

# TRANSPARENCY OF INNOVATIVE ACTIVITY AS A CONDITION OF EXISTENCE AND DEVELOPMENT OF UKRAINE FOOD INDUSTRY

## ინოვაციური საქმიანობის ტრანსპარენტულობა, როგორც უკრაინის კვების მრეწველობის არსებობისა და განვითარების აუცილებელი პირობა

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### Abstract

Generalization of modern innovation patterns in the food industry in the system of international cooperation on the basis of a transparent innovation to determine the characteristics of its use on the territory of Ukraine is the main component in the presentation of the main article material.

In today's economy, transparency is the lead element of the strategy subject of food industry and its relations with stakeholders. In a broader sense the transparency means the effective communication and interaction between the management, on the one hand, and the shareholders, creditors, the media, other market agents, and even society as a whole - on the other. Openness is based on the amount of information provided by, and transparency on its qualitative characteristics such as understandability, relevance, reliability, richness of content, essence.

Innovative activity is an integral part of industrial and economic activities of the food industry, focused on the renovation and improvement of its productive forces, as well as organizational and economic relations. It aims at creating and engaging with the external environment of innovation processes, which would significantly increase the level of competitiveness, strengthen market positions, would ensure the development perspective.

Innovative activity in the food industry of Ukraine is affected by instability, lack of balance of financial sources, lack of clearly defined priorities, calls for significant actions at the state level and at the level of each individual in food industry. At the same time, in Ukraine there is a global trend of a balanced approach to the use of innovation to find new ideas. Too high level of transparency may adversely affect the company's long-term success in innovation, as it can lead to the loss of control and core competencies.

So, the main task of each subject of the food industry is to find the right balance between the use of the concept of transparency, innovation, whereby they are able to use all available tools to create successful products and services faster than their competitors, as well as build their own core competencies and intellectual property protection.

**Keywords:** *innovation, food industry, transparency, products, information transparency.*

### ანოტაცია.

საერთაშორისო თანამშრომლობის სისტემაში კვების მრეწველობაში არსებული ინოვაციური საქმიანობის კანონზომიერებების განზოგადება და თავისებურებების გამოვლენა, ასევე მათი გამოყენება უკრაინის ტერიტორიაზე წარმოადგენს მოცემული სტატიის ძირითად შემადგენელს (ლაიტმოტივს).

თანამედროვე ეკონომიკაში გამჭვირვალობა და მისი საქმიანი კავშირები დაინტერესებულ მხარეებთან წარმოადგენს კვების მრეწველობის სუბიექტის სტრატეგიის მნიშვნელოვან ელემენტს. უფრო ფართო გაგებით, ტრანსპარენტულობაში იგულისხმება ეფექტური კომუნიკაციის არსებობა და ურთიერთკავშირი ხელმძღვანელობას, ერთის მხრივ, და მეორეს მხრივ, აქციონერებს, კრედიტორებს, მასმედიის წარმომადგენლებს შორის. გახსნილობა ეფუძნება სუბიექტის მიერ წარმოდგენილი ინფორმაციის მოცულობას, ხოლო ტრანსპარენტულობა წარმოდგენილი ინფორმაციის ხარისხობრივ მაჩვენებლებს, ისეთებს, როგორებიცაა სიზუსტე, უტყუარობა, შინაარსი, არსიდროულობა და ა.შ..

ინოვაციური საქმიანობა წარმოადგენს კვების მრეწველობის საწარმოს სამეურნეო საქმიანობის განუყოფელ შემადგენელს, რომელიც ორიენტირებულია საწარმოო ძალების და ასევე საწარმოო –

ეკონომიკური ურთიერთობების განახლებასა და გაუმჯობესებაზე. ის მიმართულია გარე სამყაროდან ისეთი ინოვაციური პროცესების მოზიდვასა და შექმნაზე, რომლებიც შეძლებენ მნიშვნელოვნად აამაღლონ კონკურენტუნარიანობის დონე, განამტკიცონ საბაზრო პოზიციები, უზრუნველყონ შემდგომი განვითარების პერსპექტივა.

უკრაინის კვების მრეწველობის მრეწველობაში ინოვაციური საქმიანობა ხასიათდება არასტაბილურობით, ფინანსური წყაროების არასაკმარისი დაბალანსებულობით, მკვეტრად განსაზღვრული პრიორიტეტების არ არსებობით და მოითხოვს გარკვეული ზომების მიღებას სახელმწიფო დონეზე, ასევე კვების მრეწველობის თითოეული ცალკე აღებული საწარმოს დონეზე. ამავე დროს, ახალი იდეების მოძიებას ინოვაციების გამოყენების დროს უკრაინაში ადგილი აქვს გაწონასწორებულ, და ზოგადად მსოფლიოში მიღებულ აპრობირებულ მიდგომას. ზედმეტად ღია გახსნილობამ ძვირად ნეგატიურად იმოქმედოს კომპანიის გრძელვადიან წარმატებაზე საინოვაციო საქმიანობაში, ვინაიდან შეიძლება გამოიწვიოს კონტროლისა და საკვანძო კომპეტენციების დაკარგვა.

აქედან გამომდინარე, კვების მრეწველობის ყოველი სუბიექტისათვის, ძირითად ამოცანას წარმოადგენს სწორი ბალანსის მოძიება ტრანსპარენტული ინოვაციის კონცეფციის გამოყენებაში, რომლის დახმარებითაც მათ ექნებათ საშუალება გამოიყენონ ყველა მისაღები საშუალება წარმატებული პროდუქტის და მომსახურების შექმნაში, ასევე ააგონ საკუთარი საკვანძო კომპეტენციები და დაიცვან ინტელექტუალური საკუთრება.

**საკვანძო სიტყვები:** ინოვაციური საქმიანობა, კვების მრეწველობა, ტრანსპარენტულობა, პროდუქცია, საინფორმაციო გამჭვირვალობა.

**Problem statement.** As the mobility of experienced and professional experts as well as the proportion of workers with the higher education involved in the food industry is increasing the statement that the food industry should generate ideas and bring them to the stage of commercialization has been transformed under the influence of the concept of open innovations. Most companies actively use this position looking for the promising ideas outside their borders and to accommodate their own projects outside. Successful examples of this concept as well as risks and warnings facing in the introduction of new innovations can be considered in the implementation of the models of open innovations.

**Analysis of recent research and publications.** Theoretical problems related to the significant role of innovations in economic environment were always in the area of economists' interest. The issues of the innovations in modern theory and practice are highlighted in the works of national and foreign scientists such as I. Balabanov, I. Blanca, V. Bocharova, M. Butko, O. Volkov, V. Heytsya, A. Grinyova, S. Hutkevych, P. Drucker, S. Illyashenko, V. Ilchuk, N. Krasnokutske, T. Mayorov, A. Margolin, A. Mertens, P. Mykytyuk, S. Onyshko, A. Transplant, A. Suriname, R. Fatkhutdinova, V. Fedorenko, M. Hucheka, D. Chervanova, A. Skull, V. Shevchuk, S. Shkarleta, Y. Schumpeter, B. Shchukin and others.

Scientific problems of the economics of food industry and food companies are investigated by P. Borschevsky, L. Deyneko, A. Zayinchkovskyy, I. Irtysheva, D. Krisanov, P. Kupchak, P. Osipov, V. Pryadko, M. Sychevskii, T. Stroyko, N. Shadura-Nykyporets, and other Ukrainian scientists. However, despite the significant scientists' achievements in this area of research the impact of the external factors of the innova-

tions of the food industry in Ukraine has not been determined yet.

**The article aim** is to systematize the contemporary patterns of the innovations of the food industry in the international cooperation on the basis of transparent innovations and to identify their characteristics used in Ukraine.

**The main material.** According to the concept of the transparency in economic entities the transparency (from the Engl. Transparent) is the public environment in which the entity provides stakeholders by the rational information solutions in an open, full, timely and understandable form. In a broader sense the transparency means the providing of effective communication and interaction between management, on the one hand, and shareholders, creditors, media and other market agents and even society as a whole, on the other. Openness is based on the amount of information provided by the subject. The transparency has the quality characteristics such as understandability, relevance, reliability, consistency and materiality.

Transparency in modern concepts is defined as one of the theoretical efficiency in the open market conditions of the food industry. In modern economy transparency serves as the leading element of the strategy and the subject of the food industry in its relations with stakeholders.

Innovative activity is an integral part of industrial and economic activities of the food industry oriented towards updating and improving its productive forces, organizational and economic relations. It is aimed at the creating and the attracting of the external environment such as innovative processes that could significantly increase the level of the competitiveness, strengthen mar-

ket positions and ensure future development. Not sufficient level of the innovation activity of Ukrainian food industry is due to the following reasons:

- fragmented, inconsistent and incomplete economic transformation;
- focus on the investment economy of production but not on the intensification of innovation;
- the lack of the developed innovative infrastructure;
- focus on the import of high-tech equipment, lack of attention to the development of its own scientific and technical capacity;
- the lack of skilled management of innovation processes aimed at the improvement of the quality of food products, obtaining competitive advantages;
- imperfect instruments of legal regulation of innovation [1, p. 127-135].

The results of the state authorities towards im-

plementation of the necessary structural changes in the food industry promptly are failure: the technology gap deepens Ukraine from the developed countries. The decrease of innovative capacity in the food industry at a time when many promising ideas led to the fact that the way in which the subjects of the food industry find new ideas and go with them to the market is undergoing significant changes is apparent. The model of closed innovations that is the starting point of the belief that the subjects of the food industry should generate ideas, create the basis for a consumer product to go with it to the market and its distribution deal with funding only from its own resources has changed the model of open innovations. Comparing of the principles of closed and open innovations is in the Table 1.

Table 1.

**Principles of closed and open innovations in the food industry**

<i>Principles of closed innovations</i>	<i>Principles of open innovations</i>
1. Talented people working in the food industry work for us.	1. Not all talented people work for us. We need to interact with talented people who are both subject of our food industry and beyond.
2. To make a profit we have to make their own investigations, develop them to the level of product and bring to a final result.	2. Internal and external research can create significant value and developed work can get some of these values.
3. If we made the investigation independently we can first get out of it on the market.	3. It is not necessarily conduct the same research and results based on their profit.
4. The subject of the food industry, which displays the opening of the market firstly, wins.	4. Creating a better model of innovation processes of the food industry is more important than the first yield to market.
5. If we create the best ideas more independently we will win.	5. If we make the usage of internal and external ideas better we will win.
6. We have good control of our intellectual property to competitors not to use our ideas with the profit for themselves.	6. We must profit from the usage by others of our intellectual property and we will have to buy other intellectual property if it meets our business model.

Source: It has been formed by the author according to [2, p. 31-32].

The process of finding innovative solutions in the food industry has three stages:

- 1) internal program - to find a solution within the company;
- 2) strategic innovation partners - to find a solution among suppliers and external research partners;
- 3) world - find solutions using open networks [3, p. 155-163].

Ensuring transparency in the disclosure of information relating to changes in economic policy of the food industry is one of the requirements of the implementation of the Association Agreement between Ukraine and the European Union. These rules allow stakeholders to comment the draft legislation, request and receive information on any measures of the general application that are proposed and provide appropriate decision-making for effective action.

Action planning does not effectively carried out by the authorities including those responsible for the implementation of the economic policy in the food industry. Lack of information affects on the state innovation development of the food industry. As sharp changes in legislation (primarily the tax) the business risks increases and time does not allow changing the new rules with minimal loss [4].

Key innovation in the food industry is directly related to the financial condition of the company as at the present stage innovation financing more than 75% at the expense of own funds of enterprises, on the one hand, reduces the burden on the budget, and with the other, leads lack of funds to meet the requirements of scientific and technological progress. Technological backwardness of a number of food industry in Ukraine causes low productivity, high resource and energy intensity of production. Thus, along with the creation of

its own technology necessary to attract modern designs developed in other countries and their rapid development. According to this it is important to create the conditions for the deployment of innovative processes [5]. Along with the sectoral transformations in the food industry changes in the cost structure of food production greatly influenced by:

- \_ different rates increasing prices for different products;
- \_ constant updating range of food industry that was accompanied by a «washout» cheaper products and their replacement with higher quality and at higher prices;
- \_ increase in exports of domestic products and especially those companies using modern production technology, implemented quality management system and certified to the International Centre for certification;
- \_ output expansion of innovative products and the number of companies that received the status of «innovative» or close to it [6, p. 71-81].

Nowadays innovation performance is increasingly becoming crucial in determining the economic level of the state. Leading industrialized countries develop and implement innovative programs in priority scientific and technological areas, that is, in fact, in ways that can provide high profit margins. For Ukraine, which has a large number of industrial food enterprises that operate on outdated technology, and produce not competitive

on the world market production, modernization and reconstruction is a real opportunity to reach the best international standards in the production of foodstuffs [7, p. 117-122].

Innovative activity in the food industry is denoted Ukraine instability, lack of balance financial resources, lack of clearly defined priorities that require action at the state level and at the level of each entity of the food industry. At the same time Ukraine has a global trend balanced approach to the usage of innovation to inspire new ideas. Too high level of transparency may adversely affect the company's long-term success in innovation as it can lead to loss of control and core competencies. During the cooperation with external sources of ideas are on the way to use the concept of open innovation in the food industry.

**Conclusions.** Therefore, the main task of every subject of the food industry is looking for the right balance between the usage of the concept of transparency, innovation, whereby they have to use all available tools to create successful products and services faster than their competitors, and develop their own core competencies and intellectual property protection.

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