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Innovative changes of values of the public sector in the context of Ukraine's European choice

Annotation

The article researches basic principles of innovation as a factor of social sector in the process of global peace and Ukrainian European integration. The study reveals the basic parameters of the phenomenon of innovation in the economy and public sector, allowing them to reach an understanding of the theoretical, institutional, value changes. Using historical and genetic approach. It also determines that the innovation factor for the public sector accounts for its effectiveness. The authors outline the problem of social oriented innovation, which together with commercial and non-profit sectors and the state find collaborative solutions to achieve social welfare. Particular attention is paid to the social demand, social needs, social commitment. In addition, attention is paid to the issue of the purpose of innovation – creating market efficiency by maximizing the use of new technologies. The paper proved that for a better understanding of the role and importance of innovation in the public sector, it is necessary to take into account the value factors in conjunction with the economic, social and political life made it possible growth.

Keywords

innovation, innovative changes, social innovation, public sector values, European choice

1 Formulation of the problem

As the results of the study shows, expansion of the public sector in an unstable global world goes through innovative update of its activities, which will allow the redistribution of income between different social groups, contributing to the implementation of the principle of social justice. The concept of “innovation” that has many interpretations because of its constant evolution in the study was supplemented by the inclusion of social innovation - organizational, institutional, industrial, political and so on. This fact led to the inclusion of innovations in the sphere of economic services, which leads to the need for the use of innovation in the public sector. Because of innovations an independent object of study appears. To clarify, it is advisable to leave the basic methodological position that distinguishes the general concept of “innovation” between the economic concept of “innovation” that seeks to analyze the definition given in terms of purpose, method and means of influencing the development of social economy. The purpose of the application

of innovation in a market economy – to maximize profits in the public sector of the economy - the welfare and social security of citizens. This is especially important for Ukraine, as it implies initiate innovative areas of economic development to promote social welfare. The implementation of this task includes social innovation that activate the process of achieving the economic goals through the activities of the public sector. Innovative changes in the public sector as an object of theoretical economic analysis determine the cumulative effect on the economic welfare of citizens.

2 Analysis of recent research and publications

The problem of the impact of innovation on the change of values public sector, which is one of the central problems of macroeconomic policy becomes especially important in the modern world. Today the European and national scientific discourse actively debate to clarify the issues of innovation in the development of social economy as a specific type of economic policies to empower citizens to

provide public goods.

In the economic literature the problems of expanding the implementation process of innovative changes in the development of public sector is paid much attention that led to the emergence of a number of theoretical papers. They made an attempt to give a comprehensive analysis of the interaction with the social innovation sector of the economy. First of all noteworthy are scientific developments M. Franz, R. Lambert, B.A. Rayzberh, N.E Birtsdella, R. McMillan, B. Lindsey, T. Bestell, J.G Geltzer, S. Rosefield, D. Boyle and others.

Among special works of national scientists with problems of socio-economic features of the social economy in the context of innovation factor A. Halchynskiy, N. Fedirko, D. Ephraim, I. Manahovoyi, A. Golubeva, E. Sokolova, V. Ivanova and others are worth mentioning. However, the content and criteria of innovative changes in the public sector are treated both by foreign and domestic scientists either clearly enough, or with exaggeration of the influence of the state on the formation of public welfare criteria. This raises a number of discussions ranging from identification of the state public sector and innovation in the economy with innovations in production. The specified systematization necessitates theoretical approaches to the definition and conceptual foundations of influence of innovative changes on the development of social sector conditions and expanding the scope of social benefits in the context of the material dimensions of life.

3 The purpose of the article

Justification of theoretical base of trends and principles of expanding influence of innovative changes on the development of social economy in conditions of economic globalization instability.

4 Main findings

The public sector, like every economic, social and cultural phenomenon, is in the process of constant transformation. This means the process of innovation updates, as all economic activities of the public sector, which ultimately provide direction for the welfare of citizens, causes permanent emergence and implementation of social orientation of the economy, the direct and indirect regulation of social processes based on public policy income, expenditure, employment, price programs of education, health, culture and more. These processes are reflected in the innovative concept of "social development" and the state "universal welfare" developed in modern economic theory. In these concepts of social economy provides a "redistribution of income between different social groups, contributing to

the implementation of the principle of social justice [7]." It is assumed that in the context of innovation redistribution can increase overall welfare.

The problem of updating the public sector requires a precise definition of the term "innovation" that has many interpretations, but none of them can claim to be complete and unambiguous. One important reason for this is the fact that the meaning of the term "innovation" is constantly evolving. In the most famous determining the nature of innovation, given at the time Schumpeter, when it refers to five types of innovations: the production of fundamentally new product; implementation in the economic field new production technologies; development of new markets; gain access to new sources of raw materials and production resources; changing the characteristics of the sector.

Further definition of the problem "innovation" limited feature new products and processes that have commercial application, usually in the private sector. It is significant to M. Franz and Robert Lambert journal "Foresight": "Innovation – the introduction of new or significantly improved product (good or service), process, marketing the new method or a new organizational method in business practices, workplace or outside BC the relationships [1]."

The study definition of innovation was expanded by the inclusion of social innovation (organizational, institutional, political, etc.). Introduction of innovative technologies in the field of economic services led to the need for the use of innovation in the public sector, confirming their importance to improve its functioning. At the same time, it is necessary to characterize the place of the phenomenon of "innovation" in the public sector, which will reach the understanding of their targets – theoretical, industrial, institutional, value.

The popular in Western countries Collins Science dictionary said: "Innovations - a practical improvement and development of inventions in technology (innovation of production processes), or in products (innovation products) [8]." One of the most famous today encyclopedia B.A. Rayzberh and L.SH.Lofovskii states: "Innovation is an innovation in engineering, technology, labor and management, based on the use of science and excellence [5]." However, instead of explaining the term "innovation" is the concept of "innovation" is referred to. Thus, innovation (innovation) is a change in economic object with a certain economic purpose in a specified manner. Both these definitions of "innovation" raise the issue of target of production. However, in the first case, the production is considered in a wider version, with regard to the organization of labor and management, that is including not only technical criteria are. Organizational and managerial

innovation management and technology are regarded as belonging to the production stage.

The need for innovative renewal of public sector is due to its complexity. It arises primarily from the specific products that it produces. Firstly, most of the products are services for obtaining public benefits. Secondly, consumers of these services are not always separate individuals and organizations - in many cases the services provided are system-institutions.

The traditional approach to determining economic innovation largely involves their consideration because of the economic process. This understanding innovation is primarily associated with the practice of analysis in the context of production activities of private companies. In terms of John Hauknes, innovation in the public sector may include the production of material goods, all kinds of products, but "more often they involve the use of existing benefits, or implementation services, accompanied by organizational changes or new economic development policy [3]."

Innovating in economic output needs to define its goals and means. The purpose of the application of innovation in a market economy - to maximize profit. Therefore, economic efficiency (profit) – the main criterion for selecting innovation by an enterprise and the means chosen depend on the circumstances, time and conditions. Taking into account these clarifications, innovation is a product improvement, economic product, its production and sales (time to market), which increases the overall cost-effectiveness. At the same time, innovation ultimately enhances overall well-being, which is the purpose of the public sector. Based on the recognition that economic innovation is industrial-economic innovation in its system can incorporate the concept of "modernization", "modify" and "rationalizing" can be incorporated. They are ways and types of innovation processes.

Modernization development occurs at the expense of obtaining external intellectual and technological potential, innovative alternative costs. The criteria, which include the development of Ukraine ratio of modernization and innovation areas, should be cost effectiveness in terms of actual economic considerations and predictions, and strategic management. The latter involves augmenting legacy to preserve the possibility of initiating future for Ukraine traditional areas of innovation, to develop its potential for diversification.

Factor of innovation for public sector efficiency provides economic activity in achieving public goods. If you look at the history, the immediate source of Western welfare were innovations were in trade, technology and organization as well as the inclusion of the production is more labor, capital

and natural resources. Since the beginning of evolution of the industrial society, innovation has become an increasingly large and dominant feature of economic life. As Western European economies expanded, capital, spending on education, skills of workers increased, resulting in increased welfare. However, mostly such growth factors as production caused gradual creation of conditions for realization of innovations that were the cause, not the consequence of the accumulation of capital. Even a lower growth rate of population than the economic growth became possible only "through innovation in agricultural technology, as well as in several other areas, including health care - without which urbanization was complicated [6, p. 40]."

Today the European Union, which can serve as an example of implementation of programs of social welfare in innovation is a process, in which "organizations embody a new practice or technology, creating a new product (good or service), or adopt a new model of inter-organizational relationships (including the supply of goods and services) [2]." Therefore, Mr. McMillan indicates the procedural nature of innovation in the public sector: "By innovation we must understand the obligation (commitment) to think and act so as to promote continuous improvement through the identification, dissemination and adoption of creative (creative) ideas. Innovation should relate to public policy, administration and include new uses of existing knowledge and the creation and application of new knowledge [4]."

For the development of the social economy, equally important factor in the decision was the statement of innovative provisions of the system of markets that have become institutions in resolving conflicts of interest between companies, consumers and employees. Just as the company added to its more familiar role as a center of innovation producers, markets have added innovative features to its traditional role in the pricing and allocation of resources. Markets determine the successful innovators and their remuneration. Regarding governments, they are, if necessary, come to the rescue if it was about the public interest and in the case of research and implementation programs on the problems of the public sector – health care, providing social products, social housing and so on.

This fact distinguishes the problem of social oriented innovations for use where public, commercial and non-profit sector, the government cooperate in finding solutions and achieving common goals. The focus of social innovation, covering all socio-economic environment, "are not technology, but people, their attitudes, interests, needs and goals. Their main goal - with the help of new tools help solve certain social problems, carry social, cultural, moral effect, causing at the same

social and other changes [9].” Social innovation is a social relation to goals and means to achieve it are directly included into the structure of the public sector and its subsystems. To understand this problem is an example of Europe, defining assessment of the effectiveness of innovation.

To understand this problem is an example of Europe, determining evaluate the effectiveness of innovation companies such aspects as social demand and social need. In addition, the result of social innovations primarily related to the processes that change “related liabilities” and “relationship between the subjects. “Whereby European countries social innovations contribute to the implementation of changes capable to establish new relations between participants of innovation and other stakeholders.

Important for the Western system of economic growth was the need for social class that could affect innovation, which has this motivation or incentives to implement them. These incentives strengthened social ideas and are able to withstand the powerful social forces that do not want change, growth and innovation. Whatever the substantial individual interests within this class, all disagreements should be regularly addressed for the benefit of those interested in the changes. This fact explains the flow changes in the economic life of the West that distinguished the economy in the autonomous sector of public life, the spread of experimentation to address the technological, organizational and marketing problems and a huge increase in the diversity of forms of economic activity. Solving these problems at the expense of social innovations that stimulate the economic development of society, and at the same time ensuring public demand, which directly activates the development of the social sector in the processes of life.

The definition of innovation in the public sector may vary in activity in the same area, but in different areas. For example, the program supporting innovation (Innovation Award) in countries where innovations are widespread (particularly in the US) will use stricter definition of innovation, in contrast to countries where such initiatives are only beginning to be realized - the program will be more successful if be adopted less stringent definition of innovation. The definition of innovation will be different depending on the purpose for which they are used (social, political, cultural, economic, etc.). In this situation, innovation in the public sector can be represented as a process in which the context is economic development.

During consideration of innovation in the public sector, most authors used functional approach in its meaningful definition. There are several explanations. First, when comparing social innovation in different industries and countries

should be taken into account differences in the institutional system. Second, non-governmental organizations and institutions engaged and publicly funded services should be included in the theoretical analysis because of their role in the process of “diffusion of innovation”. Third, innovation in the public sector may result from the purchase and implementation of government-technology machinery and competencies developed in the private sector and private companies. In many cases, innovation in the public sector may taper product innovation process, when private and public institutions interact and cooperate.

For better understanding the role and importance of innovation in the public sector must take into account the value factors. In particular, long-term progress of scientific and technical knowledge could be transformed into continuous economic growth, an increase of public goods, if the societies in the West dominated the social consensus that promoted the introduction of new everyday. The fact that the practical opportunities for innovation are decentralized played an important role. This is made possible by another economic institution – economic freedom to create new enterprises and improvement of old and new markets. It is through specified institutional changes found development system values, which contributed to the development of social welfare. “Only in the twentieth century as the accumulation of wealth in the West is noticeable that growth benefited many people... No, poverty persists not quite... In the twentieth century as a result of continuous economic growth of the West there was a huge gap between his current wealth and past poverty, which had time is the fate of most of those who live [6, p. 23].”

Emphasizing the impact of innovation on technology that made possible the growth, the main figure is, firstly, the gradual growth factor, and secondly, the multiplicity of improvements in the knowledge making the cumulative impact on economic growth. All of these prepared the emergence of programs providing social welfare and conceptualized theoretical approaches to the social sector.

Obviously, in the current economic environment for companies that give effect of usefulness, innovation creates strategic advantages in the most important areas of competition. However, in the conditions of fierce competition, a corporation wins, which is not only produces new technologies more efficiently and can quickly develop and introduce them on the world market, but also brings certain benefits to society. The latter leads to the need to take into account the personality and value aspect, which manifests itself as a possible negative impact of psychological factors on the new level of perception.

This is a rejection of the innovation due to selfish behavior, limited to new estimates, which can be seen as a consequence of insufficient orientation of technical and technological development in the public interest and enhance economic motivation. In contrast singled out internal and external motivation to accept, change if they are focused on achieving social welfare. Innovation enjoys support if it leads to increased internal and external positive motivation activity and reduces external negative motivation. However, government policies need to support the development of social sector, which is the basis of achieving wealth and welfare.

5 Conclusions

Productive development of public sector with

necessarily includes innovative process. Analysis of innovation in the public sector shows the complexity and diversity of this phenomenon. Determining the instruments of the state policy aimed at stimulating the comprehensive development of innovations in the public sector, should be carried out only with regard to strict methodological features of studies conducted for this purpose. Obviously, a better idea of innovation can be obtained only through systematic monitoring of innovation processes, which is based on elaborate methodological framework analysis. Among the promising areas of research, analysis of the impact on innovation of features, institutional environment, identifying national characteristics of the dynamics of innovation in the public sector and the factors influencing these processes, support for innovation in the public sector.

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