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INNOVATIVE ACTIVITY AS THE SOURCE OF PRODUCTIVITY INCREASE IN THE INDUSTRIAL SECTOR

The source of productivity growth is innovation and the impact that competition has on it. Competition stimulates innovation [3]. In addition, the competitive environment helps to regulate the relations between owners and managers as efficiently as possible [6]. Many studies confirm the positive impact of market competition on the activity of enterprises [7; 5; 4]. The increase in its effectiveness as a result of the impact of competition is covered in numerous scientific works.

According to the founder of the evolutionary economic theory, J. Schumpeter, the main factor in the survival of enterprises in the market is the innovative activity of entrepreneurs, which is of direct importance because it helps enterprises to become stronger than their competitors and survive in the market [11].

Another factor in the economic behavior of an industrial enterprise is government intervention, which is the subject of active debate among researchers and politicians. Discriminatory government policies against public and private enterprises may be formalized barriers to activity in certain markets and relief in the regulation of particular markets.

Such actions of the state lead to decisions regarding the economic behavior of enterprises. The importance of differences in market conditions for public and private companies and their impact on business performance is confirmed by researchers [1; 2], empirically justifying the low efficiency of state-owned enterprises, above all the impact of the environment in which they operate, not just the influence of the type of ownership.

Although, the authors [10; 8] shows an increase in the profitability of privatized enterprises, most of the works do not confirm this result. It is reasonable to think that it is inappropriate to use profit as a valuation indicator. It can be an uncharacteristic characteristic of an enterprise in the short term, when the restructuring process is often associated with rising costs. It is well-known fact that the amount of taxable income is significantly reduced in countries with certain systemic economic and political problems, such as Ukraine. Therefore, profit can hardly serve as an adequate indicator of the efficiency of the work of a domestic industrial enterprise in the current conditions of military-political and economic crisis in the country, when the potential of both domestic consumptions of products and exports is significantly limited, especially in the industrial regions of Ukraine covered by military activities, industrial activities. enterprises which were mainly export oriented.

The statement [9] that "no change can be effective by itself" is indicative. The work on the complementarity of reforms [12] presents evidence for Ukraine that simultaneous changes in market structure, ownership structure and management of the enterprise ensure the maximum increase in production efficiency. Therefore, the simultaneous implementation of some reforms may enhance the individual positive effects of each of the factors influencing the economic behavior of the enterprise and contribute to maximizing the efficiency of the enterprise.

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