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UDC 330.341.1:332.1

JEL Classification: R58, M21, O32

DOI: <http://doi.org/10.34025/2310-8185-2019-1.73.21>

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THE REASONS OF REGIONAL SUPPORT FOR INNOVATION IN SME

Summary

The market failures that are most often justify intervention in favor of SMEs, is imperfect information. Imperfect information almost always is associated with the start-businesses and empowers businesses to provide education, training and advisory services, as firms themselves fail to appreciate their contribution to the business.

Known example of a further manifestation of this failure is the fact that financial institutions are not able to accurately assess the risk associated with lending to small businesses and the rejection of their application limit the availability of funds and the growth of small companies. Correction of market failures often require collective intervention, for example strengthening investment in public goods (educated workforce and vocational training), increase the availability of new technologies.

Keywords: SMEs, innovation, market failures, innovative capacities, regional activities, credit risk/

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ПРИЧИНИ РЕГІОНАЛЬНОЇ ПІДТРИМКИ ІННОВАЦІЙ У МАЛИХ ТА СЕРЕДНІХ ПІДПРИЄМСТВАХ

Неточна інформація є недосконалістю ринку, яка найчастіше виправдовує втручання на користь малих і середніх підприємств (МСП). Недосконала інформація майже завжди пов'язана з початком бізнесу та дає можливість підприємствам надавати освітні, навчальні та консультаційні послуги, оскільки самі фірми не в змозі оцінити свій внесок у бізнес. Фінансові установи не в змозі точно оцінити ризик, пов'язаний з кредитуванням малого бізнесу і відмовою від їх застосування обмежити доступність коштів і зростання малих підприємств. Корекція ринкових невдач часто вимагає колективного втручання, наприклад, посилення інвестицій у суспільні блага (освічена робоча сила і професійне навчання), збільшення доступності нових технологій.

Ключові слова: МСП, інновації, ринкові збої, інноваційний потенціал, регіональна діяльність, кредитний ризик.

Small and medium-sized enterprises significant impact on the development of regions with which they are closely associated. In its activities often carry local specificities and bind to the area of economic, social and societal perspective. Low and medium business sector represents the local capital, local ownership and also because they have an irreplaceable role for the region.

For SMEs, it is clear that innovation is less own assets and resources, so they will be more dependent on the external environment that can help them in innovative activities. So that they can build their own innovative capacities of SMEs need access to external sources of information, knowledge and technology, either directly or by supporting institutions and networks at regional or national level. The scale of market failures that hamper innovation may vary depending on the undertaking, the type of activities and region.

SMEs are more affected market failures such as large enterprises, market failures affect newly-established firms.

The market failures that are most often justify intervention in favor of SMEs, is imperfect information. Imperfect information almost always is associated with the start-businesses and empowers businesses to provide education, training and advisory services, as firms themselves fail to appreciate their contribution to the business.

Known example of a further manifestation of this failure is the fact that financial institutions are not able to accurately assess the risk associated with lending to small businesses and the rejection of their application limit the availability of funds and the growth of small companies. Correction of market failures often require collective intervention, for example strengthening investment in public goods (educated workforce and vocational training), increase the availability of new technologies.

The structure of system failure, always a failure occurs infrastructure (technology and research and education) as the diffusion of knowledge is largely determined by the extent and quality of infrastructure. Especially information and communication technologies have become an important factor in the acquisition of knowledge as well as their dissemination not only at national but also global scale.

Another example of systemic failure is failure ,, knowledge "that occurs when small businesses do not have sufficient absorption capacity for the codification and implementation of new knowledge into their business activities.

One key factor for further dynamic development of small and medium-sized enterprises are innovation and implementing innovation processes. They determine the competitiveness of businesses in the ever-changing market conditions. Competitiveness of enterprises determines the overall competitiveness of the regions and also participates in building the country's competitiveness. It is in this area, SMEs may become the company most important players in economic and social development of the regions and the whole economy.

Important economic instrument towards the development and stabilization of the business sector and, consequently, an improved overall economic environment, the characteristics of which enable the rapid development, effective functioning and thereby improve the overall economic environment.

Since SMEs do not have the required amount of own capital to its establishment and the efficient development, have the opportunity to

benefit from, among other forms of support, financial support programs from the state and the European Union. These are among the most prevalent forms of assistance and support for low and medium business sector and in the Slovak Republic.

SMEs can't be regarded as a reduced reflections of large enterprises. Thanks to the specific features and character have entrepreneurs through its SMEs compared with large same potential competitive advantages and potential competitive disadvantages [3, s. 96]. Because of their actions represent small and medium enterprises form an integral part of developed economies. Their importance in the national economy can be viewed at two levels - in qualitative and quantitative terms.

Qualitative plane importance affects a wide range of national economic features that small and medium enterprises in the country's economy are met. Quantitative level national economic importance of small and medium-sized enterprises in turn related to their share in the total number of businesses operating in the national economy of the country, the creation of employment, GDP, value added and other economic indicators.

SMEs contribute to job creation - they are increasingly small enterprises, which are the main creators of new jobs. Contribute to economic growth - especially fast-growing businesses, business can also contribute to promoting social and economic cohesion of the regions whose development is lagging behind. Entrepreneurship is crucial to competitiveness - new business initiatives, improve productivity, increase competitive pressure, forcing other firms to react by improving activity or introducing innovation.

SMEs significantly influence the development of regions with which they are closely associated. In its activities often carry local specificities and bind to the area of economic, social and societal perspective [2, s. 54] low and medium business sector represents the local capital, local ownership and also because they have for the region irreplaceable.

From a quantitative point of view of small and medium-sized enterprises most dynamically developing micro-enterprises. You can be seen as a driver of national economies and regions, as they create favorable conditions for increasing employment, thus contributing to creating a better social environment. Their flexibility makes them suitable to become not only stabilizing but also stimulating regional factors. One key factor for further dynamic development of small and medium-sized enterprises are innovation and implementing innovation processes.

They determine the competitiveness of businesses in the ever-changing market conditions. Achieving competitive advantage in the market is one of the objectives of small and medium enterprises that are subject to the constant need for innovation. Competitiveness of enterprises determines the overall competitiveness of the regions and also participates in building the country's competitiveness [2, s. 55].

In the current business development have a significant presence eco-innovation and innovation in environmental policies. The idea of building a sustainable development of society without accepting the creation of eco-innovation and unrealistic. It is in this area, SMEs may become the company most important players in economic and social development of the regions and the whole economy.

The presence and intensity of market failures and system failures will probably not be the same in all regions, therefore regional interventions aimed at correcting them should depend on the specific circumstances of a particular region. Innovation SMEs also depends on the environment in which these businesses carry out their activities.

Programs aimed at supporting innovative projects in selected target groups, SMEs need to be added stimuli through which the business environment in the region will stimulate innovative activity of SMEs. Types of support activities, however, will vary depending on the region.

Availability of capital is an essential starting point for the new businesses. The acquisition of basic inputs - premises, equipment, staff and working capital - finance required. The efficient financial instruments to mitigate respectively. Removal of failures and market distortions caused by the relatively high level of credit risk, under capitalised SMEs, and small size of the economy and the unwillingness to bear risk include:

- Warranty scheme for loans to SMEs
- Schemes to support start-ups in financing activities related to the latest technology. A separate element in this group are venture capital funds
- Soft with preferential conditions for obtaining it (commercial banks).

Interventions in addition to financial support mainly focused on knowledge transfer and the provision of advisory support services for businesses. An alternative option to stimulate the creation of new businesses are oriented approaches to providing suitable premises connected to the necessary telecommunications and transport infrastructure, for example business incubators and science parks.

Incubators can be used as a tool of regional development and support for specific target groups starting entrepreneurs - innovators or locations - urban peripheries, rural areas and so on.

A favorable business environment at regional and local level also contribute to regional, resp. local support institutions providing undertaking, in particular consultancy and educational services. State action should create a level playing field for businesses in all regions, local authorities and supporting institutions (often created or jointly established by local authorities) within their competence have the option of steps countries complements and thanks to create a business environment appropriate to the particular needs of enterprises in its territory. The growing demand for knowledge are reflected in their activities by becoming ever more oriented to support technology and innovation.

In terms of the various limitations on the size of the share of SMEs in innovation undeniable. We think that SMEs have to innovate advantages in terms of their behavior, but limited in material terms. Advantages of SMEs when introducing innovation are associated with little bureaucracy, and formal effective system of internal communication, adaptability and flexibility. The problem with small businesses is the lack of technically qualified manpower, insufficient use of external information and experts, complicated access to finance, failure of risk spreading, the high cost of compliance with legislation.

Business opportunities are greater, as firms are innovations that are new to the market or in the world, but their costs and risks are greater. Big companies introduced more new innovations than SMEs, although in some countries, SMEs contributed to a significant part of innovation. The innovation capacity of companies also depends on the active links to knowledge, to consumers, suppliers and public sector institutions. This is the interconnection market knowledge and understanding of materials and equipment. Cooperation is therefore an integral part of innovative strategies for small and medium-sized enterprises as well as large enterprises. Geographic concentration of innovative companies creates significant node in innovation networks, therefore because such clusters provide hard and soft infrastructure for innovation and the conditions for a rapid flow of information.

Supporting institutions are well placed to prepare and implement measures supporting SME innovation activities, because they know the strengths and weaknesses of the innovation environment in the area where they operate. This type of intervention requires a new mindset, a proactive approach in assessing barriers restricting innovation activities in their territories and the implementation of appropriate procedures.

Public support for innovation in SMEs has traditionally been carried out through public institutions respectively. We concluded that the fundamental problem with this form of support for its excessive generality, determined by the Meeting, the low quality and effective use of funds. Missing systematic careful monitoring and treatment and interpretation of the effectiveness of support programs for SMEs and the state that are not relevant to their needs.

Strengthening the role of regional support institutions and programs requires a step forward in the approach to monitoring and evaluation of the impact of their interventions, whereas the importance of regional environment in innovative SMEs grow in the globalization process.

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УДК 314.74

JEL Classification: F22, O15, O52

DOI: <http://doi.org/10.34025/2310-8185-2019-1.73.22>

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ОСОБЛИВОСТІ МІГРАЦІЙНОЇ ПОЛІТИКИ У КРАЇНАХ ЄС

Анотація

Висвітлено сутність та визначено причини міграційних потоків у країни ЄС в умовах зростання глобалізації. Проаналізовано динаміку міграційних потоків робочої сили у країнах ЄС та фактори впливу на неї. Крім цього, наведено регіональний розподіл міжнародних мігрантів в ЄС, який свідчить про вдовolenість громадянами ЄС соціальними, політичними, економічними та екологічними факторами проживання у регіоні. Досліджено аспекти
