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## **THE MECHANISM OF DEVELOPMENT OF INNOVATIVE ACTIVITY OF THE REGIONAL ECONOMIC SYSTEM**

The development of the mechanism of innovative activity of regional economic systems is investigated in the work. The author's definition of the definition of "innovation mechanism" is given. The regulatory-adaptive essence of the innovative mechanism of development of regional economic systems is determined. The most important functions of the innovation mechanism in the economic system, which are determined by its specifics, are studied. The basic conditions to which the innovative mechanism of regional economic systems must correspond are analyzed. The presence of three factors that act as necessary conditions for the effectiveness of the mechanism of innovation development in regional economic systems has been identified and proven. The mechanism of development of innovative activity is substantiated, which includes various possibilities of a choice and an estimation of efficiency of innovative development of regional economic systems and it is presented schematically in a "contour-modular" kind. A distinctive feature of economic systems of innovative type of development is a number of differentiated areas and a holistic system of knowledge about the effective strategy of functioning and transformation of any economic system. Today, the main factors in the development of the economic system are innovative, including - a new type of system technology, new technologies, new organization of labor and production, a new motivational system, entrepreneurship. These are the innovative components that together can transform the economic system in the region, updating the production apparatus, training and encouraging staff to use it effectively. In the context of the researched problems it is proved that it is necessary to study not so much the innovation mechanism in general, as the "innovation mechanism" as a special territorially localized way of reproduction of economic innovations, forms of integration of macroeconomic innovation cycles and innovation dynamics at the micro level. regional environment. The presented innovation mechanism and its practical implementation will contribute to the strengthening of innovation activity of the regional economic system.

**Key words:** innovations, innovative activity, mechanism, region, economic system.