

Innovative Infrastructure And Economic Development In The Agro-Business Investment

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Abstract

The problems of the modern investment providing of agrarian sector of the economy are considered in the article. Certainly basic directions of improvement of investment activity in an agrarian sector. Innovative infrastructure and its economic development are investigated the European way of development of the domestic agro-industrial complex are enlightened, which envisages the transition of the economy to an innovative model. It is justified that the agrarian sector is not unreasonably a locomotive of the domestic economy, so innovative transformations in the agro-industrial complexes are crucial in Ukraine's exit from the economic crisis.

Agrarian science is the basis of competitiveness of the agro-industrial complex. The current course on improving the efficiency of the agrarian economy, modernizing the infrastructure and attracting investment in the basic sectors of the agro-industrial complex provides for the advance of the development of the scientific, technical and innovative agrarian sphere.

The ways of an effective model of development of agrarian science are defined, which requires determining the place and role of its academic, educational, market sectors, as well as foreign intellectual centres, which are represented in Ukraine.

Keywords: *Innovations, Innovative Activity, Investment, Agri-Business, Economic Development, Infrastructure, Agro-Industrial Complex, Investment in Agro-Business, Investment Attractiveness, Innovation Model.*

INTRODUCTION

The modern development of the world economy is based on the principle of the dominance of the innovation model, which is of particular interest scientists in the innovation economy. The main problem that arises in Ukraine in the path of innovative development is the unpreparedness of the national economy to quickly change external and internal factors of influence, lagging by macroeconomic criteria and estimates. On the other hand, despite the negative indicators, Ukraine has the intellectual resources, the effective use of which can quickly bring the country closer to economic growth. The policy orientation of the state towards an innovative economy enables the full use of information technology, human capital and factors of production. The tendency of increasing the role of education, knowledge and innovations is a characteristic feature of the advance development of several countries, so innovations should become the basis for the dynamic development of production, a necessary component of ensuring the efficient and sustainable functioning of Ukrainian enterprises [14].

An innovative economy based on scientific knowledge, innovation, which is becoming key factoring competitiveness, the perception of new systems and technologies, the ability of the impractical implementation, plays an important role in the national economy.

In the innovation economy, under the influence of scientific and technological knowledge, the tradition aspheric of material production is being transformed into radically new ones, while changing their technological basis. Information technology, computer systems and high-tech are the foundations of a cost-effective innovation system. The innovative economy in the conditions of development of

the knowledge society is characterized by the leading value of the innovative activity of economic entities, the growth of scientific and technological Innovative economy: theoretical and practical aspects of production, science-intensive technologies, the intellectualization of factors of production [9]. At the same time, the interconnection of science, technology and production is enhanced, which ensures the efficiency of mechanisms of innovation processes [21]. The development of an innovative economy and the stimulation of the process of formation of new markets requires the creation of a specific innovation infrastructure and institutions to support the innovation process. At the same time, the transition to the innovation path should be carried out in the context of the concept of innovation breakthrough, that is, not follow the path of countries that have established strong positions in the world market, and use a special model of development of the national economy, taking into account the competitive advantages for which there is a sufficient level of potential for innovative development of the state. Under these conditions, research on the theoretical and methodological aspects of the formation of directions of innovative development and their realization, taking into account the possibilities of the domestic economy, is of particular relevance [20]. Formation of national competitive advantages and creation of a reliable foundation for modernization and integration into the world scientific and technical space is possible only if certain measures of innovation policy are implemented.

REVIEW OF LITERATURE

The scientific literature pays considerable attention to the issues of the strategy of innovation and investment development. Problems of formation of the innovation-investment system in Ukraine are devoted to the works of M.P. Butko, O.I. Gordunovsky, L.I. Fedulova, I.I. Kukurudza, M.P. Denysenko, T.E. Voronkova, S.V. Ladik and others.

Much attention has been paid to the formation of investment and innovation strategy by such scientists as N.I. Chukhray, L.L. Antonyuk, A.M. Porochnyk, V.S. Savchuk. These works reflect different aspects of the state's innovation and investment policy.

Various problems of innovative activity, its specific aspects in the activity of modern enterprises of the domestic economy are considered in the works of such authors as L. Antonenko, S. Bandura, L. Blykman, V. Bogachev, Y. Vasylchuk, E. Vychlisenko, V. Geyets, M. Gracheva, O. Dacia, V. Dobrova, T. Zayets, N. Lapina A. Lykshinov, F. D. F. Teston, A. Lisetsky, N. P. Reznik, Sedigheh A. B., S. K. Gupta.

However, despite the considerable number of papers reflecting various aspects of the problem, many questions regarding the innovative investment development of the state economy remain debatable and require further research.

RESEARCH METHODOLOGY

The main purpose of this article is to research, several theoretical and methodological approaches to the innovation-investment development of the state economy, determination of the relationship between investment and innovation policy are substantiated, as well as the issues of economic development and investment in agro-business.

The article used general scientific methods of analysis and synthesis of induction and deduction, the ascent from abstract to concrete, as well as specific methods of analysis: grouping, comparison, systematic and others

RESULTS

To stimulate innovation processes, it is also necessary to provide conditions for expanded reproduction in the agricultural sector, especially to improve the financial status of organizations [22].

The conditions and factors hampering the development of innovations in the agricultural sector include reduction of domestic demand for food, reduction of government support for the agricultural sector state financing of scientific and technical programs, underdevelopment of the credit system, high-interest rates on loans, lack of innovative infrastructure and state innovation policy and strategy, insufficient level of training of personnel of agricultural organizations in the field of innovation

management. Another major obstacle to the transition of the agrarian economy to the path of innovative development is the acute shortage of qualified managers and specialists.

In today's economic conditions, the issue of finding sources of investment resources attraction, development of effective methods of managing these resources to improve the quality of the innovative component of agricultural production becomes important. In our opinion, it is possible to resolve these issues, provided that the investment strategy of the agricultural sector development is consistent with the innovation strategy [6]. This approach necessitates the consideration of investment and innovation as a single investment and innovation system, the effectiveness of which determines the extent and scale of economic development of the agricultural sector [1].

Is it possible to create a modern competitive agribusiness in Ukraine? The successful experience of individual farmers confirms that it is possible. And the main guarantee for this is the modern technologies of agribusiness management, and then the technologies are material, expressed in new technology, etc.

The first task that agro-owners have to solve is to rethink the problems of agribusiness functioning and its role in achieving shareholders' life values, shareholder interests and management. The important thing to keep in mind is that farming is also a business [8].

The investment-innovation component occupies a leading position in the economic security of the country, and ensuring the development of the economy based on the innovation-investment model requires increasing investment, which should be included in the strategic priorities of Ukraine's economic policy.

Reduced attention to addressing economic security problems has led to a decline in investment in the economy, a weakening of innovation activity, and a slowdown in economic development overall [19]. The innovation and investment sphere is one of the most sensitive components of economic development, which can respond instantly to the effects of external and internal factors of influence [11]. The value of the innovation-investment process in the conditions of economic transformation is steadily increasing due to the expansion of investment areas, a complication of the structure of the economy and the emergence of new economic threats.

The source of the innovative development of society is the man. To unlock the potential of active creative people, we need investments that are not enough in our country today and are often used inefficiently [13].

To solve this problem, Ukraine needs a forward-looking development strategy based on an investment-innovation policy that prioritizes investment in innovation - investment in human beings, science, technology and technology [17]. However, in recent decades, the system of support for innovation has not yet been formed repeatedly, which has caused irreparable damage to the participants of the innovation process and has discouraged potential new players from participating in the implementation of the results of scientific development. Instability of legislation, its interpretation, ineffective levers of support for participants in the innovation process, failure to comply with the rules of business, "shadow" schemes in economic relationships, low tax and innovation culture made legal innovation unprofitable, which for a long period from a long period sphere.

The creation of high-tech structures that are capable of ensuring the development of competitive products and attracting investments in the implementation of promising innovative projects should be a priority state task. This, in turn, will create favourable conditions for the production of innovative products with a high level of added value and will allow forming a complete closed cycle of renewal of industrial potential, in particular, of high-tech industries. Government support for innovative development should focus on creating an effective technology transfer system to commercialize new products promptly and promote their distribution on the market [12].

In the process of shaping the modern environment of innovative knowledge and technology, it is important to take advantage of a world-class experience. Thus, in the past, 36 technological platforms were created in the EU to accelerate economic development to address strategic objectives in key industries on an innovative basis and the principles of mutually beneficial partnership [2]. Platform participants were key industry and business entities, research institutes and universities, chambers of commerce, regional development agencies and technology transfer centres that facilitated the timely exchange of information on enhancing innovation activity and improving the investment climate. It is also important to step up work to bring together the disparate efforts of individual potential participants in the innovation process at the regional level. This involves defining the

priorities for the development of the region, structuring the business environment through the formation of technological platforms and the development of network innovation structures, in particular, clusters within which significant improvement of the interaction between science and production can be achieved [6].

Innovation requires the creation of favourable economic and social conditions to ensure its development in the long term, which implies, in particular, the enhancement of the role of universities in scientific and research activities [5].

Today, updating the technological base of the economy does not meet the requirements of increasing its competitiveness. Non-regulation of issues of protection of intellectual property objects, commercialization of research results negatively affects the economy, does not allow moving on the innovative way of its development. The domestic economy is dominated by low-tech industries. Accordingly, more than 90% of domestic production is represented by the 3rd and 4th technological structures. The underdevelopment of the innovation infrastructure leads to high costs associated with finding information on innovative developments and potential partners in the commercialization of innovation. It also adversely affects the search and attraction of investors to finance innovative projects [16].

There is insufficient legislative support for innovation in Ukraine. There are several reasons for this. They are, first and foremost, an underestimation of the role of innovation in ensuring economic development and, consequently, insufficient funding for science and high-tech industries. As a result, the opportunities for the structural restructuring of the economy based on increasing the share of high-tech industries of production and import substitution are lost [12].

To date, the protection of intellectual property rights in Ukraine is not effectively implemented; the legal conditions for the operation of venture capital are not provided; over-complicated procedures for creating individual entities; there are no legislatively established criteria for project innovation; insufficiently regulated issues of objective examination and competitive selection of innovative programs and projects to finance them from the budget. Significant inconsistency in the terminology of legislative acts makes it possible to interpret them ambiguously and distort statistical reporting in the field of innovation.

The state's position to support innovative activity should be realized through its active participation in [4]:

- creation of science infrastructure and information support system for scientific and technical activities;
- integration of education, science and production;
- training and advanced training of scientific personnel;
- raising the prestige of scientific and technical activities, support and encouragement of scientific youth;
- funding and financial support for the fundamental research;
- organization of scientific and technical trends forecasting innovative development for the long term and mid-term periods;
- support of priority directions of development of science and technology;
- creation of a market for scientific and technical products and implementation achievements of science;
- legal protection of intellectual property and creation of conditions for its effective use;
- stimulation of scientific and scientific-technical creativity, invention and innovative activity.

DISCUSSION

Factors that are holding back investment in the agricultural sector today include:

- imperfection and entanglement of existing legislation;
- high bureaucratization of innovation relations;
- dominance of advanced technologies, plant protection products and fertilizers of foreign origin, which complicates the entry into the market of domestic agro-innovations;
- a consequence of the previous factor, the low competitive advantages of domestic innovations in the international market.

At the same time, let us not forget that the above factors are acting equally negatively for all agricultural enterprises. For example, there are agricultural producers in the country who invest in advanced imported technologies and thus become competitive and profitable. The very fact of competitiveness and efficient business does not consist only of the most modern innovations and advanced technology. There are many examples where skilful investment management is profitable with less sophisticated technology. The key to this is also the organization of production, supply and sale of agricultural products, its quality and so on.

However, the innovation factor should not be ranked last in the formation of investment programs and projects. The fact is that today, most large farms are recent farms and state farms with virtually the same management, technology base and years of business tactics. It is in such circumstances that the innovation factor should play a key and decisive role in the investment process and help such farms to increase their competitiveness (of course, provided that other factors of agribusiness success are taken into account). Another question: what to do with the new advance equipment purchased how to effectively dispose of it? After all, every day of downtime of an expensive imported tractor or combine costs considerable losses on the money invested [3].

This issue already belongs to the new sphere and methods of organization of agricultural production, re-engineering and logistics and should also be taken into account as much as possible in the course of investment innovative activity. And in the course of applying such approaches, the above question turns into the following: what to sow on this tractor or to combine the costs to be efficient and the products produced by this technique to be highly profitable? Here, too, we observe interrelated processes with land use planning, land reclamation work, the emergence of new varieties of seeds, and more. Therefore, to plan the use of new equipment in the calculation of its rapid payback and productivity should not for one next year, but at least for several such years. This is necessary so that farmers can know in advance what they should be preparing for next season and how to work intensively on the ground [13].

CONCLUSIONS

Thus, the priorities for the development of investment and innovation processes in the agricultural sector should include:

- technological equipment of organizations of the agro-industrial complex;
- energy and resource-saving technologies for the production, storage and processing of agricultural products;
- reproduction of soil fertility, prevention of all types of their degradation, development of adaptive technologies of agroecosystems and agro landscapes;
- development of organic production of agriculture;
- creation of a modern system of information and infrastructural support of innovative activity in the agricultural sphere;
- development of state innovation policy and strategy at the national and regional level aimed at the development of advanced technological devices;
- formation of the organizational and economic mechanism of functioning of the agricultural sector on an innovative basis;
- strengthening of the role of state organizations in the activation of innovative activity;
- development of regional and municipal innovative programs for agricultural development;
- improvement of the system of training of personnel in the field of innovative activity, which provides for increasing the innovative activity of organizations and commercialization of the results of scientific research.

New approaches to innovation management should entail changing requirements for constraints that should not artificially impede the initiative of scientists, inventors, and entrepreneurs to commercialize and bring to market new competitive products. To create an institutional environment that integrates the components of the national innovation system, effective network production systems of innovative orientation should be created, and it is important to adjust the activity of innovation clusters to effectively implement the innovation cycle from idea generation to economic effect. They form the basis for intensifying the processes of idea generation, information sharing, and

expanding the use of best practices that reduce transaction costs and reduce time spent on decision making.

The practice of creating cluster networks demonstrates better financial support for innovative activity, the formation of modern infrastructure in this field and increase of the level of investment attractiveness of the region.

Practical implications. This article attempts to address the specific issues of information generation in accounting and internal reporting to ensure innovation management.

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