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THEORETICAL APPROACHES TO THE ECONOMIC ESSENCE OF INNOVATION AND INNOVATIVE ACTIVITY

Scientific and technical progress as the most important factor of economic development is increasingly associated with the concept of the innovation process. This is a unique process that combines science, technology, economics, entrepreneurship, and management.

Researching the interconnection and interaction of 'new production - new technology' opens up broad possibilities for identifying important patterns in the development of innovations, their sources, determining factors, and corresponding socio-economic results.

The founder of the innovation theory, J. Schumpeter, considered innovation in dynamics, that is, as an innovative process, specifically the production of a new product, not a 'new' product; the implementation of a new method, not a 'new method'; entering a new market...; obtaining a new source of raw materials...; implementing realization.

The terms 'innovation' and 'innovation process' are very close but differ in content. In world economic literature, 'innovation' is interpreted as the transformation of potential scientific and technical progress into real progress embodied in new products and technologies. In English, 'innovation' means the introduction of something new, renewal. There are different views on the essence of innovation. Two approaches to the study of innovations can be distinguished: the process-transformation approach and the object-result approach.

Process-Transformational Approach – views innovation as a process of creating, transforming, implementing, utilizing, and disseminating opportunities and ideas. This includes qualitative elemental or fundamental changes to existing ideas, processes, outcomes, means, and production factors.

Object-Result Approach – considers innovation as an object that may encompass the inception of a new idea, approach, perspective, or result of intellectual work. It also

encompasses what is new and incorporated into use, as well as the final result of activities involving the creation, development, and implementation of ideas, processes, methods, or means embodied in a completed, ready-to-use form.

Table 1 – Systematization of approaches to the essence of the concept of innovation

Authors	Definitions
Process-Transformational Approach	
B. Twiss	The process by which an invention or idea becomes economic content
B. Santo	A social technical and economic process: practical use of ideas, inventions that that contribute to the creation of the best in their properties of products, technologies, focused on economic benefit, profit, additional profit, covers the entire range of activities from research and development and development to marketing
D. Tidd, D. Bessant	Innovation is the process of transforming opportunities into ideas, that are widely implemented in practice
R.M. Kanter	Innovation is the process of implementing any new idea that offers a solution to a problem. Innovative ideas, among others, include those aimed at restructuring production and reducing its cost, as well as the comprehensive assembly of complex technical products. Innovation is the conception, acceptance, and implementation of new ideas, processes, products, and services.
Y.N. Bazhal	Innovation as an economic category is a new production function; it is a change in production technology; a leap from the old production function to a new one.
F. Valenta	Innovations are changes in the original structure of a production organism, i.e. the transition of its internal structure to a new state
M. Huchek	Innovations are changes in engineering, technology, organization, environment, economy, and social life of an enterprise
D.M. Chervanov	Innovation is the process of bringing a scientific idea or technical invention to the stage of practical use that generates income, as well as the technical, economic and other changes in the social environment associated with this process
Object-Result Approach	
J. Schumpeter	Interprets innovation as a new scientific and organizational combination of production factors created by the by the entrepreneurial spirit
A. Perlaki	Innovation is one of the possible tools an enterprise can use to meet a new or better satisfy an existing social need
P.S. Khariv	Innovation is the result of innovation activity, reflected in the form of scientific, technical, organizational or socio-economic innovations, which can be obtained at any stage of the innovation process
J. Zaltman	Innovation is any idea, method of action or tangible product, that is considered new in terms of the components that play a significant role in the system where this innovation is implemented
P. Lemerl	An innovation is a new product or service, a method of production, innovations in organizational, financial, research, and other areas, research, and other areas, any improvement, that provides cost savings or an additional element for of the economy
O.V. Dekaliuk, A.A. Bereza	Innovations - newly created (applied) and/or improved competitive technologies, products or services, as well as organizational and technical solutions of production, administrative, commercial or other nature that significantly improve the structure and quality of production and (or) social sphere

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