

Petro Ovchar, Natalia Kraus, Galyna Ivanyshyna, Stepan Holubka

Factors of the development of innovative economy in conditions of institutional changes

The necessity of a theoretical analysis of the institutional features of forming the national innovation system is substantiated. An attempt to uncover the institutional factors of forming and strategic priorities of development of the innovation economy, including institutional vacuum and improperly development of separate institutions and subsystems, which reduces the efficiency of the economic system as a whole.

Ukraine needs to go through the development of innovative, this will give businesses a competitive edge for obtaining economic profit. Going through innovative enterprises will receive economic benefits as a special form of production capacity, reduce the physical costs of production (less resource consumption) per unit compared to other producers in the area, or releasing products with features that are not in competition. The specified path is based on the creation of a businessperson technical, technological, and organizational advantage over other producers. In this case, the source of income that it receives, it is a temporary monopoly innovator.

Only institutional transformation at the stage of the innovation model of economic development will enable Ukraine to adapt it to the requirements of the global information society and the world to continuously improve the economic behavior of economic agents and the mechanisms of market self-production- industrial complex of Ukraine, Small and Medium Enterprises.

The reorientation to an innovative way of ensuring the competitiveness of the Ukrainian economy will require significant institutional changes in different spheres of social life. Particular attention should be paid to improve the institutions that are involved in innovative processes. An open economy will also contribute the competition, the maximum reduction of program barriers. Only institutional transformation at the making of the innovation model of economic development in Ukraine will enable adaption to the requirements of the global information world society and continuously improve the economic behavior of economic entities and the mechanisms of market self-production production and industrial complex of Ukraine, small and medium enterprises.

This can be achieved by creating an effective institutional framework defined hierarchy of values of the dominant traditions and laws (formal and informal rules) and moral standards. These aspects of the psychology entrepreneurial structures

must be based on practices creation, study and formal restructuring, including economic institutions. Good institutional hierarchical system allows for effective governance and regulation of innovative entrepreneurship, social functions and public institutions, providing communication between subjects of by risk enterprise, government, business and society.