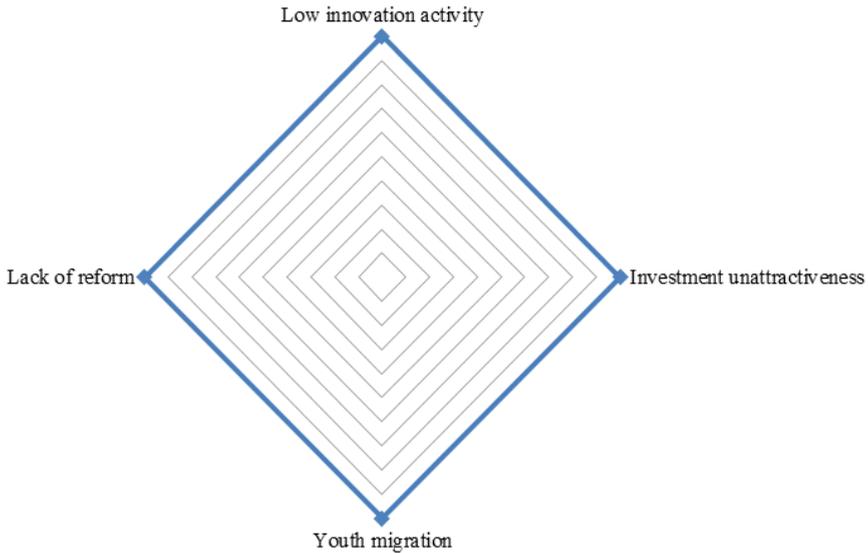


Figure 2. A four-sided model of the main threats to the regulation of innovative development. Formed by authors.

Within the framework of the general legal policy, the main directions of innovation policy are formed to stimulate, develop and effectively use the innovation potential, forms of state support for the subjects of innovation activity are established. The basic vector of development in this area should be aimed at creating the regime of the greatest assistance to the subjects of innovative activity, regardless of organizational and legal forms and forms of ownership.

The state and individual specialized bodies, scientific and educational institutions, representatives of large, medium and small businesses, citizens whose creative work creates intellectual property are involved in innovative activities, ideas for effective application are being developed.

The state as a subject of innovation activity is represented by a number of state structures and systems of public authorities that develop and implement the main directions of state legal policy in the innovation sphere. The state as a subject of innovation acts as a legislator, as a system of management, supervision and control in the field of innovation, and as a system of specialized bodies.

Representatives of innovative business are legal entities and individuals-entrepreneurs who directly carry out innovative activities or invest in them. Specialized subjects of innovative activity are created, as a rule, within the framework of an individual project in connection with the implementation of a special project or type of activity. The status of subjects in the field of innovation is different and depends on organizational and legal forms.

In the scientific literature, the following organizational and legal forms of subjects of innovative activity have been identified: state corporations, as a subject endowed with the powers of management bodies, on the one hand, are an economic entity, on the other; investment funds (for example, state, non-state and international investment funds for the support of scientific and scientific and technical activities); innovation centers; Techno parks and other forms of state support for innovation.

The participants of the innovation process can be: associations and clubs; technological platforms formed in the most promising areas of innovative development - aviation and space technologies, nuclear and radiation technologies, and others; innovative territorial clusters; development institutions; private industrial parks, youth entrepreneurship and others. The state should support subjects in the innovation sphere.

This can be carried out according to long-term target programs for the development of innovation activity, departmental target programs for the development of innovation activity, lists of measures aimed at the development of innovation activity. State support to the subjects of innovation activity should be provided in priority areas of innovation activity in the following areas: agro-industrial complex; electric power industry; informatics and telecommunications; mechanical engineering; construction and housing and communal services; chemical industry; healthcare; transport complex.

Conclusions

Summing up, it should be noted that innovations today are the most effective means of technological development of enterprises, ensuring strong market positions based on significant competitive advantages, which makes it possible to get out of the state of economic depression. Innovative development is a determining factor in the efficiency of an enterprise, based on the introduction and implementation of innovations that improve its activities, ensure the strengthening of its market position and create favorable conditions for its development.

In a general definition, innovation is an innovation in the field of engineering, technology, labor organization or management, based on

the use of scientific achievements and best practices. Innovation is the end result of innovative activity - that is, activities associated with the transformation of scientific research and development, other scientific and technological achievements into a new or improved product introduced to the market, into a new or improved technological process used in practice or a new approach to social services.

Modern studies show the existence of a close dependence of the international competitiveness of the national economy on the level of innovation activity in the country. The higher the level of innovative activity, the greater the competitiveness of the country in the world market.

Countries with a more developed innovation infrastructure and a high level of innovation activity form a leading cluster in the global economy, occupy more competitive positions in the system of the international division of labor, which ensures an additional inflow of foreign capital in the form of direct investment in the economies of these countries. Effective borrowing of innovative technologies allows for a relatively short period of time to ensure a significant increase in the competitiveness of the national economy in the world economy, which is confirmed by the experience of countries called "Asian tigers".

Innovation clusters play a significant role in increasing the level of competitiveness of the national economy due to the high concentration of innovative companies that are intensively involved in the development, commercialization and diffusion of innovations. Large-scale financing of innovations allows for active implementation in economic practice, which leads to a new quality of economic growth of national economies, the basis of which is innovative development. This should be the focus of further research.

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DEL ZULIA

CUESTIONES POLÍTICAS

Vol.41 N° 78

*Esta revista fue editada en formato digital y publicada en julio de 2023, por el **Fondo Editorial Serbiluz**, Universidad del Zulia. Maracaibo-Venezuela*

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