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CONCEPTUAL FRAMEWORK FOR IMPROVING ECONOMIC SECURITY ON AN INNOVATIVE BASIS

Maksym Slatvinskyi¹

¹Ph.D. (Economics), Associate Professor, Head of Department of Finance, Accounting and Economic Security, Pavlo Tychyna Uman State Pedagogical University, Uman, Ukraine, e-mail: ms@udpu.edu.ua, ORC1D: https://orcid.org/0000-0003-4096-2901

The socio-economic revival of the country and, thus, improving its economic security requires technological re-equipment of industry and the transition to an innovative path of economic development.

As a result of strategically incorrect decisions in the implementation of reforms in previous years, if do not take into account the impact of the military conflict, today Ukraine's economy is in a situation where almost all indicators of economic security are much lower than thresholds. This situation is largely due to the features of the current state of scientific and production potential of Ukraine's economy. If today its underloading allows, with an appropriate economic policy, to achieve high growth rates (up to 10% per year) due to the loading of production capacities, then in a few years the significant disposal of obsolete equipment will lead the economy to severe resource constraints [3]. In this case the raw material specialization of Ukraine's economy with its dependence on the foreign markets, its low growth rates, degradation of its scientific and industrial potential will be aggravated. The development of the domestic economy will be mostly determined from the outside and, accordingly, there will be the path to economic insecurity.

There is a deterioration of the main indicator of the development of the scientific and industrial potential in Ukraine – the indicator of knowledge intensity of GDP (the share of R&D expenditures in GDP), which decreased from 0.75% to 0.43% (0.32 points) in 2010–2019, and thus influenced the change in the economic function of science to cognitive. This data indicates a decrease in state attention to scientific and industrial potential. Unlike developed countries, whose GDP growth is provided by the production and export of high-tech products, Ukraine is developing without significant use of R&D in industry.

The scale and pace of technical re-equipment of production are generally determined by the investment opportunities of the economy, while its state in Ukraine does not allow to intensify innovations due to lack of necessary funding (the share of innovation expenditures in GDP decreased from 0.7% to 0.4% (0.3 points).

In this regard, one of the key areas of development of the state economic security strategy should be scientific and technological progress, which has long been a leading factor in economic growth. The need for a transition to an innovative development is obvious, it implies a multiple increase in investment activity as the basis for modernizing the economy, increasing its competitiveness and improving its economic security.

The first step in the conceptual technological re-equipment of the real sector is the annual increasing of funding for science by at least 15-20 % for the next five years [1], although it is clear that to do this is very difficult in the current economic conditions. The second conceptual step is the development of an economic mechanism for promoting an innovative country's development, and above all:

- adjusting government priorities for basic and applied research;

- forming a list of critical technologies at the national level that form the basis of technological reequipment of industry;

- restructuring of the innovation infrastructure, including the information support system, the financial and economic system, the mechanisms of industrial and technological support for the promotion of promising R&D in production, the personnel training and retraining system;

 improving the evaluation system and competitive selection of scientific, technical and innovative programs and projects aimed at improving production efficiency and the production of competitive high-tech products [3]. International conference on economics, accounting and finance (ICEAF). Book of abstracts © 2020, ICEAF ISBN (print) 978-9949-01-965-6 ISBN (on-line) 978-9949-01-966-3

The legislative block of the concept is highly important and it will ensure:

 the effectiveness of the functioning of a small high-tech business, the prototype of which is innovation and technology centers;

- the establishment of an average high-tech business through the organization of innovative production complexes;

 creation of integrated structures with the participation of scientific and industrial organizations (the first step towards such integration will be the creation of national centers of science and high technologies).

The formation of an innovative economy should be based on such key features of Ukraine as: – the availability of scientific developments and high-tech products in the electronic industry, in the mechanical engineering industry, in the aircraft industry, in instrumentation and the electrical industry, etc.;

- qualified labor force and a good education system;

- the possibility of significant energy and resource savings in the transition to new technologies.

At the next stage, it is necessary to carry out extensive measures to monitor the status of all technological structures and specific technologies in the main production complexes, draw up an appropriate "technological cadaster", and develop individual approaches to the technological reequipment of some branches of the real sector.

With active stimulation of investments in real sector, we can expect in the next few years to achieve a 10% share of knowledge-intensive products in total industrial output. The new technologies are a key factor in market competition and the main means of improving the economic security.

Thus, the key role in improving economic security should be given to the innovative development, which leads to the growing role of the state in investment policy. The state in developed countries assumes the functions of financing basic science and the organization of high-risk applied research, development of research infrastructure, the system of dissemination of new knowledge, support for public education. Taken together, the performance of these functions is associated with large-scale investments, which do not bring a clear commercial return to the investor, but create the conditions for rapid growth of production based on innovations.

Keywords: economic security; technical re-equipment; state economic security strategy.

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